

ROYAL BRITISH LEGION POPPY FACTORY LIMITED

England & Wales · Charity number 225348

Details

Status Registered

Legal form Charitable company

Company number [00204405](#)

Registered 1964-05-11

Register [View on the Charity Commission register](#)

Contact

Address The R B L Poppy Factory
20 Petersham Road
Richmond
Surrey
TW10 6UR

Phone 02089403305

Email admin@poppyfactory.org

Website www.poppyfactory.org

Activities

Objects: FOR THE PUBLIC BENEFIT, THE RELIEF OF PERSONS WHO HAVE SERVED IN THE ARMED FORCES AND THEIR FAMILY MEMBERS, WHO ARE IN NEED BECAUSE OF HEALTH CONDITIONS OR OTHER BARRIERS TO EMPLOYMENT, IN PARTICULAR BUT NOT EXCLUSIVELY BY THE PROVISION OF TRAINING, SUPPORT AND ACTIVITIES TO ENABLE THEM TO GAIN MEANINGFUL EMPLOYMENT

Activities: The creation of paid, meaningful employment opportunities for ex-Service people, primarily disabled, together with their disabled dependants and widows/widowers.

Classification

- **How:** Makes Grants To Organisations, Provides Other Finance, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Economic/community Development/employment
- **Who:** People With Disabilities, Other Defined Groups

Geography

- Northern Ireland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-09-30	£4,767,358	£5,443,651	£30,294,061	57
2024-09-30	£4,599,960	£4,943,996	£29,972,512	51
2023-09-30	£4,544,207	£5,211,080	£35,278,716	63
2022-09-30	£4,090,121	£4,718,421	£34,368,120	58
2021-09-30	£4,128,630	£4,658,258	£34,905,557	60
2020-09-30	£4,321,809	£4,021,665	£34,098,424	62

Trustees

Name	Role	Appointed
Alistair James Kett		2018-11-23
Andrew Ian Fergusson Wishart		2018-07-13
CLIFFORD RODERICK STANTON DARE MBE		2017-11-24
Dr Sridevi Kalidindi		2018-04-01
Larry Brian Worrell		2023-04-27
Linda Janette Costello		2020-11-27
Martin Richard Hodgson		2023-08-16
Matthew Edward Jack Hubbard		2020-02-12
Professor Timothy John Hodgetts CB CBE DL		2021-04-28
Rachael Louise Taylor-Jenkins		2024-02-22
Simon Anthony Taylor		2017-11-24

ROYAL BRITISH LEGION POPPY FACTORY LIMITED

England & Wales - Charity number 225348

Accounts



ANNUAL REPORT & ACCOUNTS

To 30 September 2025

ROYAL BRITISH LEGION POPPY FACTORY
TRADING AS THE POPPY FACTORY



**THE
POPPY
FACTORY**

INTRODUCTION AND STATEMENT OF COMPLIANCE

The Board of Trustees (whose members are also trustees under charity law and directors under company law) presents its report and the audited financial statements for the year ended 30 September 2025. The report of the trustees incorporates the strategic report and directors' report.

Reference and administrative information, set out on the inside back cover, forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the United Kingdom and Republic of Ireland (FRS 102).

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REFLECTIONS ON A RECORD YEAR

PERSPECTIVES FROM OUR LEADERSHIP TEAM

AMANDA SHEPARD, CHIEF EXECUTIVE

Amanda leads day to day operations, making sure we deliver on our vision and strategy.

As a specialist employment charity for veterans and their families, helping secure employment is at the heart of what we do. This year we helped 1,240 veterans and family members, a record number.

In our Families Employment Service, we deepened and broadened our outreach and engagement to reach more families and more partners. It bore fruit with 91 families supported.

We invested in our Navigator service, offering specialist support to veterans experiencing isolation and poor mental or physical health. We also created more Employment Consultant roles, consolidating our services across England and Wales.

Partnership was a core capability and strategic priority for us this year. We worked with PTSD Resolution, and have begun work with DMWS to support bereaved military families. In London, we continued to lead the Thrive Together portfolio and we became an active member in other



regions too, building stronger networks and partnerships.

Achieving all this in just one year is something of which we can be proud. But the impact of our work will last much longer. With employment comes independence, resilience, connection and improved health. This brings long-term, positive change for veterans, and this is our core mission.

To build our capability and maximise our effectiveness, we began a strategic review and analysed the impact of our services. As we look forward to 2026, we remain fully committed to helping more veterans and their families lead purposeful, healthy lives after service.

ALISTAIR KETT, CHAIR

Alistair oversees our governance and board of trustees, so that our charity runs effectively and responsibly.

I am so proud that we have enjoyed another successful year, helping veterans and their families not simply to find a job, but connection and fulfilment through employment.

Underpinning everything we did this year was our updated charity strategy. It ensured we had the building blocks in place to put us on a firm foundation on which to grow.

We put an emphasis on governance, with modern, fit-for-purpose articles, so we could hold ourselves to account. We met ever higher standards through a board effectiveness exercise, and started to better leverage our assets.

Maximising our impact for the Armed Forces community remained our focus. As part of this we collaborated with others, creating stronger partnerships, to improve our funding and service delivery.

In 2026, we will mark the centenary of The Poppy Factory's arrival in Richmond. We plan to use this opportunity not just to celebrate our poppy-making heritage, but to showcase our evolution into a national specialist employment charity for veterans and their families.

We're delighted to have been chosen as one of two beneficiary charities for the Richmond May Ball. It is just one wonderful event, in what promises to be an exciting year.

Finally, on behalf of all trustees, staff and volunteers, I would like to offer our most sincere thanks to Surgeon Rear Admiral Lionel Jarvis, who retires after seven years' distinguished service as President and a further 11 years as a vice patron and committed supporter.

SURGEON REAR ADMIRAL LIONEL JARVIS, PRESIDENT

Lionel is our charity's lead ambassador. He will step down from his role early in 2026.

It has been a sincere pleasure to have been the lead ambassador for The Poppy Factory since 2018. I am honoured to pass the baton of President to Vice Admiral Sir David Steel KBE DL, and I have no doubt that he will be an inspiring leader.

I feel extremely privileged to have been part of this wonderful charity and to champion its unique role in Remembrance in events here and around the world. Just recently, I was honoured to lead the opening ceremony of the Field of Remembrance for the last time.

In my time at the charity, I have seen the special, longstanding partnership with the Royal British Legion grow. I hope that it will continue to develop further to better meet the evolving needs of today's Armed Forces community.

Though I am leaving The Poppy Factory in an official capacity, I shall always be a champion of the charity and the importance of Remembrance. I wish my successor all the very best in his new role.



OUR STRATEGY

PLANNING TO SUCCEED

We aim to help veterans with health conditions to live healthier, resilient, better connected and independent lives after Service.

To do this, our focus is on supporting members of the Armed Forces community facing challenges to overcome any obstacles on their path to employment.

This is an evolving strategy and we acknowledge there will be further ideas and refinements as we continue the planning and development process in 2026.

OUR STRATEGIC GOAL

To be the trusted and leading **specialist employment charity** for veterans and their families facing challenges.

WHAT ARE OUR STRATEGIC OBJECTIVES?

1. To develop strategic collaborations and partnerships.
2. To understand and serve younger veterans better.
3. To make earlier interventions for clients who experience challenges with employment.

HOW WILL WE MAKE IT HAPPEN?

Our people – the frontline services team are highly trained, client-led and go the extra mile. We will continue to refine our people strategy to make sure we have the right skills and experience for now and the future.

Reliable data – our objectives are underpinned by data, continually reviewed to ensure the work of our charity is delivered effectively based on identified need, and that we maximise impact and outcomes for our clients.

Strong finances – we have inherited assets that we now intend to leverage. We have developed strong grant funding and will now look to expand our fundraising. We will also make sure our services are sustainable, so we can continue to support growing numbers of veterans and families who face challenges on the path to employment.

Brand development – to ensure that veterans who need our support can find us more easily, and get support as early as possible, we are looking to further raise awareness of our services. By developing our identity and key messages, we aim to connect with more veterans, increase referrals and differentiate our charity.

WHAT ARE OUR VALUES AND APPROACH?

Adaptability – modifying our services and ways of working to be more effective and responsive to client need.

Collaboration – working in alliance with partners and across our charity is core to achieving more together for veterans and families.

Empowerment – seeking to enable veterans and families to lead purposeful, healthier, better-connected lives.

Sense of purpose – making a positive difference to the work and lives of those that face challenges in the Armed Forces community.

HOW DO WE MEASURE SUCCESS?

Employment – delivery of high quality, enhanced employment support, for veterans and families, much of it face to face in the community.

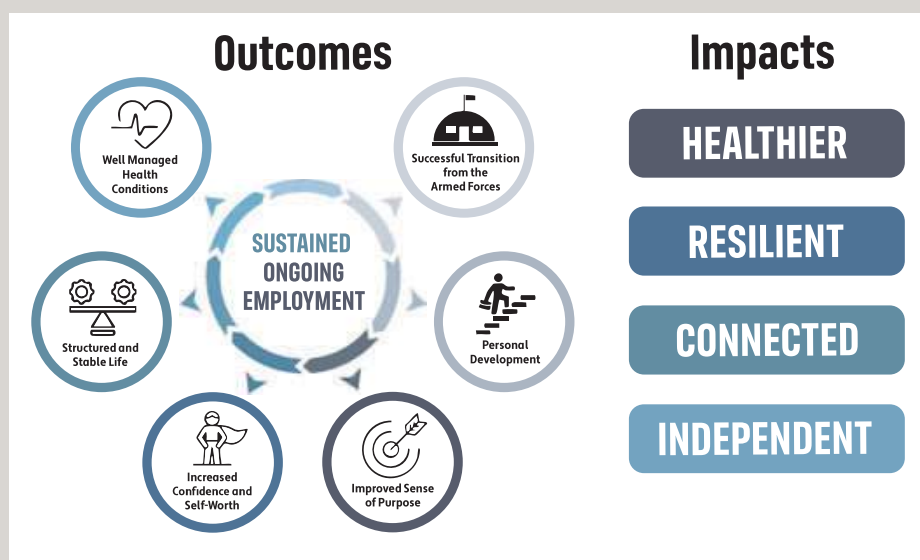
Partnerships – working proactively with like-minded partners, delivering real results and lasting impact and support for veterans and families, in a seamless way.

Support – using our particular expertise of removing obstacles for a cohort of veterans with health conditions who are, on average, 15 years from service.

Our Theory of Change

We continually analyse what we do as a charity to make change happen. Our model drills down into the activities, resources and skills we need, to deliver the outcomes our service users need.

We look beyond the direct, immediate or short-term results. Our focus is on the long-term, positive changes and impact of our services for veterans and their families.



HIGHLIGHTS OF THE YEAR

A RECORD YEAR FOR REACHING VETERANS

EXCEEDING TARGETS

With 1,240 veterans and family members supported this year, our impact reached a new high. Demand for our employment service continued to grow, with 613 new registrations, another all-time high. These veterans started 363 jobs, a 14 per cent increase.

The people we help typically face some of the most challenging situations in the Armed Forces community, from acute social isolation, anxiety and depression to alcohol and substance use, housing issues and financial difficulties.

MAKING CONNECTIONS

Thrive Together aims to build sustainable and resilient networks for the Armed Forces Community, working in ten regions across the UK. It brings organisations together to give members access to a wide range of support and opportunities.

For the second year running, The Poppy Factory was proud to lead the Thrive Together programme in London. Over the year our work grew and so did its impact. Our monthly email newsletter was packed full of courses, activities and information. Videos highlighting opportunities for veterans in the capital were watched by thousands online.

Our work expanded and we were partners in other Thrive Together regions too, including the East of England. Thanks go to The Armed Forces Covenant Fund Trust for funding this important work.

OPENING UP

We warmly welcomed a record number of visitors – over 4,100 – to our historic Richmond site this year. They enjoyed free entry on two open days, complete with guided tours of the production floor.

Our community connections widened as we took part in the Open House Festival for the first time. It's a London-wide celebration of the city's architecture, special places and neighbourhoods. Members of the public visited our factory to learn about our fascinating work and history.

Visitors in May saw bunting go up as we joined celebrations for the 80th anniversary of VE Day.



RESILIENT PARTNERSHIPS

During the year we welcomed new partnerships and strengthened existing ties.

Our oldest partnership, with the Royal British Legion, goes back more than 100 years. It remained as vital as ever, as we fulfilled our commitment to create Remembrance wreaths. We explored new opportunities to collaborate too.

In a new partnership, we joined forces with specialist charity PTSD Resolution. Together we helped more veterans and family members with mental health conditions to enjoy greater wellbeing and stability.

It was a pleasure to welcome new corporate partners alongside longstanding supporters. Everyone got behind our production effort and contributed important funding to deliver our Veteran and Family Services.



CELEBRATING DIVERSITY

Making sure our services are accessible and welcoming to all in our diverse Armed Forces community was a focus throughout the year.

We worked with Fighting with Pride to recruit a Veterans Community Worker who will connect with LGBTQ+ veterans.

We redoubled our efforts to create ties with other groups. These included veterans with Commonwealth heritage, young people, individuals who didn't have a positive experience in Service, and also neurodivergent veterans and family members.

This targeted outreach and engagement to embrace diversity will continue in 2026.



Harnessing Humour



An Armed Forces comedy course helped participant forge new friendships and find the therapeutic power of laughter.

Watch Deborah in action:
bit.ly/deborah-comedy

VETERANS EMPLOYMENT SERVICE



SIMON: THRIVING AND RESILIENT

Simon Garland Lo proudly served his country in the Royal Logistic Corps as a Movement Controller. When he left service in 2016, he was suffering from post-traumatic stress disorder. When everything came to a head, he came close to taking his own life

Fast-forward to today and Simon is flourishing in a new job and finding success in a new hobby. Read how our specialist employment support helped him get back on track for career success and personal pride.

FROM HIGH TO LOW

In the Royal Logistics Corps, Simon was a professional logistician. He was part of a team that kept army operations running smoothly, such as vehicles moving and helicopters flying.

When he left the military, he had post-traumatic stress disorder. He didn't know it at the time, but it soon came to a head. One night, he ended up sitting on a railway bridge, planning to take his own life. But he hadn't realised that the trains stopped running after midnight. "I was angry with myself that I couldn't even get that right. I got off the bridge and walked home," he said.

FINDING SPECIALIST HELP

The next day Simon called his GP, to ask for help. As a first step, Simon focused on improving his psychological wellbeing and found support through a service called Veterans in Mind.

Then they put Simon in touch with The Poppy Factory. Our role was to help Simon take the next step, back into work. He met one of our Employment Consultants, Andrew. “I went through different exercises with Andrew. We worked on my CV, looking at how changing a few words can make a big difference,” said Simon.

Simon was applying for all kinds of roles because he wanted to be in work. But he appreciated Andrew’s advice, to focus on what he really wanted to do, not to simply get a job.

“He was very supportive. I found I could talk about everything, and I realised I still had some value to offer,” said Simon. “As a result, I had three jobs offered to me, all for good roles.”

ONGOING EMPLOYMENT SUPPORT

Simon took a job at Merseyrail, as a Station Assistant. “As soon as I passed my probation I was recognised for having a strong work ethic. Later, I was given an award for helping someone who was in danger of taking their own life. Because of my own experience, I was able to relate to what he was going through. I was in the right place at the right time,” Simon said.

Though Simon had a job, Andrew was still his support network. When Simon applied for a promotion, he felt really well-equipped, as Andrew had helped him to prepare for the interview. “I nailed it and got the job,” said Simon. He is now working on a second promotion to work in Head Office.

LIFE OUTSIDE WORK

Because Simon finds confined spaces difficult, he likes the great outdoors and loves walking. He began to take photos along the way, and started



Veteran Simon, aged 46, is flourishing with a new job and enjoying his new-found hobby of photography.

to get good feedback. Andrew suggested that he should enter competitions and Simon ended up with some of his photos in a Royal Photographic Society exhibition.

His hobby was noticed by his employers too. It was part of his duty to always look around for safety issues on the platforms and trains. “Work has been asking me to take photos and some of those have been used on our social media channels,” he explained.

ENCOURAGING OTHERS

Simon believes that, if it wasn’t for Andrew, he wouldn’t be doing what he is now. He describes the difference between before and after coming to The Poppy Factory, as night and day. His advice to other veterans who are thinking about asking for help, is just to do it.

“ I found I could talk about everything, and I realised I still had some value to offer. ”

VETERAN AND FAMILY SERVICES UPDATE

Having expanded our services into different regions, we focused on establishing ourselves firmly in those places. It meant we reached more people than ever before – 1,240 people in 2024/25.

We analysed our activities by refreshing our Theory of Change. This model helps us measure the long-term positive impact of employment: improving health, independence, resilience and connection.

By strengthening existing links and forging new connections with partners, we ensured that veterans had access to a comprehensive and effective range of support.

VETERANS EMPLOYMENT SERVICE

We saw another record-breaking year for referrals, showing that demand for our specialist employment support is stronger than ever.

Many were referred to us through the NHS, the majority through their mental health specialist service for veterans, Op COURAGE. Compared to last year, we saw a 20% increase in referrals from other military charities, due to our outreach and engagement work across the regions.

We believe two factors have helped us grow our reputation. First, the consistently positive outcomes that we help veterans and family members achieve. Second, our steady focus on partnerships.

NAVIGATOR SERVICE

Our specialist service for veterans furthest from employment – offering six months of intensive one-to-one support to help build confidence and achieve clear goals.

We saw registrations double, with 83 veterans being referred for support. Navigator is now fully established in South Wales and in the North West (Cheshire and Merseyside). We further developed our services in Birmingham, the South Coast (Solent region) and in London.

We noted a trend of more veterans moving from Navigator to the Veterans Employment Service. Many would never have done so, if they hadn't been supported initially through Navigator. It demonstrates our long-term commitment to helping veterans secure employment through our services.

FAMILIES EMPLOYMENT SERVICE

More family members registered for support this year, 67 compared to 56 last year. The second half of the year was particularly strong, due to our outreach and engagement work. Referrals increasingly came from veterans and family members who have previously been supported themselves, a vote of confidence in our service.

Most of those supported were spouses or partners of veterans. But we saw an uptick in the proportion of adult children registering with the service, from 19 per cent to 24 per cent.

Overall, one third of the family members we supported had a health condition. Of those, physical health issues affected seven in 10 while half reported challenges around mental health.

The service continued to help family members enjoy new success. There were 27 job outcomes this year, and nine in 10 felt they had improved in key areas including developing better job search skills.

THRIVE TOGETHER

Thrive Together works to build sustainable and resilient support networks for the Armed Forces community in different regions. The Poppy Factory continued to lead Thrive Together in London and is a partner in the East of England region.

In our second year in London, we made excellent progress in all four areas of our strategic plan. The London Armed Forces Network grew in scale and influence, with professional membership increasing. We saw engagement continue to grow at meetings and online, through our well-read monthly email newsletter. Videos highlighting veteran activities helped bring the network to life.

Thrive Together also funded Navigator roles at Stoll (housing-focused), Defence Medical Welfare Service (health-focused) and The Poppy Factory (employment-focused). Collaboration across these three areas helps veterans to access a full range of support.

We expect our new partnerships outside London to become established and to grow too, with collaboration driving our work.



OUR IMPACT

THE BIG PICTURE

1,240 Veterans and Family Members supported in total

ACROSS OUR SERVICES

Number of individuals supported

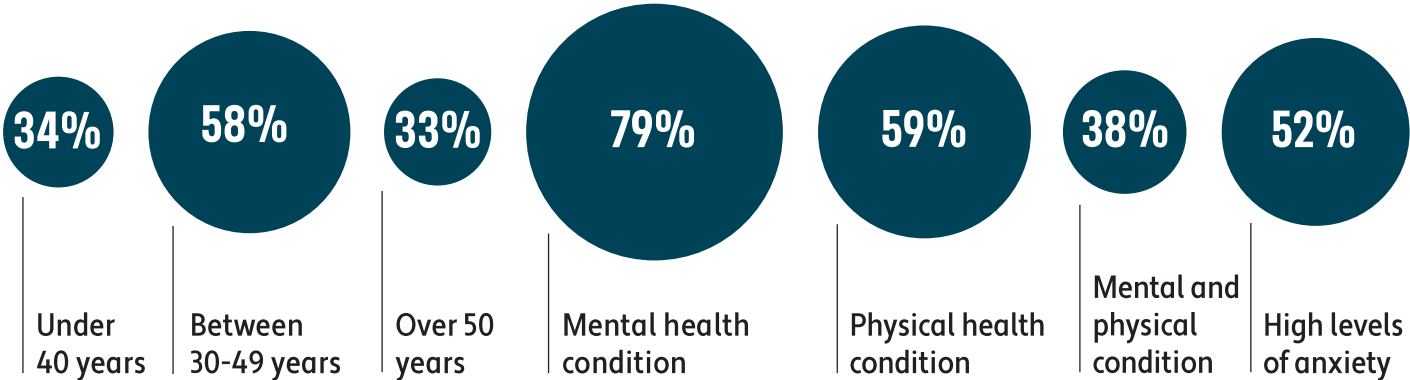
1,049 Veterans Employment Service

100 Navigator Service

91 Families Employment Service

VETERANS EMPLOYMENT SERVICE

Who came to us for support?



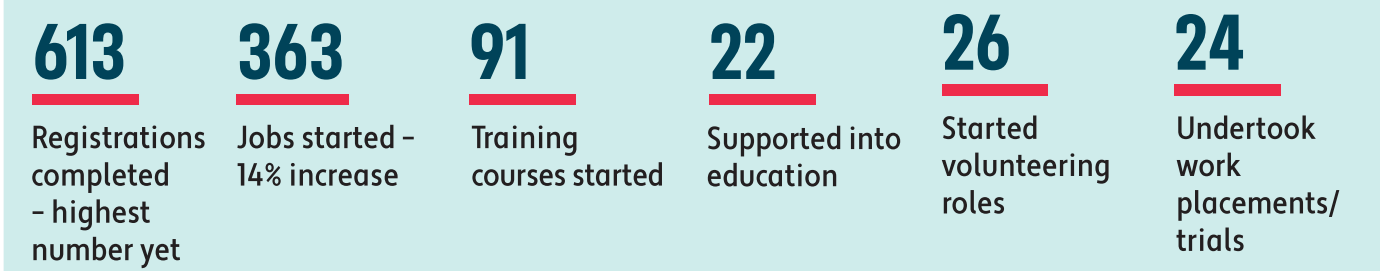
Average life satisfaction (ONS index)
Low 5.05 (745 Nationally)

Demand for our service continues to grow
New registrations:

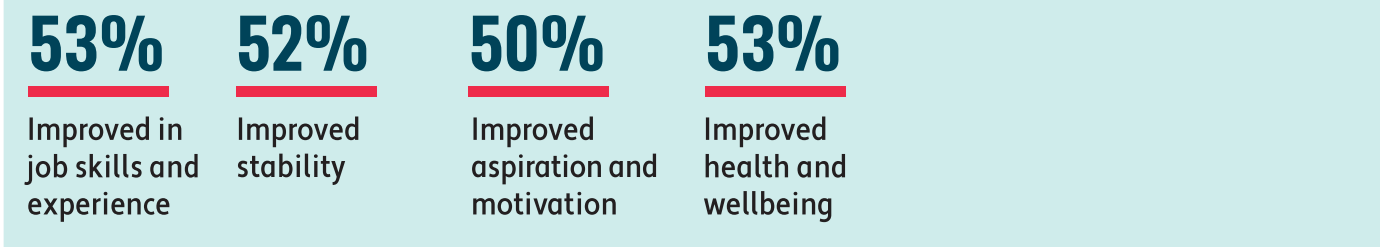
445	498	531	552
2020/21	2021/22	2022/23	2023/24
613			
2024/25			

838 Referrals
 20% increase on 2023/24 including from other charities, NHS services and Jobcentre Plus.

Outcomes: Financial stability, community and purpose



Outcomes: Health, wellbeing and confidence



NAVIGATOR SERVICE

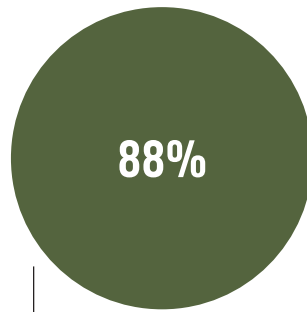
Growing service

4 new services launched
(Swansea, West Midlands,
South Hampshire and London)

Who came to us for support?

83 New service users

47 Average age at referral



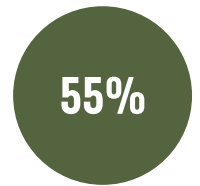
Mental health condition



Physical health condition



Mental and physical condition



High levels of anxiety

Average life satisfaction
(ONS index)

Low 4.59 (7.45 Nationally)

42%

Referred by the NHS

Including NHS Veterans
Wales and NHS Op COURAGE.

Outcomes: Financial stability, community and purpose

49%

Veterans achieved their primary goals for using the service

14%

Transferred to our employment service

7%

Have found work - of those who transferred to our employment service

50%

Improvement in housing situation

Outcomes: Health, wellbeing and confidence

82%

Improvement in trust and hope

77%

Improvement in identity and self esteem

71%

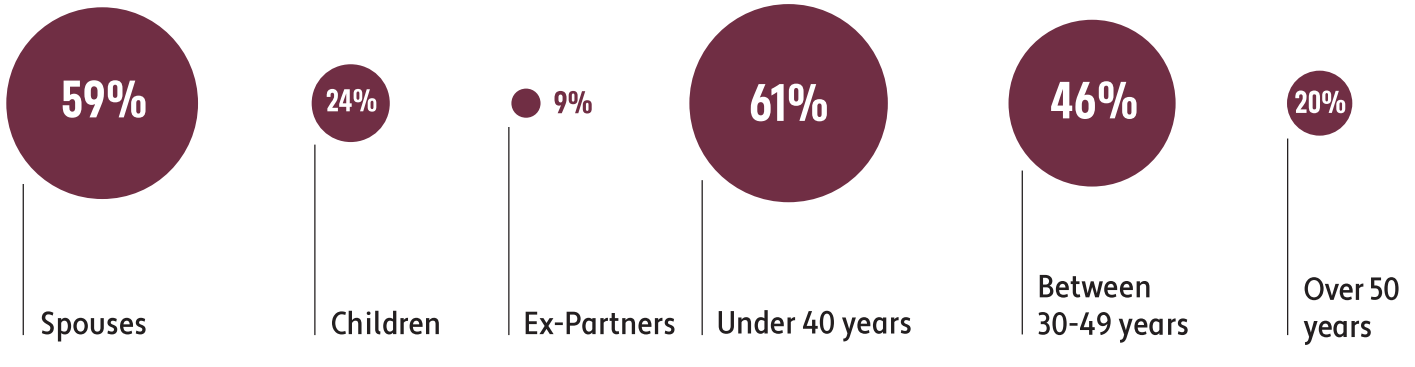
Improvement in use of time

78%

Improvement in managing mental health

FAMILIES EMPLOYMENT SERVICE

Who came to us for support?



57%

Unemployed when they register for support

Average life satisfaction (ONS index)

Average 6.4
(7.45 Nationally)

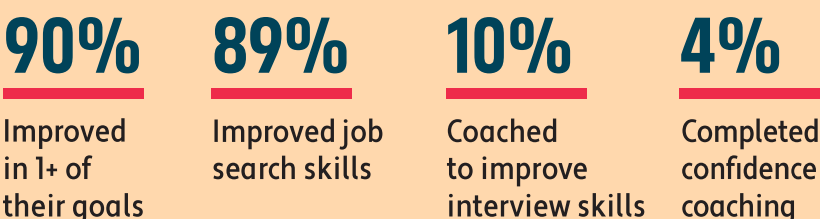
36%

Referred by The Ripple Pond
Our established partner

Outcomes: Financial stability, community and purpose



Outcomes: Health, wellbeing and confidence



ROOTED IN RICHMOND GROWING NATIONWIDE

As we prepare to celebrate 100 years in Richmond in 2026, we look back on how we've grown from a local direct employer of veterans into a national employment charity helping veterans and families facing challenges into civilian jobs.

BIRTH OF REMEMBRANCE

The first Poppy Appeal in the UK was held on 11 November 1921. It was a great success, with poppies initially supplied from France. The Royal British Legion was committed to finding a British supplier, ensuring that funds raised would be used to help veterans.

That supplier was Major George Howson, who saw the opportunity to employ wounded and injured veterans and established The Poppy Factory. At the time, he said: "It is a large responsibility and will be very difficult. If the experiment is successful it will be the start of an industry to employ 150 men. I do not think it can be a great success, but it is worth trying."

As we now know, it was. The first factory opened in June 1922 near Old Kent Road, south London. Within weeks, over 40 men were employed. In the first year, they made 30 million poppies, an enormous achievement by this fledgling veteran workforce.

MOVE TO RICHMOND

The factory quickly outgrew its premises and moved to Richmond. The new location meant George Howson could create a bespoke factory,





and also a special community, with housing and a social club for workers and their families.

The factory as we know it today was built in 1932. The size of The Poppy Factory's workforce grew year on year. Our mission continued through the second half of the 20th century, with veterans serving in later conflicts joining our team.

ADAPTING TO TODAY'S NEEDS

Over the years, our factory team continued its important work of creating the nation's poppy wreaths, crosses and tributes. But, like manufacturing in general, this work became more mechanised, and work opportunities changed.

To reach out and help more veterans on their journey towards employment, we started to expand our services in 2010. Nationally, we aimed to support 500 veterans into meaningful work by 2016, and reached this goal in 2015.

Today we're here for veterans and their families too. Our Veteran and Family Services are run from our Richmond headquarters, and we provide specialist employment support right across England and Wales. In 2024/25, we supported 1,240 veterans and family members.

LONG TERM, POSITIVE CHANGE

Looking back, George Howson saw the benefits to veterans in finding work, and also finding a sense of community. Today our charity has stayed true to its roots. We are geared to help service users not simply to 'find a job' but to change their lives for the long-term.

The people we support can face some of the most challenging situations in the Armed Forces community. But we're helping them feel independent, healthier, resilient and connected.





Celebrating Together

Throughout 2026, we are delighted that the people of Richmond will join us in celebrating our 100 years in the borough.

We planned a series of special autumn events in the lead up to our anniversary, including an exclusive ‘in conversation’ event with the author of a new novel, *The Poppy Girls*. The book tells the story of three teenagers who come of age during the Second World War while living on The Poppy Factory estate, where their veteran fathers are all employed making Remembrance wreaths.

We’re delighted to have been chosen as a beneficiary charity for the Richmond May Ball. Over the years, the event has raised well over a million pounds for over 20 local charities and we are grateful to be one of its chosen beneficiaries.



We’re pleased to have the support of local partners including the Museum of Richmond, Visit Richmond and Be Richmond, who are using poppies made in the factory for a promotional campaign in the town centre.

NAVIGATOR SERVICE



CREATING LONG-TERM POSITIVE CHANGE

When you've served in the forces, landing back in the civilian world can feel unfamiliar and unwelcoming. And you can bring challenges with you, that are hard to overcome. Read how our Navigator Service helped two veterans find their way to healthier, more resilient futures.

ROB'S STORY

Army veteran Rob McLaughlin served for four years in the Royal Engineers. When he left, he found life tough.

Alcohol can be a big part of Army life, but in civilian life there are no restrictions. "I took it to the extreme for 17 years and I was on a downward spiral," said Rob. He went through rehabilitation but still felt in a bad way.

Someone referred him to The Poppy Factory's Navigator Service, and he met his Navigator, Ben. "It was good to have someone who was a veteran himself and who wasn't a nurse or a doctor for a change. It was easier to talk to him," said Rob.

Rob has various personality disorders and mental health issues, including bipolar disorder and depression, and was very up and down. Rob admits that it made Ben's job harder.

But Ben kept in touch, ringing him and reassuring him that it was good to meet up and talk. "It never felt like he was forcing anything, it was whatever I wanted to do," said Rob.

Over time, Ben became someone Rob could lean on. He helped Rob to go through cognitive behavioural therapy. Now Rob is much more able to do things on his own.

Rob is thinking of starting a woodwork business, using skills he learned previously as a landscape gardener. "Ben helped me with my business plan and got me on a one-day seminar for people starting new businesses," Rob explained.

ROB'S AMBITION

"I'd like to work with other veterans and create a safe space where people can concentrate on their own projects, be in their own bubbles and take their mind off other things."

ROB'S ADVICE

“ Anyone out there who needs help should get in touch with The Poppy Factory, because they will help you. ”



help from other people is not something I would normally do," said Jack. But when he met Tracie from our Navigator Service, he found her very easy to talk to.

Jack had done boxing in the army and saw a job as coach at a local boxing gym. He had an interview to become a coach, but when he didn't hear back, he quickly put it behind him.

Tracie went back to them on his behalf and explained he had experience and had worked with children before. "That helped me get a foot in the door as a volunteer, and I'm hoping it can develop into a job," said Jack.

JACK'S AMBITION

In the meantime Jack decided to walk and jog 50 miles while carrying 50lbs throughout September. It's to help his mental health and importantly to raise funds for the boxing gym.

JACK'S ADVICE

“ I think it's important not to limit your challenges, but to challenge your limits. ”



JACK'S STORY

After serving nearly 20 years in the Army, Jack Jackson was discharged with post-traumatic stress disorder and struggled to adjust and find motivation in civilian life.

"I found it difficult to find a job where I feel I serve a purpose. I'm quite old school, so asking for

PRODUCTION 2025

We started making poppies in the 1920s and, 100 years on, veterans continued to work hard all year round to make Remembrance wreaths. Many of these are bespoke to regiments, units and organisations, and are laid in ceremonies here and all over the world.

In response to an increase in the order by the Royal British Legion, our Production team redoubled their efforts to meet demand for Remembrance wreaths, creating 93,800 items.

Once again, we proudly produced Royal and Special Wreaths for state visits and to lay at the Cenotaph in November and during the Cavalry Parade at Hyde Park in May.

In addition, we created three million crepe paper petals for the Royal Albert Hall petal drop at the Festival of Remembrance. This is a poignant moment when, during two minutes' silence, petals fall from the roof in memory of the fallen.

SOLEMN RESPECT

The grave of the Unknown Warrior in Westminster Abbey is a permanent honour to those who served in World War I, and whose bodies were never identified or recovered. While the tomb itself is made of marble, the poppies surrounding it are made of paper and are maintained by The Poppy Factory. During the year, we refurbished this surround, refreshing it with new poppies from our factory.

In May, His Majesty King Charles III laid a wreath from our factory at the Tomb of the Unknown Warrior in Ottawa, Canada. He was accompanied by Her Majesty Queen Camilla, who is the Patron of The Poppy Factory.

THANKS TO COLLEAGUES

We said goodbye to several retiring Production team members, including Forbes George after 46 years' service. We would like to thank each of them for their hard work and commitment. We were very sorry to lose our late colleague, production worker Kumud Patel, in October 2025.

Before retiring, our Production Manager Mark Young joined Director of Operations Debbie Boughtflower at the unveiling of a new plaque in memory of our founder, Major George Howson.

NEW MEMORIAL PLAQUE

The plaque, honouring the founder of The Poppy Factory, Major George Howson MC, was unveiled at St Mary The Virgin Church in Hambleden, Buckinghamshire. It is the place where he lived and is buried. Appropriately, the plaque features an intricate relief of red poppies to mark his role in establishing The Poppy Factory.

Production Manager Mark Young who unveiled the plaque said: "In just a few years, Major Howson pioneered employment support for veterans and built a unique factory community.

More than 100 years since our work began, we're very proud to still make Remembrance wreaths and poppies in Richmond, while helping hundreds of veterans and family members to change their lives."

THE FIELD OF REMEMBRANCE

Every November, The Poppy Factory organises the Field of Remembrance at Westminster Abbey to commemorate those who have lost their lives in the Armed Forces.

On 6 November 2025, 1,000 guests gathered for the opening of the Field of Remembrance, attended by Her Majesty The Queen. More than 40,000 tributes were laid out with care, attention and respect.

Thousands of crosses and symbols, with individual messages, combined in tribute to all those who gave their lives in the service of others. This tradition was established in 1928 by Major George Howson, founder of The Poppy Factory.

He felt strongly that ordinary servicemen and women, and the public, should have a dedicated place to remember their loved ones. It was he who suggested using land outside Westminster Abbey, which is now this place of collective memorial.

Thanks go to our dedicated team of workers and volunteers for their hard work in ensuring this important tradition is upheld. We extend our gratitude to the many groups of volunteers from our corporate partners, who helped to prepare for the Field of Remembrance this year.



Production work in numbers

93,800

wreaths

705,000

crosses and tributes of all faiths and none

105,700

large decorative poppies

17

production workers including special wreath makers

FAMILIES EMPLOYMENT SERVICE



HELPING **FI** FIND FINANCIAL INDEPENDENCE

Fi's husband Adam served in the military and then worked in the oil industry all over the world. When he developed a debilitating illness, Fi took on full responsibility of supporting their family.

Learn how our partners at The Ripple Pond gave her the support network she had been missing. And how The Poppy Factory helped further boost her confidence, and find the flexibility and job satisfaction she needed.

BEST LAID PLANS

Fi studied at university and planned to continue working and studying. Then her first child came along and her husband Adam was working abroad, so she suddenly had a lot on her plate.

But Adam became ill and could no longer work. On top of this, he was suffering with post-traumatic stress disorder from his time serving in the forces.

For Fi, supporting Adam and bringing up her children was a huge challenge. "The Ripple Pond and The Poppy Factory have both been an amazing help and support for me," Fi said.

THE RIPPLE EFFECT

The Ripple Pond have created a community for people like Fi where they are seen, heard and

supported. Often it's hard for partners of veterans to find the right information and support. "At times I've been tearing my hair out," said Fi.

Through The Ripple Pond, Fi connected with a group of other women who were affected in the same way. "Before that, I'd felt really alone. It was great to know they were there whenever I really needed them," she said.

BUILDING CONFIDENCE

With finances getting difficult, Fi needed to get back to work. It was tough to find a decently-paid job with the flexibility to fit around school runs and other challenges. "It wasn't easy. I felt completely overwhelmed," Fi said.

Meeting Sara at The Poppy Factory was a turning point for Fi. Sara is one of our Families Employment Specialists. They worked together to refresh Fi's CV and complete job applications. "Sara was so helpful and supportive. At that time, I didn't have much confidence in myself," said Fi.

A NEW DIRECTION

Because of the challenges her family had been through, Fi decided she wanted to work in mental health. With Sara's support that is exactly what happened. Fi is now working three days a week in mental health research and also as a case worker.

She is based at home which gives her the flexibility she needs. She is using new skills, and her experience and knowledge to help other people who are struggling.

OVERCOMING CHALLENGES

"I don't think I could have got here without all the good advice I've been given by Sara," said Fi. Sara helped her pull out her skills, draw on her experience and guide her through applications and interviews.

"Sara at The Poppy Factory has been fantastic. There have been times when I wasn't having a good day and she would always listen and check in with me. She helped me to look at my priorities to find a better work life balance," said Fi.



Fi is now supporting her family, with a part-time job in an area of work she loves.

“ I don't think I could have got here without all the good advice I've been given by Sara. ”

FUNDING OUR WORK

In this annual report, we share how The Poppy Factory is reaching more veterans and family members than ever before, with our specialist employment services.

To do this, we need to ensure our expanding services are well-resourced, sustainable and able to grow further. That's why we are incredibly grateful to our partners who have helped us meet our commitment through their fundraising.

The support of partner charities, companies, trusts and foundations – and donations from our supporters – goes directly to fund our Veteran and Family Services.

Whether it's through grants, funding, gifts in kind and other contributions, our partners make a direct impact on the lives of veterans and

their families. This is possible because income generated by our Richmond site, including the visitor centre, covers our support and administrative costs.

We are grateful to all our partners and supporters for everything they've done this year.



Apollo Management International LLP

BNY

The Childwick Trust

Goldman Sachs

The Grace Trust

The Lancashire Foundation

Medlock Charitable Trust

The Tallow Chandlers' Company

Thales

MILITARY CHARITIES

Teaming up with others who share our aims for veterans, makes our work even more impactful. We are proud to join forces, and grateful for the vital funding and expertise they provide.

We continued to work closely with the **Army Benevolent Fund** who provided a major grant towards delivering our employment services. It helped pay individual grants to veterans too, for training and other costs to advance their job search.

The Armed Forces Covenant Fund Trust supported our work to lead the Thrive Together Programme in London. They also gave us crucial project funding towards our Veterans Employment Service, Navigator Services and Families Employment Service.

CORPORATE PARTNERS

Our partners continued to bring energy and enthusiasm into their fundraising activities. Our Richmond headquarters was a source of inspiration, with employees taking part in volunteering sessions, and employers hiring our visitor centre and boardroom for off-site meetings.

It was wonderful to see colleagues fundraising together to help veterans into employment. And it reminded everyone that there's more to work than 'having a job'. It's about teamwork, purpose and camaraderie too.

All of these contributions are vital in funding our Veteran and Family Services. This year, we would like to thank PA Consulting and State Street who made major grants through their foundations. Their people also volunteered at our factory, the Field of Remembrance and pro bono support for specific projects.

TRUSTS

We were delighted to receive help from a wide range of supporters, towards our services as a whole or specific areas of work. A major new Veterans' Foundation grant helped us to expand the Navigator service into Southern Hampshire and Birmingham.

Overall, trusts and foundations provided vital contributions towards our veteran and families services. It helped people overcome barriers to work, thrive in civilian jobs and re-connect with their communities.

We would also like to thank NHS England for funding our Veterans Employment Service, in our NHS pilot areas in The Wirral and the South Coast.

FUNDRAISING CHAMPIONS

We are hugely grateful to all those supporters who chose to raise funds in groups or individually, and whose efforts helped veterans to change their lives through employment in 2024/25. Here are some examples of their inspirational fundraising achievements.

SPORTING TRIBUTE TO SOLDIER CRAIG

Every year a bowls competition is held in memory of Lance Corporal Craig Roberts. He was a young soldier who served in the Royal Anglian Regiment. He sadly died at the age of 24, during special forces training.

The Craig Roberts Memorial Invitation has now been running for 10 years and attracts top crown

green players from around the UK. This year its organisers, including Craig's dad Kelvin, donated the £1,500 raised to help The Poppy Factory support others in the Armed Forces community.

Kelvin said: "It was hard to come to terms with losing Craig, and it's comforting to know that the money we raise through this event will help to support veterans in moving forward."

We were honoured to receive this donation in memory of Craig, which will help veterans into employment.





A NEW HIGH FOR CARLY

Carly had a successful career in the Army, rising to the rank of Corporal. After leaving the Forces, she was diagnosed with post-traumatic stress disorder. Our employment service helped her back into work, where she found connection, purpose and resilience.

This came to the fore when Carly completed an epic challenge of trekking to Everest Base Camp. “To honour the support I’ve received, I raised funds for The Poppy Factory, a charity helping veterans and others with mental health challenges find meaningful employment. Their mission resonates deeply with me, as I understand the importance of purpose and community in recovery,” said Carly.

INSPIRATIONAL FUNDRAISER

In May a unique event took place at the University of London. It showcased the transformative effect of literature on health and wellbeing, while raising funds for The Poppy Factory and the charity Doctors in Distress.

At the event, Poetry as Medicine: The Healing Power of Bibliotherapy, we heard readings by two renowned doctor-poets. Major General Tim Hodgetts, CB, CBE, KHS, DL shared his personal experience in times of crisis and war over a 40 year career, while deployed on operations as an emergency and helicopter doctor and as a pioneering field hospital medical director.

Dr Ananta Dave, Chief Medical Officer for Black Country Integrated Care Board and Presidential Lead for Workforce Retention and Wellbeing at the Royal College of Psychiatrists, read from her own work illuminating the resilience of the human spirit.

Our thanks go to klip Global for organising this inspirational event. And to guests who helped raise vital funds to support our national specialist employment services for veterans.

RESPONSIBLE FUNDRAISING

When people fundraise for The Poppy Factory, they can be assured that we comply with the regulatory standards for fundraising, including being registered with the Fundraising Regulator. We follow all the requirements set out in the Charities Act 2016.

VETERANS EMPLOYMENT SERVICE



RAWNIE: FINDING A SENSE OF BELONGING

Rawnie Dewhirst was still a teenager when she served in Afghanistan at the height of the conflict. After leaving the Army, a demanding new career in veterinary care also took its toll on her mental health.

To make a fresh start, Rawnie moved to South Wales. Here she met Natasha from our Veterans Employment Service. We helped her connect with others and find the rewarding new job she was looking for.

TURBULENT TIMES

Rawnie admits that she didn't have the best start in life. She is dyslexic and has ADHD, and she found school tough. Joining the Army helped her learn a lot but, serving in Afghanistan, she saw a lot of death and destruction. It was hard in other ways too. As a woman, she experienced harassment and hostility.

When Rawnie left the Army, with post-traumatic stress disorder and physical injuries, she felt she had no help whatsoever. "I had no idea how to be an adult and do things like pay bills," she said.

TRYING TO SETTLE

But Rawnie dug in. She worked hard to get qualifications as a Registered Veterinary Nurse. It wasn't everything she hoped for. "People

do horrible things to animals. It can be very stressful,” she said. “I wasn’t in a good way and I had to take a step away from my career.”

Rawnie decided to move to South Wales where she found support with her mental health through the Monmouthshire Veteran’s Hub. They put in her touch with The Poppy Factory, and she met Natasha, one of our Employment Consultants.

GROWING IN CONFIDENCE

The first thing Natasha learned about Rawnie was that she loved to be outside in the garden. “I don’t think it’s possible to feel upset when you’re planting things and caring for things,” Rawnie told her.

So Natasha helped Rawnie enrol on a horticulture course. Rawnie learned how to rewild a pond, put up fences, look after horses and livestock. Through Natasha, Rawnie began to volunteer at Native Wales, a project for veterans, which offers landscaping, fencing, and planting services.

“It’s hard work helping there as a volunteer but I’ve learned a lot and it’s great fun,” said Rawnie. She built positive relationships and felt safe, working on a female veterans-only project, to grow fruit and vegetables.

MOVING INTO EMPLOYMENT

Now Rawnie has found her the ideal job, thanks to Natasha. Rawnie has started work as a bathroom and kitchen designer at a national DIY company. She’s working as part of a great team, and loves it.

Rawnie says she wouldn’t have had the confidence to do something different without Natasha’s help. It felt like she had a network of support. “A lot of veterans don’t like asking for help. But asking for help can make things that little bit easier.” said Rawnie.

VIEWPOINT: Natasha, Employment Consultant

“Working with Rawnie has been such a rewarding experience. When we first met, she was lacking in confidence and unsure of her next steps. Through open and honest conversations, we explored her skills, her passions, and the best ways I could support her.

One of the turning points was when she began volunteering with Native Wales. Seeing her confidence bloom and watch her believe in herself again, was amazing. Enrolling her on a horticulture course was another big step. It was inspiring to see her embrace it with growing confidence.

It’s been a real pleasure supporting Rawnie, helping her see just how many opportunities are out there for her, and giving her that gentle nudge when she needed it. Our meetings were always a highlight for me.”



FINANCIAL REVIEW

FINANCIAL PERFORMANCE

Summary

The Trustees determined to invest significantly in the Charity's national Veteran & Family Services this financial year. This was achieved through securing a higher level of largely fundraised grant income (£995k) and through a commitment from Trustees to draw on our own resources to meet sustained need in the veteran community. As a result of this uplift, a record number of the armed forces community facing challenges – over 1200 – were reached and supported. This successful delivery of the Veteran and Family Services accounted for the highest proportion of expenditure on charitable activities at £2,252k (2024: £1,888k).

The Poppy Factory is in the fortunate position to derive significant income of £1,758k (2024: £2,054k) from its residential and commercial real estates in Richmond; our heritage from our founder, Major George Howson. Performance was reduced in the year due to an unexpectedly high level of flat refurbishments. We also enjoy a consistent level of earned income from our visitor centre of £92k (2024: £91k). This rental and earned income further support our front-line services as well as the fundraising and central support costs of the organisation.

The Appeal Order income accounted for £1,518k of our charitable income (2024: £1,295k). The Appeal Order income is used exclusively to produce wreaths and symbols for The Royal British Legion. The income from the Appeal Order matches the costs of production and continues to provide direct employment for a small number of veterans.

At year-end, the Charity's general funds available for Trustees to invest in charitable activities had reduced slightly to £2.35m (2024: £2.42m).

In recent years, Trustees have authorised a level of planned deficits to carefully manage our reserves. This helps to reassure supporters and grant funders, particularly that the Charity is investing its own resources to maximise the delivery of its charitable activities.

Nonetheless, the Charity is focused on improving the yields from its real estate investments and on reducing central support costs to better fund the national service delivery.

Cash and liquid investments

The overall cash balance decreased by £316k to £1,103k. Including other investments, the total cash and liquid investments were £2,916k (2024: £3,040k).

INVESTMENTS

The objective is to ensure sustainable, increasing income from the Charity's investments, to cover our central costs and to contribute more to our Veteran and Family Services.

Investments

Our investment property comprises 48 flats that are rented on the open market, with rents set on professional advice from the Charity's letting agents.

These properties are carried on the balance sheet at their estimated market value, which at 30 September 2025 is £24.0m (2024: £23.2m). In estimating the value of the flats at the balance sheet date, the Trustees have assumed vacant possession. The Trustees applied a discount of up to 20% to each flat's estimated value to reflect what investors would likely pay at the balance sheet date, taking existing tenancies into account.

Fixed assets

The fixed assets include the main factory office buildings, where excess space is rented on a commercial basis, and residential flats on the Richmond estate that are let on a beneficiary basis, with an estimated historical cost of £255,001.

Other Investments

Surplus funds are invested with TrinityBridge (formerly Close Brothers Asset Management). The total funds increased by £192k to £1,813k. The return-on-investment objective is CPI plus 3% over the medium term, which was exceeded in the year, with a 12% gain (September 2025 CPI was 3.8%). The performance of our investment funds will continue to be monitored against industry benchmarks. The carrying value of investments is adjusted to market value at year-end.

GENERAL FUNDS AND RESERVES

The Poppy Factory is committed to maintaining a sustainable financial position to ensure the ongoing delivery of its charitable services and the operational requirements of the factory.

The Charity will maintain a minimum reserve level sufficient to support all operational activities, including the delivery of charitable services, the fulfilment of Poppy Appeal orders for The Royal British Legion, and the maintenance of the estate. Specifically, we aim to hold reserves equivalent to three months of operating costs, with an emphasis on financial resilience and sustainability.

Our target reserve level is set at £1 million. This has been determined based on a thorough assessment of our operational needs, the economic environment, and potential risks to our financial stability. By maintaining this level of reserves, we aim to ensure that we can continue to deliver our charitable objectives effectively, even in times of financial uncertainty.

The free reserves at 30 September 2025 are £2.35m. The Board of Trustees has approved planned investments in front-line services, and the free reserves are expected to be brought into line with the target reserve level within 2 years.

The Board of Trustees will regularly review the reserves policy to ensure it remains appropriate and aligned with our strategic objectives. This review will include an evaluation of our operational costs, funding sources, and external financial conditions, ensuring that our reserves remain sufficient to support our mission and commitments.

The Poppy Factory is dedicated to prudent financial management and the sustainability of our charitable activities. Our reserves policy reflects our commitment to being a responsible steward of donor funds and ensuring that we can respond effectively to the needs of those we serve. Based on the level of reserves held and future plans, the Trustees are satisfied that the financial statements are prepared on a going concern basis.

PRINCIPAL RISKS AND UNCERTAINTIES

To safeguard our financial health and the wellbeing of our staff and clients, we implement a robust risk management framework that identifies potential threats to our income and services, ensuring proactive measures are in place.

The changing risk landscape is monitored; the Executive team reviews the risk register each month, and the relevant committees review related risks. The key risks are presented to the Board of Trustees at each meeting.

The key risks identified for The Poppy Factory relate to:

- Safety and wellbeing of the veterans and family members we support, our staff and volunteers
- Sustainable net estate income
- Unexpected drop in fundraised income
- Cyber Security

People’s safety and wellbeing – Our clients may face complex personal circumstances that impact their health and wellbeing and, at times, pose risks to themselves and others. We have a comprehensive suite of procedures to ensure clients are supported safely and appropriately with referrals to specialist organisations where required. Our staff team have access to a wide variety of support to help with any challenges they may face, either with clients or individually, to limit the risk and ensure we offer effective support.

Sustainable net estate income – The Poppy Factory rents office space and residential units on a commercial basis. In the current office market, if tenants give notice, there may be a gap in occupancy and a decline in income. A strategic review of the office buildings has been commissioned, which is expected to be completed in 2026. We continue to review the office and residential options to ensure future, optimised, sustainable income.

Unexpected drop in fundraising income – increased pressure on grantmakers could lead to a decline in fundraising income. The Poppy Factory reviews and executes grant funder stewardship while researching new supporters and building our corporate partner income.

Cyber security – there is a risk that hackers gain unauthorised access to The Poppy Factory’s IT systems and install malware or ransomware, which could result in data access being inhibited or our IT systems being compromised. We continue to invest in cybersecurity measures, including Cyber Essentials Plus accreditation, which is renewed annually.

GUARANTEES

Members of the Charity guarantee to contribute an amount not exceeding £1 to the Charity’s assets in the event of its winding up. The total number of members at 30 September 2025 was 12 (2024: 12). The number of members is limited to members of the Board of Trustees only.

RESPONSIBLE FUNDRAISING

Our charity is registered with the Fundraising Regulator, and we are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice (2025). No complaints regarding fundraising were received during the year.



STRUCTURE AND GOVERNANCE

Legal Constitution

Royal British Legion Poppy Factory (The Poppy Factory) is a charitable company limited by guarantee, incorporated on 11 March 1925 and registered as a charity on 11 May 1964.

The company was established under a Memorandum of Association. New Articles were adopted and registered at Companies House on 24 April 2012 and amended by a special resolution, as registered at Companies House on 5 April 2017, 4 April 2024 and 4 August 2025.

Governance

The members of the Board of Trustees during the year are shown on the inside back cover. Members equate to directors in Companies Act terms and trustees in Charities Act terms.

New members are appointed as necessary, in order to give a wide breadth of experience to the organisation. They are recruited through a formal recruitment and selection process which includes a review of their Curriculum Vitae and interviews with members of the Board of Trustees. Induction of members is carried out by the CEO prior to the new member's first Board meeting. This encompasses:

- governing documents;
- members' responsibilities;
- mission statement;
- health and safety policy;
- operational and committee structures;
- audited financial statements;
- management accounts;
- strategic plan;
- key projects; and
- additional training is provided as required.

No benefits are received by members of the Board of Trustees.

Public Benefit

The Board of Trustees confirms that it has due regard to the provisions of section 17 of the Charities Act 2011 and has referred to the guidance contained in the Charity Commission's general guidance on public benefit, both when reviewing The Poppy Factory's aims and objectives and also in planning activities.

Objects and Activities

Our Articles set out that the Objects of our Charity are "for the public benefit, the relief of persons who have served in the armed forces and their family members, who are in need because of health conditions or other barriers to employment, in particular but not exclusively by the provision of training, support and activities to enable them to gain meaningful employment." The Poppy Factory does this by providing an employment service, and a Navigator service, to veterans with health conditions and their families, across England and Wales. We also provide paid work at our factory in Richmond, where men and women with health conditions who are connected to the Service have been making Remembrance products for over 100 years.

Remuneration of Key Management Personnel

The Trustees consider that the members of the Board of Trustees and the Senior Management Team comprise the key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis. All members give their time freely and no director received remuneration in the year. Details of directors' expenses are disclosed in note 19 (no director expenses were incurred in the year) and related party transactions are disclosed in note 19 of the financial statements. The pay of the Senior Management Team and all staff is reviewed annually and normally increased in accordance with average earnings to reflect a cost-of-living adjustment. In view of the nature of the Charity, the Trustees benchmark against pay levels in other charities. The remuneration benchmark is the mid-range for similar roles in similar-sized charities.

Management

The Board of Trustees meets four times a year or when required. The following committee structure has been approved by the members:

The Finance and Risk Committee, Estate Committee and Income Generation and Communications Committee, People, Pay and Culture Committee, Veteran and Family Services Committee.

The committees and various working groups all report to the Board meetings as part of the governance structure. The Board of Trustees agrees the strategic aims of the Charity, authorises the budget and approves the expenditure. The day-to-day running of the Charity is delegated to the CEO, Ms Amanda Shepard, who was appointed by the Board.

Statement of Trustees' Responsibilities

The Board of Trustees is responsible for preparing the Report and the Financial Statements in accordance with applicable laws and regulations. Company law requires the Board of Trustees to prepare financial statements for each financial year.

Under that law, the Board has elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the charitable company and of the surplus or deficit for that period. In preparing these financial statements we are required to:

- select suitable accounting policies and apply them consistently;
- observe methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charitable company will continue in operation.

We are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable it to ensure that the financial statements comply with the Companies Act 2006. We are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the members of the Board of Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the Charity's auditors are unaware; and
- all steps have been taken by members to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' Report, which includes the directors' report and strategic report, was approved by the Board of Trustees on 30 January 2026 and is signed on its behalf by:

A. Kett
Chair


Aislinn Kett (Feb 25, 2026 13:49:04 GMT)

INDEPENDENT AUDITOR'S REPORT

OPINION

We have audited the financial statements of Royal British Legion Poppy Factory for the year ended 30 September 2025, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including 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 charitable company's state of affairs as at 30 September 2025 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

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 charitable company 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 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 charitable company'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 during 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.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report. We have nothing to report in respect of the following matters where the Companies 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Responsibilities of the Council, set out on page 37, the Trustees (who are also directors of the charitable company for the purposes of company law) 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative to do so.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditors under the Companies Act 2006 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 auditor's 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 charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

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 company's record of any breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company'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/ auditors responsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Helen Wilkie

Helen Wilkie

Date: 25/02/2026

(Senior Statutory Auditor)

for and on behalf of Saffery LLP

71 Queen Victoria Street London EC4V 4BE

Statutory Auditors

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

STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 30 SEPTEMBER 2025

(Incorporating the income and expenditure account)

	Notes	Unrestricted £	Designated building fund £	Restricted £	2025 £	2024 £
INCOME FROM:						
Charitable activities	2	1,636,551	–	367,895	2,004,446	1,666,461
Donations and legacies	3	283,170	–	711,877	995,047	891,678
Other trading activities	4	91,787	–	–	91,787	90,637
Investments, including property	5	1,674,963	–	1,115	1,676,078	1,951,184
Total income		3,686,471	–	1,080,887	4,767,358	4,599,960
EXPENDITURE ON:						
Charitable activities	6					
Veteran and Family Services		1,284,724	126,835	840,064	2,251,623	1,887,920
Other, including Appeal Order		1,659,026	147,488	268,718	2,075,232	1,646,184
		2,943,750	274,323	1,108,782	4,326,855	3,534,104
Raising funds	6					
Donations and legacies		138,081	–	–	138,081	159,422
Other trading activities		96,970	116,987	–	213,957	217,675
Investments, including property		764,758	–	–	764,758	1,032,795
		999,809	116,987	–	1,116,796	1,409,892
Total expenditure		3,943,559	391,310	1,108,782	5,443,651	4,943,996
Net expenditure before gains and losses on investments		(257,088)	(391,310)	(27,895)	(676,293)	(344,036)
Other recognised gains/(losses)						
Revaluation of investment property	11	806,000	–	–	806,000	(5,136,000)
Gains on investments	18	191,842	–	–	191,842	173,832
Net income/(expenditure)		740,754	(391,310)	(27,895)	321,549	(5,306,204)
Total funds brought forward	18	25,595,141	4,077,161	300,210	29,972,512	35,278,716
Total funds carried forward		26,335,895	3,685,851	272,315	30,294,061	29,972,512

The notes on pages 45 to 56 form part of these financial statements.

All the above results are derived from continuing activities. There are no other recognised gains or losses other than those stated above. The details of income and expenditure by fund for 2024 are given in note 21.

BALANCE SHEET AT 30 SEPTEMBER 2025

	Notes	2025 £	2025 £	2024 £	2024 £
FIXED ASSETS					
Tangible fixed assets	10		3,685,851		4,077,161
Investment properties	11		23,985,000		23,179,000
Other investments	12		1,812,546		1,620,704
TOTAL FIXED ASSETS			29,483,397		28,876,865
CURRENT ASSETS					
Stock	13	105,927		147,374	
Debtors	14	307,527		143,859	
Short-term deposits		183,160		664,670	
Cash at bank and in hand		867,365		699,750	
TOTAL CURRENT ASSETS		1,463,979		1,655,653	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	15	(653,315)		(560,006)	
NET CURRENT ASSETS			810,664		1,095,647
NET ASSETS	17		30,294,061		29,972,512
FUNDS OF THE CHARITY					
Restricted funds	18		272,315		300,210
Unrestricted funds					
Revaluation reserve			23,985,000		23,179,000
Designated funds			3,685,851		4,077,161
General funds			2,350,895		2,416,141
Total unrestricted funds			30,021,746		29,672,302
TOTAL FUNDS			30,294,061		29,972,512

These financial statements were approved by the Board of Trustees of Royal British Legion Poppy Factory, Company number 00204405 (England and Wales) and signed on its behalf by:



A Kett (Feb 25, 2026 13:49:04 GMT)

A Kett
Chairman

Date: 25/02/2026

CASH FLOW STATEMENT FOR YEAR ENDED 30 SEPTEMBER 2025

	2025 £	2024 £
Reconciliation of net income to cash flow from operating activities		
Net income/(expenditure) for the period	321,549	(5,306,204)
(Gains)/losses on investments	(997,842)	4,962,168
Increase/(decrease) in debtors	(163,668)	85,621
Decrease/(increase) in stock	41,448	(49,330)
Increase/(decrease) in creditors	93,308	43,160
Dividends and interest	(36,623)	(18,948)
Depreciation	391,310	392,626
Net cash (used in)/generated by operating activities	(350,518)	109,093
Cash flows from operating activities	(350,518)	109,093
Cash flows from investing activities		
Interest income	36,623	18,948
Purchase of investments	(2,289)	28,516
Net cash provided by/(used in) investing activities	34,334	47,464
(Decrease)/increase in cash and cash equivalents	(316,184)	156,557
Cash and cash equivalents at the beginning of the reporting period	1,419,679	1,263,122
Cash and cash equivalents at the end of the reporting period	1,103,495	1,419,679

NOTES TO THE CASH FLOW STATEMENT

	2025 £	2024 £
Analysis of cash and cash equivalents		
Short term deposits	183,160	664,670
Cash at bank and in hand	867,365	699,750
Cash held as part of the investment portfolio (note 12)	52,970	55,259
	1,103,495	1,419,679

Analysis of changes in net funds	1 October 2024 £	Cash Flows £	30 September 2025 £
Cash and cash equivalents			
Cash	1,419,679	(316,184)	1,103,495
Total	1,419,679	(316,184)	1,103,495

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

General Information

The Charity is a private company, limited by guarantee, registered in England and Wales. The registered office and company details are shown on page 58.

Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second edition) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note, and they are rounded to the nearest £.

The Charity meets the definition of a public benefit entity under FRS 102.

Going Concern

Following a review of our financial position, reserve policies and plans, the Board of Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern for the foreseeable future, being a period of at least a year from the date the financial statements are signed.

Income Recognition

Income from donations and legacies is included in full in the statement of financial activities when the Charity is entitled to the income, the amount is measurable, and it is likely to be received. Unrestricted income for the Appeal Order matches the unrestricted expenditure for that activity, as the Royal British Legion covers the cost of production. Volunteer time is not included in the financial statements.

Grants are included in the statement of financial activities in the year in which they meet the conditions of recognition.

Expenditure

Expenditure is recognised in the period to which it relates. Expenditure includes attributable VAT, to the extent that it cannot be recovered. Expenditure is allocated to the activity for which the cost directly relates.

Support costs are administrative costs, including the provision of services for the benefit of Appeal Order staff and are charged as incurred based on the specific usage; where an allocation is necessary, an appropriate basis, such as staff cost, staff numbers or floor space, has been used.

Costs of Raising Funds

Expenditure on raising funds relates to the costs incurred by the Charity in raising funds for charitable work. This includes costs associated with investment properties, rented office space, running the visitor centre and raising voluntary income.

Fixed Assets

Depreciation is provided at rates calculated to write down the cost or revalued amount of tangible fixed assets, other than land, to their estimated residual value evenly over their expected useful lives. The depreciation rates in use are as follows:

	Per annum
Furniture and equipment	15% - 34%
Plant	20%
Building Refurbishment	3% - 10%

Items of equipment are capitalised if the purchase price exceeds £5,000, except for computer equipment, which is expensed in the year. Expenditure related to the maintenance of the estate is expensed as incurred. Depreciation costs are allocated to activities based on the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value or value in use.

Freehold land and buildings include occupied excess office space and beneficiary flats. No depreciation is charged on land.

Operating Leases

Rentals for assets held under operating leases are charged to the Statement of Financial Activities as they become payable.

Fund Accounting

Restricted funds are to be used for the specific purposes set out by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity.

Designated funds are unrestricted funds allocated by the Board of Trustees for specific purposes.

Fixed Asset Investments

Investment property is shown at market value. The difference between historical cost and valuation is included within the revaluation reserve. The value of investment property is reviewed every year, with any gain or loss for the year being taken to the statement of financial activities.

Other investments are shown at market value as at the balance sheet date, with any gain or loss for the year recorded in the statement of financial activities.

Stocks

Stock is stated at the lower of cost and net realisable value. Cost is determined on a first-in-first-out basis and includes transport and handling costs. Net realisable value is the price at which stock can be sold in the normal course of business after allowing for the costs of realisation.

Debtors

Short-term debtors are measured at transaction price, less any impairment.

Creditors

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably.

Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors, are initially recognised at transaction value and, subsequently, are measured at their settlement value.

Pensions

The charity makes pension contributions to the employees' personal pension plans.

Critical Accounting Judgements and Estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Charity's accounting policies, the reported assets, liabilities, income and expenditure, and the disclosures made in the financial statements. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are considered reasonable under the circumstances.

The significant accounting estimates with a significant risk of material change to the carrying value of assets and liabilities within the next year are:

The valuation of the investment properties – refer to note 11.

2. CHARITABLE ACTIVITIES INCOME

	Unrestricted £	Restricted £	2025 £	2024 £
Appeal Order	1,518,127	–	1,518,127	1,294,783
Thrive Together London lead	–	367,895	367,895	250,195
Beneficiary flats	118,424	–	118,424	121,483
Total	1,636,551	367,895	2,004,446	1,666,461

TPF is the portfolio lead for The Armed Forces Covenant Fund Trust's (AFCFT) Thrive Together London programme (TT London), for which TPF has recognised a total of £367,895 income in the year, and against which there were £268,718 of disbursements to partners. (See note 6.)

3. DONATIONS AND LEGACIES INCOME

	Unrestricted £	Restricted £	2025 £	2024 £
Other grants and donations	283,170	711,877	995,047	891,678

Restricted funds recognised during the year included the following:

The following restricted funds were recognised as income in the year from the Armed Forces Covenant Fund Trust:

- Reaching & Support Communities Programme grant towards the Families Employment Service, £70,000
- Reaching & Support Communities Programme grant towards the Navigator Service, £45,000
- Family Focus grant towards the Families Employment Service, £37,767
- Thrive Together grant towards the management and delivery of the Thrive Together programme in London, £402,388.

This is comprised of:

- £367,895 Thrive Together London lead
- £34,493 Thrive Together London Navigator
- Thrive Together grant towards the Veterans' Employment Service in the East of England, £11,250

These restricted funds were spent, except for £11,970 towards the Navigator Service, which remained unspent at year-end.

The following restricted funds were received from NHS England:

- Project funded by NHS England, £120,000

The following restricted funds were spent from the Veterans' Foundation in support of the Navigator Service in the West Midlands and Southern Hampshire:

- Veterans' Foundation, £49,500

Of this restricted grant, £5,500 remains unspent at year-end.

COMPARATIVE NOTE FOR 2024

	Unrestricted £	Restricted £	2024 £
Other grants and donations	200,249	691,429	891,678

4. OTHER TRADING ACTIVITIES INCOME

	2025 £	2024 £
Visitor Centre	91,787	90,637

In the current year and prior year, all other trading activities income is unrestricted.

5. INVESTMENT INCOME, INCLUDING PROPERTY

	Unrestricted £	Restricted £	2025 £	2024 £
Office income	621,504	–	621,504	963,885
Open market property	1,017,951	–	1,017,951	968,351
Bank interest	35,508	1,115	36,623	18,948
Total	1,674,963	1,115	1,676,078	1,951,184

In the prior year, £1,163 of Investment Income was restricted.

6. TOTAL EXPENDITURE

	Staff costs £	Other costs £	Depreciation £	Support costs £	2025 £	2024 £
Charitable activities						
Veteran and Family Services	1,872,592	74,906	126,835	177,290	2,251,623	1,887,920
Thrive Together London – lead disbursements	–	268,718	–	–	268,718	154,658
Appeal Order	741,782	684,787	147,488	97,746	1,671,803	1,442,806
Beneficiary Flats	–	82,343	–	12,939	95,282	48,720
Field of Remembrance	–	39,429	–	–	39,429	–
Total charitable activities	2,614,374	1,150,183	274,323	287,975	4,326,855	3,534,104
Raising funds						
Open market property	–	598,496	–	33,171	631,667	594,864
Office rental	–	111,900	–	21,191	133,091	437,931
Visitor Centre	21,293	75,677	116,987	–	213,957	217,675
Fundraising costs	81,334	56,747	–	–	138,081	159,422
Total raising funds	102,627	842,820	116,987	54,362	1,116,796	1,409,892
Total expenditure	2,717,001	1,993,003	391,310	342,337	5,443,651	4,943,996

TPF is the portfolio lead for AFCFT's Thrive Together London programme, for which there were £268,718 disbursements to partners. In 2024, the programme was called the London Veterans – Places, Pathways and People programme (VPPP), for which £154,658 in disbursements were made.

COMPARATIVE NOTE FOR 2024

	Staff costs £	Other costs £	Depreciation £	Support costs £	2024 £
Charitable activities					
Veteran and Family Services	1,625,828	20,750	127,308	114,034	1,887,920
London VPPP lead disbursements	–	154,658	–	–	154,658
Appeal Order	569,585	652,009	148,038	73,174	1,442,806
Beneficiary flats	1,594	42,454	–	4,672	48,720
Total charitable activities	2,197,007	869,871	275,346	191,880	3,534,104
Raising funds					
Open market property	19,461	557,813	–	17,590	594,864
Office rental	14,327	389,247	–	34,357	437,931
Visitor Centre	22,832	77,564	117,279	–	217,675
Fundraising	108,114	51,308	–	–	159,422
Total raising funds	164,734	1,075,932	117,279	51,947	1,409,892
Total expenditure	2,361,741	1,945,803	392,625	243,827	4,943,996

SUPPORT COSTS

	2025 £	2024 £
IT hardware, software and services	149,703	100,919
Legal and professional services	27,587	13,115
Other support costs	165,047	129,793
Total	342,337	243,827

The support costs included above are allocated in accordance with the accounting policy (note 1). £27k of governance costs are included within the support costs (2024: £29k).

7. NET INCOME FOR THE YEAR

	2025 £	2024 £
This is stated after :		
Depreciation	391,310	392,626
Auditors' remuneration:		
Audit	25,930	23,255

8. STAFF COSTS AND NUMBERS

	2025 £	2024 £
Staff costs were as follows:		
Salaries and wages	2,276,377	1,995,572
Social security costs	239,985	187,285
Pension contributions	188,480	178,884
Redundancy payments	12,159	–
Total	2,717,001	2,361,741

The number of employees whose emoluments during the year exceeded £60,000 was:

	2025 No.	2024 No.
£70,001 – £80,000	1	2
£80,001 – £90,000	1	1
£90,001 – £100,000	1	1
£100,001 – £110,000	1	

The average number of staff employed, excluding 6 visitor centre hosts (2024: 5), was 65 (2024: 61). The average number employees full-time equivalent during the year was as follows:

	2025 No.	2024 No.
Veteran and Family Services	33.7	29.2
Appeal Order	18.7	15.9
Fundraising and comms	2.9	2.9
CEO and support	1.8	1.8
Estate	–	1.0
Average number of employees FTE	57.1	50.8

Key management personnel are the Senior Management Team listed on page 58. The total remuneration of key management personnel for the year to 30 September 2025 was £513k (2024: £484k)

9. TAXATION

As a Charity, Royal British Legion Poppy Factory is exempt from tax on income and gains falling within Part 11 of the Corporation Tax Act 2010 and Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges arose in the year (2024: £nil).

10. TANGIBLE FIXED ASSETS

	Building refurbishment £	Freehold land and property £	Plant £	Furniture & equipment £	Total £
Cost or valuation					
At 1 October 2024	5,185,837	1,601,619	439,684	226,894	7,454,034
(Disposals)	–	–	(134,868)	–	–
At 30 September 2025	5,185,837	1,601,619	304,816	226,894	7,454,034
Depreciation					
At 1 October 2024	1,395,435	1,346,618	439,684	195,136	3,376,873
Charge for the year	361,995	–	–	29,315	391,310
(Disposals)	–	–	(134,868)	–	–
At 30 September 2025	1,757,430	1,346,618	304,816	224,451	3,768,183
Net book value					
At 30 September 2025	3,428,407	255,001	–	2,443	3,685,851
At 30 September 2024	3,790,402	255,001	–	31,758	4,077,161

The net book value of the freehold land and property relates to the land value of the Poppy Factory site and 14 beneficiary flats (2024: 15 beneficiary flats) and is not subject to further depreciation.

11. INVESTMENT PROPERTY

	2025 £	2024 £
Market value at the start of the year	23,179,000	28,315,000
Revaluation	806,000	(5,136,000)
Market value at the end of the year	23,985,000	23,179,000

The investment properties comprise 48 residential flats (2024: 47) that are rented on the open market. The financial statements reflect the Trustees' best estimate of the market value of the flats at the balance sheet date. The valuation is inherently subjective, as it is based on assumptions and estimates that may prove inaccurate. The Trustees applied a discount of up to 20% to each flat's estimated value to reflect what investors would likely pay at the balance sheet date, taking existing tenancies into account. Once beneficiary flats become available, they are transferred to the open market. The revaluation includes the transfer of one flat from being a beneficiary flat to the open market, valued at £615k. The tangible fixed assets note shown above does not report a disposal in respect of this as the historic cost of the flat was fully depreciated and is not separable from the main site.

12. OTHER INVESTMENTS

	2025 £	2024 £
Market value at the start of the year	1,565,445	1,420,129
Net additions/(disposals)	2,289	(28,516)
Unrealised gain on revaluation	191,842	173,832
	1,759,576	1,565,445
Cash held as part of the portfolio	52,970	55,259
Market value as end of year	1,812,546	1,620,704

	2025 £	2024 £
Investments comprise:		
Equities	1,286,599	1,125,379
Fixed interest	279,384	248,883
Alternatives	193,593	191,183
Cash	52,970	55,259
Market value at the end of the year	1,812,546	1,620,704

13. STOCK

	2025 £	2024 £
Raw materials	105,927	147,374

14. DEBTORS

	2025 £	2024 £
Trade debtors	63,630	15,669
Other debtors	-	9,066
Prepayments and accrued income	243,897	119,124
Total	307,527	143,859

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade creditors	54,204	48,872
Accruals	64,417	67,677
Deferred income	237,078	186,030
Tax and social security creditor	165,107	46,905
Other	132,509	210,522
Total	653,315	560,006

The deferred income relates to open market rent paid monthly in advance, office rent paid quarterly in advance, and £53k relating to the Thrive Together programme. Other creditors include £23,780 of pension liability to personal pension plans (2024: £23,255). The full amount of deferred income brought forward is released in the year.

16. OPERATING LEASES

As of 30 September 2025, the total commitments under operating leases were £nil (2024: £nil).

The Poppy Factory acts as a lessor with its office tenants.

	2025 £	2024 £
Total income due to The Poppy Factory as a lessor with its office tenants:		
Income due in less than 1 year	504,095	492,178
Income due for 1 to 5 years	796,744	1,194,530
Total	1,300,839	1,686,708

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds £	Revaluation funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	–	–	3,685,851	–	3,685,851
Investment property	–	23,985,000	–	–	23,985,000
Other investments	–	–	–	1,812,546	1,812,546
Net current assets	272,315	–	–	538,349	810,664
Net assets at the end of the year	272,315	23,985,000	3,685,851	2,350,895	30,294,061

COMPARATIVE NOTE FOR 2024

	Restricted funds £	Revaluation funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	–	–	4,077,161	–	4,077,161
Investment property	–	23,179,000	–	–	23,179,000
Other investments	–	–	–	1,620,704	1,620,704
Net current assets	300,210	–	–	795,437	1,095,647
Net assets at the end of the year	300,210	23,179,000	4,077,161	2,416,141	29,972,512

18. MOVEMENTS IN FUNDS

	1 October 2024 £	Income £	Expenditure £	Gains/ (losses) and transfers £	30 September 2025 £
Restricted funds					
Amenities and benevolent fund	79,724	1,115	–	–	80,839
Veteran and Family Services restricted fund	220,486	1,079,772	(1,108,782)	–	191,476
Total restricted funds	300,210	1,080,887	(1,108,782))	–	272,315
Unrestricted funds					
Revaluation reserve	23,179,000	–	–	806,000	23,985,000
Designated funds - Fixed assets fund	4,077,161	–	(391,310)	–	3,685,851
General funds	2,416,141	3,686,471	(3,943,559)	191,842	2,350,895
Total unrestricted funds	29,672,302	3,686,471	(4,334,869)	997,842	30,021,746
Total funds	29,972,512	4,767,358	(5,443,651)	997,842	30,294,061

Restricted funds:

- The Amenities and Benevolent Fund is the net accumulation of unspent donations received for the benefit of the charity's beneficiaries.
- The Veteran and Family Services restricted fund is composed of restricted donations received specifically for the Employment Service, Navigator Service, and Family Services.

Unrestricted funds:

- **Revaluation reserve** -
 - The property revaluation is the difference between the investment property valuation and its historical cost (£nil).
- **Designated funds** -
 - The fixed assets fund is the net book value of fixed assets held for charitable and investment purposes, purchased with unrestricted funds. Outgoing resources comprise the depreciation of these assets.

COMPARATIVE NOTE FOR 2024

	1 October 2023 £	Income £	Expenditure £	Gains/ (Losses) and Transfers £	30 September 2024 £
Restricted funds					
Amenities and benevolent fund	78,561	1,163	–	–	79,724
Veteran and Family Services restricted fund	191,910	941,624	(913,048)	–	220,486
Total restricted funds	270,471	942,787	(913,048)	–	300,210
Unrestricted funds					
Revaluation reserve	28,315,000	–	–	(5,136,000)	23,179,000
Designated funds – Fixed assets fund	4,469,787	–	(392,626)	–	4,077,161
General funds	2,223,458	3,657,173	(3,638,322)	173,832	2,416,141
Total unrestricted funds	35,008,245	3,657,173	(4,030,948)	(4,962,168)	29,672,302
Total funds	35,278,716	4,599,960	(4,943,996)	(4,962,168)	29,972,512

19. RELATED PARTY TRANSACTIONS

Total Donations made by Trustees to The Poppy Factory in the year were £nil (2024: £nil).

Members of the Board of Trustees do not receive any remuneration, but they are eligible for reimbursement of expenses. No expenses were reimbursed in 2025 or 2024.

There were no other related party transactions in the year, nor in 2024.

20. CAPITAL COMMITMENTS

At 30 September 2025, the Charity had no capital commitments. (2024: £nil)

21. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

Year Ended 30 September 2024	Unrestricted £	Designated building fund £	Restricted £	2024 £
INCOME FROM:				
Charitable activities	1,416,266	–	250,195	1,666,461
Donations and legacies	200,249	–	691,429	891,678
Other trading activities	90,637	–	–	90,637
Investments, including property	1,950,021	–	1,163	1,951,184
Total income	3,657,173	–	942,787	4,599,960
EXPENDITURE ON:				
Charitable activities				
Veteran and Family Services	1,002,222	127,308	758,390	1,887,920
Other, including Appeal Order	1,343,488	148,038	154,658	1,646,184
	2,345,710	275,346	913,048	3,534,104
Raising funds				
Donations and legacies	159,422	–	–	159,422
Other trading activities	100,396	117,279	–	217,675
Investments, including property	1,032,795	–	–	1,032,795
	1,292,613	117,279	–	1,409,892
Total expenditure	3,638,323	392,625	913,048	4,943,996
Net income/(expenditure) before gains and losses on investments	18,850	(392,625)	29,739	(344,036)
Other recognised gains/(losses)				
Revaluation of investment property	(5,136,000)	–	–	(5,136,000)
Gains/(losses) on investments	173,832	–	–	173,832
Net income/(expenditure)	(4,943,318)	(392,625)	29,739	(5,306,204)
Total funds brought forward	30,538,459	4,469,786	270,471	35,278,716
Total funds carried forward	25,595,141	4,077,161	300,210	29,972,512

CHARITY DETAILS

NAME OF CHARITY

Royal British Legion Poppy Factory

CHARITY NUMBER 225348

COMPANY NUMBER 204405

REGISTERED OFFICE AND OPERATIONAL ADDRESS

20 Petersham Road, Richmond, Surrey, TW10 6UR

PATRON

Her Majesty The Queen

PRESIDENT

Surgeon Rear Admiral Lionel Jarvis
CBE KStJ FRCR DL

VICE PATRONS

Dr Geraldine Strathdee CBE MRCPsych
Brigadier Marc A J McH Overton TD DL VR

BOARD OF TRUSTEES

Alistair Kett (Chair)
Cliff Dare MBE FRICS (Vice Chair)
Linda Costello
Major General Tim Hodgetts CB CBE KHS OstJ DL
Martin Hodgson
Matthew Hubbard
Dr Sridevi Kalidindi MBBS BSc (Hons)
FRCPsych PhD CBE
Simon Taylor
Rachael Taylor-Jenkins
Andrew Wishart
Brian Worrell
Julius P H S Wolff-Ingham OBE resigned
on 7 November 2024

SENIOR MANAGEMENT TEAM

Amanda Shepard, Chief Executive
Debbie Boughtflower, Director of Operations
Mark Louw, Finance Director
Charlotte Dymock, Senior HR Business Partner
Jeff Short, Director of Production and The Estate

AUDITOR

Saffery LLP 71 Queen Victoria Street
London EC4V 4BE

INVESTMENT MANAGERS

TrinityBridge, Wigmore Yard, 42 Wigmore Street,
London, W1U 2RY

BANKERS

Barclays Bank Plc.
PO Box 13
8 George Street Richmond TW9 1JU
Bank of Scotland
The Mound
Edinburgh EH1 1YZ
Close Brothers Savings
10 Crown Place
London EC2A 4FT

SOLICITORS

Russell-Cooke LLP
2 Putney Hill
Putney
London SW15 6AB

The Poppy Factory
20 Petersham Rd,
Richmond TW10 6UR,
London
www.poppyfactory.org

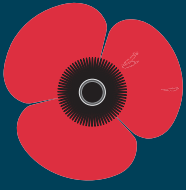


**THE
POPPY
FACTORY**

ROYAL BRITISH LEGION POPPY FACTORY LIMITED

England & Wales - Charity number 225348

Accounts



**THE
POPPY
FACTORY**

ANNUAL REPORT & ACCOUNTS

To 30 September 2024

THE ROYAL BRITISH LEGION POPPY FACTORY LTD. TRADING AS THE POPPY FACTORY



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GLOSSARY OF TERMS

AFCFT	Armed Forces Covenant Fund Trust
DMWS	Defence Medical Welfare Service
NHS	National Health Service
VPPP	Veterans' Places, Pathways and People programme
HSJ	Health Service Journal

A YEAR IN REVIEW

Perspectives from our Leadership Team

AMANDA SHEPARD, CHIEF EXECUTIVE

Amanda leads day to day operations, making sure we deliver on our vision and strategy.

Securing work after leaving the Armed Forces can be incredibly difficult. Although most veterans transition well, others face barriers such as poor physical or mental health and homelessness. In recent times, it may have felt, for many, as if those barriers have been getting higher.

Our work as a specialist employment service for the Armed Forces community has never been needed more. Last year a record number, more than 1,000 veterans, received our employment support for the first time. We hit another record, with 551 veterans registering with our services.

It was down to the hard work of our team, for which I am incredibly grateful. It was also helped by our drive to expand our services. One example is our Navigator service, which ran in more locations. It enabled us to reach those at the very start of their journey to employment too.

Another factor was our continued collaboration, including with NHS partners, who referred more veterans to our services than ever before. Winning a Health Service Journal award is



testament to the real impact we are having by working alongside healthcare professionals.

Partnerships like this are an example of how we are delivering broader outcomes than just employment, but also health and wellbeing. Employment is life-affirming in more ways too, bringing confidence, connection with the community and a sense of purpose.

In the coming year, we will continue to double down on delivering these broader outcomes to help veterans and their families thrive. I am thankful to all the partners who work with us, and look forward to strengthening collaboration by taking the lead in delivering the Thrive Together programme.

ALISTAIR KETT, CHAIR

Alistair oversees our governance and board of trustees, so that our charity runs effectively and responsibly.

Since 1922, our factory and the poppies created here, have symbolised the story of our charity. Anyone who visited our Richmond headquarters in the last 12 months will have seen first-hand how busy we are. We welcomed visitor centre and VIP guests, met with partners and corporate volunteers, held staff and volunteer workshops and more. Thank you to everyone who worked so hard to make this happen.

All of this activity supports our mission today: employment support for the whole Armed Forces community. Over the year, we took huge strides in writing this modern chapter in our story – to reach more veterans and their families, in more ways and in more regions.

It was rewarding to see the charity’s plans for further development of our Veteran and Family Services bearing fruit. Hundreds of veterans and their family members, up and down the country, not only found employment but a new sense of purpose.

This wouldn’t have been possible without financial security. We are grateful for the generous backing of our military funders, trusts and foundations and corporate partners. By letting all of our office spaces and estate flats, we generated vital income to secure our services too.

My thanks go out to the hardworking team at The Poppy Factory, and to the veterans and family members who started new jobs or have taken positive steps towards employment. We look forward to building on this success story in the coming year.

SURGEON REAR ADMIRAL LIONEL JARVIS, PRESIDENT

Lionel is our charity’s lead ambassador, who also champions our unique role in Remembrance.

Global events in the last 12 months have shown once again how vital it is that we continue to acknowledge the sacrifices of all those who selflessly give their lives in service.

The Poppy Factory continued to be tremendously proud of its role in maintaining the Remembrance tradition. The hard work of our production team members was exemplary. Though poppies are most visible in November, our team worked throughout the year to create thousands of wreaths and poppies for memorial services across the UK, and beyond.

In our commitment to environmental sustainability, we started to use all-paper poppies in our wreaths. We worked closely with our partners at The Royal British Legion to overcome initial practical challenges. Just as the poppy itself has changed over time, we reflected on how our charity has evolved to meet the changing needs of veterans today.

We are proud and humbled that Her Majesty The Queen has agreed to continue in her role as our Patron, after a decade of support to the charity. In February, we were deeply honoured to join Her Majesty for a reception at Clarence House when we looked back on how much has been achieved over the last 100 years, in a deferred celebration of our centenary.

It was also an enormous privilege to have Her Royal Highness The Duchess of Gloucester, representing The Queen, attend the opening of the 2024 Field of Remembrance in the grounds of Westminster Abbey. We now look forward to 2026, when we will celebrate 100 years since moving to Richmond upon Thames.

OBJECTIVES

Our strategic aim is to support veterans with health conditions and their families on their journey towards employment. Our objectives are underpinned by data, continually reviewed to ensure the work of our charity is delivered effectively and the objectives are being met. Here are our objectives for 2023-24, and for the coming year.

STRATEGIC REVIEW

In 2024/25 we will refresh our overall strategy to better reflect the breadth and depth of our impact and our outcomes with veterans and their families. Our strategic review objectives are to:

- Examine how our support brings greater stability and health and wellbeing benefits that go beyond employment.
- Develop an economic model to increase future sustainable funding.
- Develop a partner and stakeholder strategy to support the delivery of our modern mission, to support members of the Armed Forces community on their journey into employment.



SUPPORTING VETERANS AND FAMILIES

- Continue delivering our Veteran and Family Services, maintaining a highly effective, person-centred approach. One-to-one support was provided to over 1,100 veterans and family members in 2023-24.
- Further develop our Veterans Employment Service, Families Employment Service and Navigator Service, supporting positive mental health and wellbeing, increased independence and improved employment opportunities for veterans and family members. In 2023-24, we began offering Navigator in South Wales. In 2025, we will extend the service to London and the Midlands.
- Lead the Thrive Together programme, working with partners across London as part of the national programme funded by The Armed Forces Covenant Fund Trust. Activity to support the programme began in 2024 and will continue next year, including detailed engagement work.
- Continue supporting veterans with health conditions and dependants through employment at our Richmond factory, making specialist wreaths and Remembrance symbols. Our Production team grew in 2023/24, making 75,000 wreaths and 120,000 large poppies, with similar output expected in 2024/25.

PARTNERSHIPS

- Strengthen existing networks to improve the range and accessibility of support for all veterans. This was reflected in record registrations and referrals to our services last year, continuing an upward trend.
- Continue delivering our services alongside primary and secondary care and NHS veteran services. Our Health Service Journal award win in November 2024 recognised the continued strength of our NHS partnerships.
- Continue building referral pathways and relationships within the Thrive Together programme and the London Armed Forces Network. This is a key focus of our work for 2024/25.
- Share the impact of our evidence-based services and encourage continued support and funding of our work. This was achieved last year through reports to our funding partners, and in successful applications for new grants for the coming year.



MONITORING, EVALUATING AND IMPROVING

- Continue developing our monitoring and evaluation programme so that we further understand our impact, identifying areas for service development to better meet the needs of veterans and their families. Detailed data gave us a fuller understanding (see p12-15) in 2023/24, on which we will continue to build.
- Ensure veterans' voices and lived experience are at the heart of our service development and delivery. This continues to be driven by close one-to-one support and detailed feedback.

INCOME GENERATION

- Further develop a diverse and sustainable income base to support service delivery and veteran support, building on the strong financial foundation that we established in 2023/24.
- Generate and maximise income from all aspects of our Richmond estate, including continued commercial lets at market rates.

THOUGHT LEADERSHIP

- Continue to share our knowledge and insight and to positively influence government, veterans, veterans' organisations, employers and wider funders and partners, with the aim of improving services and opportunities for veterans. This was achieved in 2023/24 through meetings and events, media activity and extensive engagement and outreach work, which will continue in the year ahead.

HIGHLIGHTS OF THE YEAR

REACHING MORE VETERANS THAN EVER

We've seen record numbers of veterans and their family members registering for our services, more than 1,100 overall. This increase follows our drive to reach more veterans through partnerships with other organisations and professionals who work with them.

We were delighted to be appointed as portfolio lead for Thrive Together (formally known as Veterans Places, Pathways and People) in London. We lead funded partners with the aim of building enduring, resilient networks and pathways to ensure veterans and their families receive timely and effective support.



ROYAL COMMITMENT

In May, we were deeply proud and honoured to announce that Her Majesty Queen Camilla had been confirmed as our Patron. The Queen became Patron of The Poppy Factory in 2013, visiting our historic Richmond home soon afterwards as The Duchess of Cornwall.

In the decade since, Her Majesty has been a steadfast supporter of our work. We are extremely thankful for her continued support as our Patron as we work to help many more veterans and family members on their journey towards employment.



HEALTHY PARTNERSHIP WITH NHS

We were delighted to win an HSJ (Health Service Journal) Award in November 2024, in recognition of our outstanding contribution to healthcare and health improvement for the Armed Forces community.

Among the veterans registered for our services, 4 in 5 have a mental health condition and 1 in 2 has a physical health issue. Yet back in 2020, fewer than 1 in 6 referrals came from the NHS. In 2021, we started working with NHS England and local NHS services to reach more veterans. Last year, NHS referrals had increased by nearly 200%, to 1 in 3.

By reaching more people, sooner, we're helping more veterans and their families to improve their health and wellbeing. They can feel happier in themselves, more confident and more connected in their communities.

EXPANDING OUR REACH

In February, we launched Navigator Cymru with the support of the Armed Forces Covenant Fund Trust. It built on the success of our Navigator work to reduce isolation and loneliness, build confidence and create stability for veterans in London, Cheshire and Merseyside.



Navigator Cymru offers up to six months of person-centred support for veterans who live in Gwent and are experiencing isolation, loneliness and poor mental or physical health.

DOING VETERANS PROUD

In June, Pride Month, we reflected on the long journey to acceptance for LGBT+ members of the Armed Forces community. Between 1967-2000 there was a ban on homosexuality in the Armed Forces, for which the government has only recently apologised, after an independent review.

Over the years, many of those affected have struggled to find or stay in civilian employment. But as past wrongs are now being righted, we made sure that our life-changing support is accessible to everyone who needs it – encouraging veterans and their family members to register for our specialist employment support.



VETERAN AND FAMILY SERVICES

With the ambition of our growing team, we are delivering more support to more veterans and their family members than ever across our expanded range of services – 1,124 people in 2023/24.

We met our ambition of reaching more veterans earlier in their journey to employment. We further extended employment services for family members who, in their search for employment, often have to juggle the responsibilities of caring for a veteran and young children.

More than a job

Specialist support and meaningful employment can be truly life-changing, significantly improving confidence, financial security and health and wellbeing.

VETERANS EMPLOYMENT SERVICE

A record number of 973 veterans registered for our Veterans Employment Service. We increased our efforts to ensure more veterans, and other professionals working with them, knew about our specialist employment service.

One example is the launch of a monthly online forum for professionals who also work with veterans. They learned more about our specialist

services and how easy it was to refer veterans to us for expert employment support.

One third of our referrals came from the NHS, in a number of areas across England and Wales. Our partnership with GPs and mental health teams means they can strongly recommend our employment support to ex-Forces patients.

NEW – POPPY PATHWAYS

Following a successful trial in June 2024, we introduced a pilot programme called Poppy Pathways. It offered veterans a free work placement in The Poppy Factory.

It was an opportunity to connect with others and gain hand-on experience with our production team. It also included support with CVs, job applications. to build confidence, learn essential skills and become more employment-ready.

NAVIGATOR SERVICE

In our work as a specialist employment charity, we know that many veterans experience loneliness and poor mental or physical health. Last year, 64% told us they felt isolated socially, with 30% needing support with insecure housing or homelessness.

Our specialist Navigator service helps veterans improve their health and wellbeing, by taking part in meaningful activities and connecting with others to become work-ready. We saw 45 new registrations this year, the first full year of our service.

During the year, we expanded our service into South Wales. We have recently secured funding to further expand this service into Birmingham, The Solent and London.



Army veteran John Molleneux was referred to Navigator in Merseyside when he was battling to escape alcohol addiction. Our Navigator, Pete Rhodes, helped John improve his mental wellbeing, to the point where John could take control of his housing difficulties and move into a new home.

A referral on to Andrew Pickersgill in our employment team helped John to continue moving forward. Initially John did some volunteering and then he secured a new job with Wirral Borough Council, transporting school children with disabilities.

John is one of nine veterans who, last year, made the transition from the lowest point in their life to find secure employment, independence and happiness. "I feel great about myself and I'm happy with myself," said John.

FAMILIES EMPLOYMENT SERVICE

We offer a dedicated family service with our partners The Ripple Pond. Half of the family members who come to us are already in employment. They need support to improve their job or find something new, to fit around caring for a family member who has served. Last year, we supported 91 people who wanted to improve their employment prospects. We saw 56 new family members registering and expanded our service by an additional practitioner, to help meet demand.



In 2001 Sarah's son Kieran, a former Royal Marine, suffered a severe brain injury. He moved in with Sarah and because she cared for him in the evenings and at weekends,

Sarah needed to find a job with regular daytime hours and some flexibility.

Our Families Employment Specialist Sara Goody worked with Sarah to find suitable roles and to prepare for interviews. Sarah secured a job as a GP Link Worker for children and young people. "Sara was so passionate about being able to find me a new role and gave me so much encouragement," said Sarah.



PHILLIP

A NEW KIND OF SERVICE

Between 1982 and 2004, Phillip Gordon served as an ordnance specialist in the British Army. He saw active service in Bosnia, Kosovo and Iraq. When Phillip left the Armed Forces, he found work in the logistics sector as a warehouse manager.

What seemed like a successful transition into civilian life came to a halt when Phillip developed post-traumatic stress disorder (PTSD). We supported him through difficult times, and now he is helping other veterans facing similar challenges.

TIME TO ADAPT

Phillip said: "I'm proud of my time in the Army. But I have PTSD from my service". Our partners at NHS Veterans Wales supported Phillip when he first developed PTSD.

He reflected on how his mentor Damon, from NHS Veterans Wales, helped him in those early days. Damon organised a breakfast club which sounded simple, but it motivated Phillip to go out of the house every day. Damon introduced Phillip to wood carving. Phillip said: "It takes your mind off everything - you can just concentrate on the piece of wood you're working on."

MOVING FORWARD

It was Damon who put Phillip in touch with Kirsty, his Employment Consultant at The Poppy Factory. Phillip said: "Kirsty found me courses to go on and I threw myself into mental health first aid and learning about anxiety, depression, and wellbeing. I wanted to have the right skills to move forward."

Whenever he wanted to talk, Kirsty was at the end of the phone. He felt he was talking to a good friend. She made Phillip feel he was the only person she was dealing with, even though she helped lots of other veterans. "She was brilliant and I can't thank her enough," Phillip said.

SERVING OTHERS

Having received Kirsty's comprehensive support at The Poppy Factory, Phillip felt confident to move on. He secured a job as a housing support worker with the charity Alabaré, which supports veterans who are homeless.

He now helps veterans on the journey they need to take, until they're able to get their own property. It's not only about finding a house, Phillip helps veterans build resilience, confidence, skills and wellbeing through the charity's Boots on the Ground programme.



After his experience at The Poppy Factory, Phillip is well qualified for this job. "When I'm talking to the people I work with, I introduce myself as a veteran and I talk to them about my journey, which helps build up a bit of rapport."

He understands what they are going through and tries to break down the barriers that they've built and get them communicating. He said that the objective is to try to keep things moving forward.

BOND OF BROTHERS

Phillip was motivated to help others due to his own experience of PTSD and the support he received. When a colleague, who had been highly effective in his job began to withdraw, Phillip saw signs of PTSD. He stepped in and gave him help and support early on.

"It gave me a good feeling afterwards, I felt like I'd really helped and had influenced someone's life in a positive way. With the right support, he came back to the way he had been before," said Phillip.



OUR IMPACT

THE BIG PICTURE

1,124 Veterans and Family Members supported in total

ACROSS OUR SERVICES

Number of individuals supported

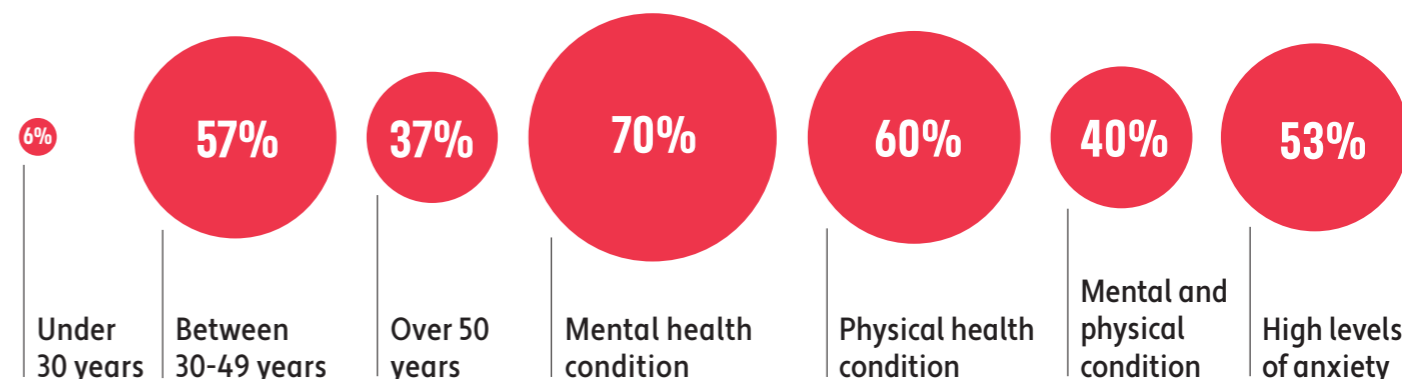
973 Veterans Employment Service

60 Navigator Service

91 Families Employment Service

VETERANS EMPLOYMENT SERVICE

Who came to us for support?



Average life satisfaction (ONS index)
Low 5.05 (745 Nationally)

Demand for our service continues to grow
New registrations:

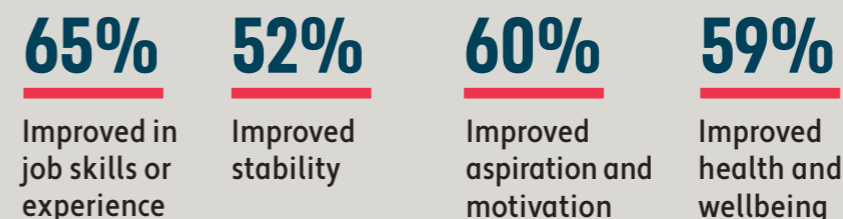
445	498	531	552
2020/21	2021/22	2022/23	2023/24

1 in 3 Referred by the NHS

Outcomes: Financial stability, community and purpose

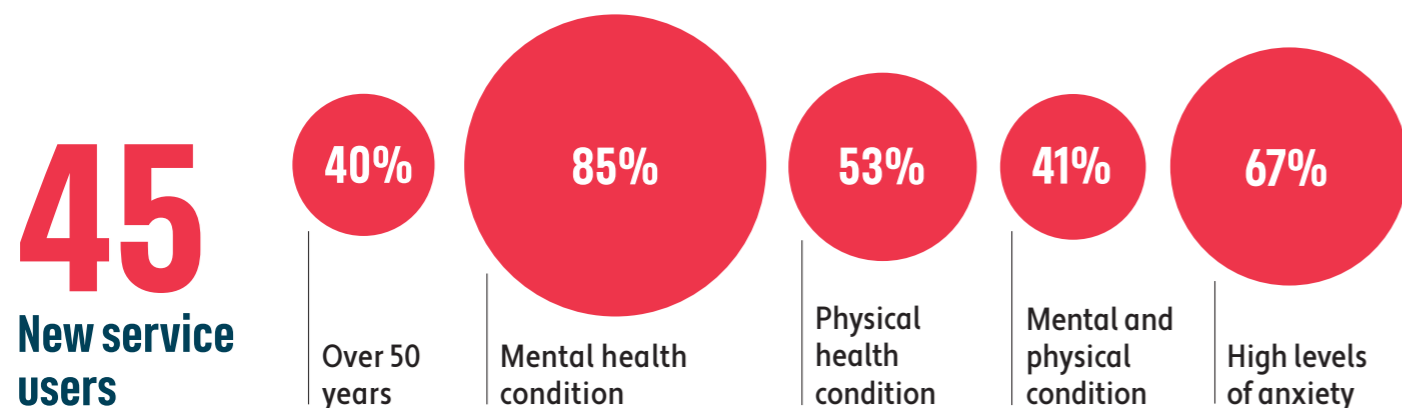


Outcomes: Health, wellbeing and confidence



NAVIGATOR SERVICE

Who came to us for support?



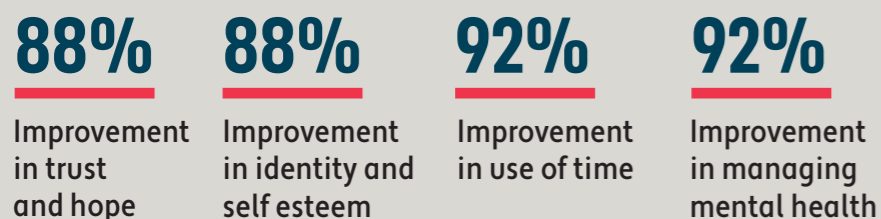
Average life satisfaction (ONS index)
Low 3.82 (745 Nationally)

50% Referred by the NHS
Including our two partners NHS Veterans Wales and Cheshire and Wirral Partnership Foundation Trust.

Outcomes: Financial stability, community and purpose

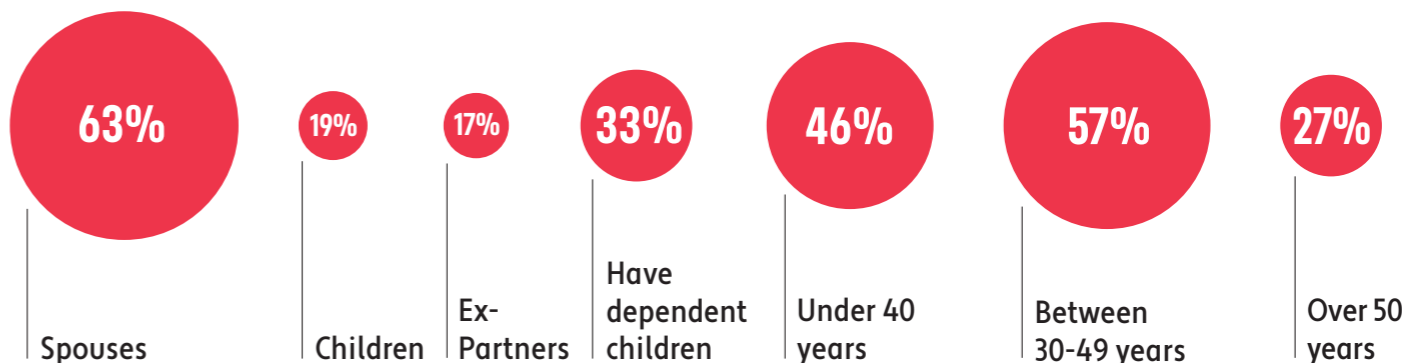


Outcomes: Health, wellbeing and confidence



FAMILIES EMPLOYMENT SERVICE

Who came to us for support?



1 in 5 Unemployed for over 1 year

Average life satisfaction (ONS index)
Low 5.95 (745 Nationally)

51% Referred by The Ripple Pond
Our established partner

Outcomes: Financial stability, community and purpose



Outcomes: Health, wellbeing and confidence



INSIDE THE POPPY FACTORY

The Poppy Factory is where our charity started and it is an important part of our heritage.

This year, we welcomed over 3,600 people through the doors of our visitor centre in Richmond upon Thames. They learned about the Remembrance tradition, the growth of our unique factory community and how it laid the foundation for the extensive employment service that we offer veterans and their families today.



Since the 1920s, our charity has helped veterans with health conditions into employment. Today our factory team still works hard to make Remembrance wreaths that are laid in services around the world. Last year, they made around 75,000 wreaths and 120,000 large decorative poppies.

Visitors watched poppies being made, got hands-on with poppy-making and took the opportunity to explore our exhibition. This year, visitors could see important changes to our exhibition, including a historic letter written by our founder, Major George Howson, and a box of vintage 1930s silk flowers that were rediscovered in South Africa by a Richmond resident. Undoubted other highlights include the Royal wreaths that we designed and now produce for Their Majesties King Charles III and Queen Camilla, and His Royal Highness The Prince of Wales.

INSPIRATIONAL VETERAN

In June, we ran a special discovery session to mark Armed Forces Week. Visitors watched a new film featuring 101-year-old RAF veteran Denis

Eggleton. Denis joined a communications unit of the RAF and went on to serve at Scapa Flow, at air defence sites across England, in France after D-Day and in Germany as the war ended.

Some visitors were delighted to meet Denis in person too, when he made a special trip to The Poppy Factory. He reflected on his wartime experiences and remembered those whose own lives were cut short by conflict.

VIP VISITS

It was an honour to welcome two senior public figures to The Poppy Factory to mark Remembrance at the start and close of our financial year: The Mayor of London, Sadiq Khan, in November 2023 and the Secretary of State for Defence, John Healey, in November 2024. The two leaders were hosted by our Chief Executive, Amanda Shepard, and each met members of our production team, creating poppies and wreaths under the guidance of veterans and recording short films to acknowledge the contribution made by the team and the wider work of our charity, throughout the year.



“It was a real privilege to visit The Poppy Factory and see the poppies and wreaths being made, and to appreciate all the effort and craftsmanship that contributes to these moments when our nation comes together each year.”

Sir Trevor Brooking

of our production team, in November 2023. Alex is a life-long West Ham fan and a veteran of the Royal Green Jackets and French Foreign Legion.

The trio chatted to the team, tried their hand making poppies and helped to manufacture the three wreaths that were then hung at the London Stadium to commemorate all those lost in conflict at home and around the world. They included a wreath to remember the First World War service of the heroic West Ham Pals Battalion.

Following in their footsteps, West Ham United’s first team players Jarrod Bowen and Max Kilman then paid a visit in November 2024, joined by star and former player Anton Ferdinand. This time, the experience of meeting Alex and the team and completing the club’s wreaths was captured on camera for the BBC’s The One Show, which broadcast a moving film at the end of October.

HAT-TRICK OF SUPPORT

A different set of VIPs also bookended the year as we welcomed the stars of West Ham United’s past, present and future, for annual visits to meet our factory team and pay tribute to our charity’s history and ongoing work.

Sir Trevor Brooking, current first team star Ben Johnson, and Academy scholar, Ollie Scarles, were shown around by Alex Conway, a member



WHERE THE PAST... MEETS THE FUTURE

Visitors can see how the essence of our work at The Poppy Factory has helped us grow into the employment service we are today. Now we support more veterans, who have served in more recent conflicts, to find work all over England and Wales. We help them find confidence, community and purpose too.

WHAT VISITORS DISCOVER

Visitors learn how the first injured veterans came to work at The Poppy Factory and helped build the Remembrance tradition. They hear how our charity has evolved to help today’s veterans find work too. Visitors also have the chance to craft their own wreaths and poppies.



Visitor Centre
in Numbers

Over
3,600
Visitors

117
Group
Visits

Including
40
Discovery
Sessions

PRODUCTION 2024

Ever since the 1920s, veterans in our factory team have worked hard all year round to make Remembrance wreaths that are laid in services around the world. Last year, our busy team made 75,000 wreaths by hand, which were bespoke to regiments, units and organisations.

Poppies are emblems of Remembrance, and also symbols of renewal. For 2024, renewal took on a literal meaning. For the first time, our team used fully recyclable poppy petals to make wreaths. It was part of our, and The Royal British Legion's, commitment to reducing carbon emissions and increasing sustainability.

Making wreaths continued to provide our production workers with meaningful employment and a unique role in the nation's Remembrance. But it went beyond simply having a job. Being part of our team offered camaraderie, confidence and a sense of purpose. These are the very things that many veterans lose after leaving the Armed Forces.

One of our production workers, Alex, suffered with PTSD having served in the military at home and abroad for over 25 years. He has worked in our factory for seven years, making around 50 wreaths a day. Alex said: "The fact that I came to The Poppy Factory probably saved my life. I was spiralling downhill, it's helped me massively."

Alex and other members of the team also played a key role in welcoming guests at our factory's visitor centre. They not only demonstrated their wreath-making skills, but also supervised guests who wished to try their hand at wreath-making.

Offering veterans new opportunities at The Poppy Factory has always been at the heart of what we do. Today it is part of our proud heritage

and the foundation for our wider work – as an employment service, for veterans and their families, right across the country.

THE FIELD OF REMEMBRANCE

The Poppy Factory organises the Field of Remembrance at Westminster Abbey every November to commemorate those who have lost their lives in the Armed Forces. On 7 November 2024, over 1,000 guests gathered for the opening of the Field of Remembrance by Her Royal Highness The Duchess of Gloucester, representing Her Majesty The Queen. More than 40,000 tributes were laid out with care, attention and respect.

Thousands of crosses and symbols, with individual messages, combined in tribute to all those who gave their lives in the service of others. It is a tradition that was established in 1928 by the founder of The Poppy Factory, Major George Howson. He felt strongly that ordinary servicemen and women, and the public, should have a dedicated place to remember their loved ones. It was he who suggested using land outside Westminster Abbey, which is now this place of collective memorial.

We would like to thank our dedicated team of workers and volunteers for their hard work in ensuring this important tradition is upheld.



Production Work in Numbers

75,000
wreaths

361
Royal and special wreaths

20+
bespoke wreaths (on request)

655,500
crosses and tributes of all faiths and none

120,000
large decorative poppies

17
production workers including special wreath makers worked on the order throughout the year

FUNDING OUR WORK

The Poppy Factory supports veterans and family members on their journey towards employment for as long as it takes. With that commitment comes a fundraising challenge: to ensure that those services remain well-resourced and sustainable, with the opportunity to grow further as demand rises across diverse Armed Forces communities.

Our earned income is substantial thanks to combined contributions from our commercial and residential tenants on the Richmond estate, and through the visitor centre. This income covers our support and administrative costs, enabling us to focus on funding the Veteran and Family Services through grants from partner charities, companies, trusts and foundations, and through

donations from our supporters. As a result, all funds donated to The Poppy Factory have a direct impact for veterans and their families, helping them to change their lives.

We are grateful for all the funding, gifts in kind and other contributions from our partners and supporters in 2023-24.

MAJOR SUPPORTERS



GRANT FUNDING PARTNERS

MILITARY CHARITIES

We are proud to work closely and effectively with other military charities and grateful for the vital funding they provide. Our partners include the Army Benevolent Fund, who are providing major support towards our employment service for Army veterans and training grants to individual veterans accessing the service.

TRUSTS & LIVERY COMPANIES

Trusts and foundations provided vital contributions towards our veterans and families services this year, helping them overcome barriers to work, thrive in civilian jobs and re-connect with their communities. Once again, we were delighted to receive support from a wide range of supporters, towards our services as a whole or specific areas of work.

The Armed Forces Covenant Fund Trust continues to fund our work leading the Thrive Together programme (formerly Veterans' Places, Pathways and People) in London, which aims to improve collaboration in the sector and build resilient networks of support for veterans with mental health needs. The Trust is also supporting our Families Employment Service and Navigator Service through its Reaching and Supporting Armed Forces Communities Programme.

CORPORATE PARTNERS

Our Richmond headquarters was once again a focus of activity for our corporate partners in 2023-24, with many of our supporters choosing to take part in corporate volunteering sessions or hire our visitor centre and boardroom for off-site meetings and events. We are grateful for their boundless energy and enthusiasm, and for their important contributions towards the funding of our Veteran and Family Services. We were delighted to commence working with new corporate partner PA Consulting this year. PA are providing significant support towards our employment service, while contributing valuable volunteering and pro bono support to our team. We would particularly like to thank those partners who contributed substantial funds this year, including Salesforce, Bloomberg and TJC. Our thanks also go to other corporate partners including State Street for encouraging staff members to raise funds and volunteer their time in support of veterans and families.

We would also like to thank our friends in the Richmond-upon-Thames community, including Visit Richmond, Richmond Council, Be Richmond and the Museum of Richmond.

TRUST SUPPORTERS

We'd like to thank all of our supporters, with special thanks to the following:

- The Anson Charitable Trust
- Austin and Hope Pilkington Charity
- David King Charitable Trust
- Garfield Weston Foundation
- The G C Gibson Charitable Trust
- The Hodge Foundation
- John Scott Charitable Trust
- The Lancashire Foundation

- The Lennox Hannay Charitable Trust
- The MacRobert Trust
- Moondance Foundation
- The Princess Anne's Charities Trust
- Queen Mary's Roehampton Trust
- The Tallow Chandlers' Company
- Veterans' Foundation



FUNDRAISING CHAMPIONS

We are hugely grateful to all those supporters who chose to raise funds in groups or individually, and whose efforts helped veterans to change their lives through employment in 2023-24. Special thanks go to the team from CAF Rail UK and Newton Heath who climbed the Yorkshire 3 Peaks in September, and to the Master Locksmiths Association for holding a fundraising dinner.

RESPONSIBLE FUNDRAISING

Those who give funds to support veterans with health conditions through The Poppy Factory can be assured that we comply with the regulatory standards for fundraising. Our charity is registered with the Fundraising Regulator and we are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice, which covers the requirements charities must follow as set out in the Charities Act 2016. All

direct fundraising is done by our own team – we do not outsource any of our activity to third parties. Several of our in-house fundraising team are members of the Institute of Fundraising. We do not target individuals in the street or through direct marketing. Any public fundraising is limited to voluntary donations, such as through our website or through occasional bucket collections carried out by our own staff and volunteers. We encourage our corporate partners, and

other organisations, groups and individuals, to organise their own fundraising events on behalf of The Poppy Factory. Our team provides resources, information and guidance to support these events as appropriate, to ensure that all activity falls within the Code of Fundraising Practice. No complaints regarding fundraising were received during the year.

CARL**POWERING FORWARD
WITH CONFIDENCE**

Former Sergeant Major Carl Roberts worked his way up the ranks in the Mercian Regiment and the Royal Electrical and Mechanical Engineers. He served around the world including in Northern Ireland, Iraq and Afghanistan.

When he left Service he started his own training company, but he experienced difficulties at work and at home. Carl found specialist help through our employment support and has now secured a rewarding new role. Read here how it's transformed his life and his perspective.

CHALLENGING TIMES

As Sergeant Major, Carl held a high-ranking and respected role in the Army. He said: "There were a lot of challenging times in the Army, and some scary times serving as a sharpshooter."

On leaving Service, he put his idea of setting up a training company into action. Everything was going to plan, but then he was completely thrown off course. He explained: "When I came out of the Forces I set up my own training company, but then Covid hit."

It proved to be a pivotal moment. "That's when things started to spiral out of control," he said, "I started drinking more. I was bored and things just snowballed and got out of hand, and I lost a relationship."

NEW CONNECTIONS

Carl was in and out of jobs in the construction industry. He was homeless when he contacted Op COURAGE, an NHS wraparound service

which helps veterans with their needs including accommodation, their finances and also their mental health and physical health.

We work closely with the NHS to reach and support more veterans. It was through our connection with the NHS that Carl heard about The Poppy Factory, and he got in touch with us.

"At that point I'd been diagnosed with complex PTSD, and I'd had some specialist therapy which helped to clear things up. I knew I needed a sounding board and some help with CV writing. I needed to have more self-esteem, take care of myself, lay off drinking and stop overthinking," said Carl.

EMPLOYING SKILLS

"Everything felt really hard until I started meeting Andrew, my Employment Consultant, and then he put everything into perspective," Carl told us.

Through Andrew's specialist support, Carl secured a job as a Principal Project Manager for health

and safety at the SeAH Wind factory in Teesside, one of the biggest wind factories in the world. With skills and qualifications gained in the Army, Carl found he had all the qualifications required for the role.

"I interact with a lot of different teams at work. I might have meetings with sub-contractors to see how we can improve welfare and wellbeing. A lot of the people on site get on with me, because of my background in the military, and my upbringing on a council estate also helps me connect with others," he explained.

"When I'm out on site and I see someone conducting a task incorrectly, I'll stop and speak to them. I'll take them away from the situation and get them to look at it through my lens, so they can understand the risk. It's good to be able to give back some of the knowledge that I have."

Without Andrew's support, Carl said he wouldn't have known how to get started. "Employment support is a great facility that enables people like me to take the next step." said Carl. "I'm enjoying the work, the money is good and the job is a perfect fit for my skills," he added.

VIEWPOINT:
Our Employment Consultant

Andrew Pickersgill, who worked with Carl, said: "From our very first meeting it was clear to see Carl had quite a proactive mindset, yet was a little lost with his overall direction and lacking a little confidence. He responded swiftly to all the information, advice, and guidance provided from our first meeting and throughout – so positively that he secured employment just over a month after our first meeting."

"It was a pleasure to be able to help Carl obtain funding from the Army Benevolent Fund and provide the equipment he needed to start his new role. And, having reviewed things recently, it's a real pleasure to see how happy Carl is with his job, and with life in general. It's a testament to his proactivity, hard work and commitment."





HELPING JANEY TO MAKE A FRESH START

Janey had been going through a difficult break-up with her partner, a former soldier, when her work also became very stressful. The Ripple Pond offered the support network she urgently needed and The Poppy Factory helped her rebuild her confidence enough to move forward. Now Janey is thriving in a new job and embracing new challenges.

A DIFFICULT SEPARATION

Janey was with her former partner, who had served in the Army, for a long time. He had been suffering from complex PTSD before they met, and their relationship became very difficult. "He wouldn't face things, he would just run away from them," said Janey. "It got really bad and I kept pushing him to go and get help, but he didn't want it."

"My partner's uncle became ill and when he passed away, it pushed him over the edge. He would go into strange moods and wouldn't talk to me for weeks on end. It put a huge emotional strain on our relationship. One day he just slammed the phone down on me, and that was the last I heard from him."

Janey later had brief contact with her former partner again. Before that, she became very worried for his safety and had few people to turn to for support. It was then that she was first put in touch with The Ripple Pond.

Janey said: "I was worried sick in case something bad had happened. I rang up someone for help and they put me in touch with The Ripple Pond, who have been fantastic. They put me on the group chat and they would check in on me regularly to make sure I was OK."

NEW SUPPORT NETWORK

The wealth of shared experience offered by The Ripple Pond community also gave Janey a huge boost when she faced a difficult time in her job. "Having that support and seeing what others were going through was so helpful," she said. "I felt that some of those girls had been through so much, and it's great to know there are people there who you can talk to and who understand what you're going through."

"I'd been having a rough time at work. I was in my old administration job for 16 years, then things started to become a lot more difficult. It felt like I was having to do my own job and take on everyone else's work as well. Things got so bad that I nearly had a breakdown."

The close working partnership between The Ripple Pond and The Poppy Factory made it very easy for Janey to find further one-to-one support from Sara Goody, one of our Families Employment Specialists.

"She's been fantastic," said Janey. "I could talk to Sara about everything that I was going through and she was always so calm whenever I got upset."

REBUILDING CONFIDENCE

Sara was able to help Janey see a new way forward and consider her options for a fresh start. They worked together to look for opportunities with a new employer.

Janey said: "At the start of 2024 I decided to leave my job because I just couldn't do it anymore. Sara helped me through everything. We looked at my CV and I built a lot more self-confidence."

In the summer I started a new job as a Business Support Coordinator with Kent County Council. I work with people who are being discharged early from prison. My new manager is so supportive, always encouraging me to take on training courses and telling me I'm a real asset to the team.

"I love what I do now. I've never worked with a nicer bunch of people. I would never have got this job without Sara's help. My confidence had been at an all-time low, and she helped me build it back up again."



FINANCIAL REVIEW

FINANCIAL PERFORMANCE

Summary

A strong financial performance over the last 12 months enabled us to continue developing and expanding our national Veteran & Family Services, fulfilling our ambition to reach more members of the Armed Forces community than ever before. The successful delivery of these services, as highlighted in the Impact section of this report, accounted for the highest proportion of expenditure on charitable activities at £1,888k (2023 £1,727k).

All fundraised income is used exclusively for the delivery of our Veteran & Family Services, with total income from grants and other donations at £892k this year. (2023 £892k). Our central costs and a contribution to the cost of our national services also came through income from our property portfolio, including commercial lets of flats and office space on our Richmond upon Thames estate, and through income from our visitor centre (detailed in our Income section below).

Our Veteran & Family Services remain a fundraising priority for 2025 as we seek to reach more members of the Armed Forces community, in regions where our support is most needed.

The net expenditure before gains for the year is a deficit of £344k (2023 £667k). This includes £393k of depreciation charge in the year. The total income for the charity was £4.6m (2023 £4.5m) and the total expenditure for the year was £4.9m (2023 £5.2m).

At year-end, the level of the General Funds for the charity had improved to £2.4m. (2023 £2.2m)

Outlook

The Poppy Factory Council has approved a deficit

budget for the year to September 2025, in order to further expand the services we offer and provide life-changing support to greater numbers of veterans and family members. While this investment will be underwritten by our reserves, we will continue to seek increased grants and donations and higher net return from our estate.

Income

The total income for the charity was £4.6m (2023 £4.5m) and the total expenditure for the year was £4.9m (2023 £5.2m).

The income from charitable activities was £1,666k (2023 £2,081k) and was made up of:

- £1,295k Appeal Order income (2023 £1,519k)
The Appeal Order income is used exclusively to produce wreaths and symbols for The Royal British Legion. The income from the Appeal Order matches the costs of the production.
- £250k London VPPP lead income (2023 £436k)
- £121k Beneficiary flats income (2023 £126k)

The total income from donations and legacies was £892k (2023 £892k) providing essential funding to further the work we do with our Veteran and Family Services.

The total income from other activities was £91k (2023 £114k) This was generated through activity in the visitor centre, enabling members of the public to make a contribution towards our Veteran and Family Services while learning about the history and growth of the charity, and its continued role in Remembrance.

The total income from investments, including property, was £1,951k (2023 £1,456k) and included £964k Office income, £968k Open market residential property income.

Expenses

Total expenditure for the year was £4,944k (2023 £5,211k)

The expenditure on charitable activities was £3,534k (2023 £3,813k), and comprised:

- £1,888k Veteran and Families Services, including £127k depreciation (2023 £1,727k)
- £1,443k Appeal order costs, including £148k depreciation (2023 £1,673k)
- £155k London VPPP – disbursed grants to partners (2023 £350k)

£49k Beneficiary flats expenses (2023 £62k)

The expenditure on raising funds was £1,410k (2023 £1,398k) and comprised:

- £595k Open-market property costs (2023 £431k)
- £438k Office rental costs (2023 £585k)
- £218k Visitor Centre costs, including £117k depreciation (2023 £218k)
- £159k Fundraising costs (2023 £164k)

Net expenditure before gains

The net expenditure before gains for the period, including £393k of depreciation charges, was £344k, compared to the total net expenditure before gains for the period to 30 September 2023 of £667k.

Cash and liquid investments

The overall cash balance increased by £157k to £1,420k, with £109k of the increase from operating activities, and £47k of the increase from investment activities.

Including other investments, the total cash and liquid investments held was £3,041k.

INVESTMENTS

Fixed assets

The fixed assets include the main factory office buildings and residential flats on the Richmond

upon Thames estate that are let on a beneficiary basis, with an estimated historical value of £255,001.

Investments

Our investment properties comprise 47 flats that are let on the open market, with rents set on professional advice from the Charity’s letting agents. The objective is to ensure a sustainable and increasing income from these properties to cover our central costs and to contribute more to our Veterans and Families Services.

These properties are carried on the balance sheet at their estimated market value. The assumptions used by the Trustees to estimate the market value at 30 September 2024 have been refined following an independent review of the fair value of the full residential estate and now take better account of the impact on the value of the properties of the existing tenancies. The estimated open market value of the residential flats at 30 September 2024 is £23.2m (2023: £28.3m). The revaluation has resulted in a reduction in the revaluation reserve of £5.1m.

Other Investments

Funds not required in the short to medium term are invested partly in deposit accounts over a suitable period with an institution with an investment grade ‘A’ credit rating.

During the year, funds were invested with Close Brothers Asset Management (CBAM). The total funds increased by £174k to £1,621k. The return-on-investment objective is CPI plus 3% over the medium term, which was substantially exceeded in the year to 30 Sept 2024, with a total 12% gain in the year (September 2024 CPI was 1.7%). This is the strong investment performance for some years. The performance of our investment funds will continue to be monitored against industry benchmarks. The carrying value of investments is adjusted to market value at year-end.

GENERAL FUNDS AND RESERVES

The Council approved the reserves policy, which is reviewed annually. The General Reserve is to

enable The Poppy Factory to continue to deliver its services in the event of an unexpected fall in income.

The General Reserve should be maintained to cover: budgeted beneficiary employment and indirect costs for the factory for 9 months following the balance sheet date; a sum to cover building emergencies on the estate, to ensure that it remains revenue-producing; and 6 months planned costs for employment support, to ensure that commitments can be honoured in the event of a significant reduction in income.

The current reserves target is £2.2m, and the free reserves are £2.4m. With planned investment in frontline services (and therefore a deficit), the general fund is expected to be brought into line with the reserves target within 1 year.

As at 30 September 2024, the total funds of the charity were £30.0m (2023: £35.3m). After taking into account of the revaluation of investment properties and investments, the charity had unrestricted funds of £29.7m (2023: £35.0m). Of the £29.7m, £27.3m (2023: £32.8m) is revaluation reserve and designated funds. The revaluation reserve of £23.2m (2023: £28.3m) is related to that part of the residential estate classified as investment property and described above.

PRINCIPAL RISKS AND UNCERTAINTIES

The Poppy Factory maintains a robust risk management process, where risks are identified and classified according to the likelihood and the potential impact of the risk event. For each risk, the appropriate risk responses are determined. The changing risk landscape is monitored, the risk register is reviewed each month by the Executive team and related risks are reviewed by the relevant committees. The key risks are presented to the Council at each meeting.

The key risks identified for The Poppy Factory relate to:

- Safety and wellbeing of the veterans and family members we support, our staff and volunteers
- Sustainable, optimised estate income
- Unexpected drop in fundraised income
- Macroeconomic environment
- Cyber Security

People safety and wellbeing – Our clients may face complex personal circumstances, which impact on their health and wellbeing and at times may pose a risk to themselves and others. We have a comprehensive suite of procedures to ensure clients are supported in a safe and appropriate manner with referrals to specialist organisations where required. Our staff team have access to a wide variety of support to help with any challenges they may face either with clients or individually to limit the risk and ensure we offer effective support.

Sustainable, optimised estate income – The Poppy Factory holds office space and residential units rented out on a commercial basis. In the current office market, if notice is given by tenants, there may be a gap in occupancy and a fall in income. We continue to explore alternative use of space options to offices and are reviewing residential options to ensure future optimised, sustainable income.

Unexpected drop in fundraised income – increasing pressure on Grantmakers could result in an unexpected drop in Fundraised income. The Poppy Factory reviews and executes grant funder stewardship while researching new supporters and building our corporate partner income.

Macroeconomic environment – major geopolitical events, particularly escalations in current wars, have the potential to impact the UK economy and the energy market. This could adversely affect our charity through higher costs or by limiting our ability to raise voluntary funds. The Poppy Factory continually reviews the fundraising strategy to better mitigate the potential impacts of a recession or other shock.

Cyber security – there is a risk that hackers gain unauthorised access to The Poppy Factory’s IT systems and install malware or ransomware that could result in access to data being inhibited, or our IT systems being compromised. We continue to invest in cyber security measures. Cyber Essentials Plus accreditation is renewed annually with regular backups taken to ensure a quick recovery from cyber-attack.

GUARANTEES

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of its winding up. The total number of members at 30 September 2024 was 12 (2023: 40). As part of our ongoing governance reviews, the number of members is now limited to Council members only which was agreed and approved at the AGM that was held on 21 March 2024.

STATEMENT OF RESPONSIBILITIES OF THE COUNCIL

INTRODUCTION AND STATEMENT OF COMPLIANCE

The Council (whose members are also trustees under charity law and directors under company law) presents its report for the year ended 30 September 2024. This includes the directors' report and the strategic report under the 2006 Act, together with the audited financial statements for the year.

The charity details set out on the inside back cover and the information provided on pages 4-35 form part of this report. The report has been prepared in accordance with current statutory requirements including Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal Constitution

The Royal British Legion Poppy Factory Limited (The Poppy Factory) is a charitable company limited by guarantee, incorporated on 11 March 1925 and registered as a charity on 11 May 1964.

The company was established under a Memorandum of Association. New Articles of Association were adopted on 13 April 2012 and amended by special resolutions on 23 March 2017 and on 21 March 2024.

Governance

The members of the Council during the year are shown on the inside back cover. Council members equate to directors in Companies Act terms and trustees in charities act terms.

New Council members are appointed as necessary, in order to give a wide breadth of experience to the organisation. They have been recruited through

a formal recruitment and selection process which includes a review of their Curriculum Vitae and interviews with members of the Council.

The Trustees would like to thank Julius Wolff-Ingham, who resigned as a Trustee on 7 November 2024, for his service as Trustee and his contribution to The Poppy Factory.

Induction of Council members is carried out by the CEO prior to the new member's first Council meeting. This encompasses:

- governing documents;
- Council members' responsibilities;
- mission statement;
- health and safety policy;
- operational and committee structures;
- audited and management accounts;
- strategic plan; and
- key projects.

Public Benefit

The Council confirms that it has due regard to the provisions of section 17 of the Charities Act 2011 and has referred to the guidance contained in the Charity Commission's general guidance on public benefit, both when reviewing The Poppy Factory's aims and objectives and also in planning activities.

Objects and Activities

Our Articles of Association set out that we "organise, establish and manage schemes for the purpose of assisting men and women who have been members of the Forces of the Crown and primarily those of them who have been disabled". The Poppy Factory does this by providing an employment service, and a Navigator service, to veterans with health conditions and their families, across England and Wales. We also provide employment at our factory in Richmond, where men and women with health conditions who are connected to the Service have been making Remembrance products for over 100 years.

Management

The Council meets four times a year or when required. The following committee structure has been approved by the Council: Veteran and Family Services Committee; Finance and Risk Committee; Estate Committee; Income Generation and Communications Committee; and People, Pay and Culture Committee.

The committees and various working groups all report to the Council meetings as part of the governance structure. The Council agrees the strategic aims of the charity, authorises the budget and approves the expenditure. The day-to-day running of the charity is delegated to the CEO, Ms Amanda Shepard, who was appointed by the Council.

Remuneration of Key Management Personnel
The Trustees consider that the members of the Council and the Senior Management Team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. All Council members give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses are disclosed in note 20 (no Trustee expenses were incurred in the year) and related party transactions are disclosed in note 20 of the accounts. The remuneration of the Senior Management Team and all staff is reviewed annually and normally increased in accordance with average earnings to reflect a cost-of-living adjustment. In view of the nature of the charity, the Council members benchmark against pay levels in other charities. The remuneration benchmark is the mid-range for similar roles in similar-sized charities.

The Council is responsible for preparing the Financial Statements in accordance with applicable laws and regulations. Company law requires the Council to prepare financial statements for each financial year. Under that law, the Council has elected to prepare the financial statements in accordance with the United Kingdom Generally

Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the charitable company and of the surplus or deficit for that period. In preparing these financial statements, the Council is required to:

- select suitable accounting policies and apply them consistently;
- observe methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charitable company will continue in operation.

The Council is also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable it to ensure that the financial statements comply with the Companies Act 2006. The Council is also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the members of the Council is aware at the time the report is approved:

- there is no relevant audit information of which the charity's auditors are unaware; and
- all steps have been taken by members of the Council to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This annual report, which includes the directors' report and the strategic report, was approved by the Council and signed on its behalf by:

Alistair Kett
Alistair Kett (Jan 24, 2025 14:46 GMT)

A. Kett
Chairman

Date: 24/01/2025

AUDITOR'S REPORT

OPINION

We have audited the financial statements of The Royal British Legion Poppy Factory Limited for the year ended 30 September 2024, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including 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 charitable company's state of affairs as at 30 September 2024 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

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 charitable company 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 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 charitable company'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 during 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.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

We have nothing to report in respect of the following matters where the Companies 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Responsibilities of the Council, set out on page 35, the Trustees (who are also directors of the charitable company for the purposes of company law) 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative to do so.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditors under the Companies Act 2006 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 auditor's 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 charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

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 company's

record of any breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company'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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Helen Wilkie

Date: 27/01/2025

Helen Wilkie

(Senior Statutory Auditor)

for and on behalf of Saffery LLP

71 Queen Victoria Street London EC4V 4BE

Statutory Auditors

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

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an income and expenditure account)

Year Ended 30 September 2024	Notes	Unrestricted £	Designated Building Fund £	Restricted £	2024 Total £	2023 Total £
INCOME FROM:						
Charitable activities	2	1,416,266	–	250,195	1,666,461	2,081,207
Donations and legacies	3	200,249	–	691,429	891,678	892,302
Other trading activities	4	90,637	–	–	90,637	114,438
Investments, including property	5	1,950,021	–	1,163	1,951,184	1,456,260
Total income		3,657,173	–	942,787	4,599,960	4,544,207
EXPENDITURE ON:						
Charitable activities	6					
Veteran & Family Services		1,002,222	127,308	758,390	1,887,920	1,727,068
Other, including Appeal Order		1,343,488	148,038	154,658	1,646,184	2,085,869
		2,345,710	275,346	913,048	3,534,104	3,812,937
Raising funds	6					
Donations and legacies		159,422	–	–	159,422	164,225
Other trading activities		100,396	117,279	–	217,675	217,583
Investments, including property		1,032,795	–	–	1,032,795	1,016,335
		1,292,613	117,279	–	1,409,892	1,398,143
Total expenditure		3,638,323	392,625	913,048	4,943,996	5,211,080
Net income/(expenditure) before gains and losses on investments		18,850	(392,625)	29,739	(344,036)	(666,873)
Other recognised gains/(losses)						
Revaluation of investment property	11	(5,136,000)	–	–	(5,136,000)	1,495,000
Gains/(losses) on investments	18	173,832	–	–	173,832	82,469
Net income/(expenditure)		(4,943,318)	(392,625)	29,739	(5,306,204)	910,596
Transfers between funds		–	–	–	–	–
Net movement in funds		(4,943,318)	(392,625)	29,739	(5,306,204)	910,596
Total funds brought forward	18	30,538,459	4,469,786	270,471	35,278,716	34,368,120
Total funds carried forward		25,595,141	4,077,161	300,210	29,972,512	35,278,716

The notes on pages 43 to 54 form part of these accounts. All the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Details of income and expenditure by fund for 2023 are given in note 22.

BALANCE SHEET AT 30 SEPTEMBER 2024

	Notes	2024 £	2024 £	2023 £	2023 £
FIXED ASSETS					
Tangible fixed assets	10		4,077,161		4,469,787
Investment properties	11		23,179,000		28,315,000
Other investments	12		1,620,704		1,446,872
TOTAL FIXED ASSETS			28,876,865		34,231,659
CURRENT ASSETS					
Stock	13	147,374		98,044	
Debtors	14	143,859		229,480	
Short-term deposits		664,670		649,785	
Cash at bank and in hand		699,750		586,594	
TOTAL CURRENT ASSETS		1,655,653		1,563,903	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	15	(560,006)		(516,846)	
NET CURRENT ASSETS			1,095,647		1,047,057
NET ASSETS	17		29,972,512		35,278,716
FUNDS OF THE CHARITY					
Restricted funds	18		300,210		270,471
Unrestricted funds					
Revaluation reserve			23,179,000		28,315,000
Designated funds			4,077,161		4,469,787
General funds			2,416,141		2,223,458
			29,672,302		35,008,245
TOTAL FUNDS			29,972,512		35,278,716

These financial statements were approved by the Council of The Royal British Legion Poppy Factory Limited, Company Number 00204405 (England and Wales) and signed on its behalf by:

Alistair Kett
Alistair Kett (Jan 24, 2025 14:46 GMT)

A Kett
Chairman

Date: 24/01/2025

CASH FLOW STATEMENT

	2024 Total £	2023 Total £
Cash flows from operating activities	109,093	(410,629)
Cash flows from investing activities		
Dividends and interests	18,948	13,427
Sale /(Purchase) of Investments	28,516	12,801
Net cash provided by/(used in) investing activities	47,464	26,228
Change in cash and cash equivalents	156,557	(384,401)
Cash and cash equivalents at the beginning of the reporting period	1,263,122	1,647,523
Cash and cash equivalents at the end of the reporting period	1,419,679	1,263,122

ANALYSIS OF CHANGES IN NET DEBT

	1 October 2023 £	Cash Flows £	30 September 2024 £
Cash and cash equivalents			
Cash	1,263,122	156,557	1,419,679
Total	1,263,122	156,557	1,419,679

NOTES TO THE CASH FLOW STATEMENT

	2024 Total £	2023 Total £
RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES		
Net income/(expenditure) before gains and losses on investments	(344,036)	(666,872)
Decrease/(increase) in debtors	85,621	(26,782)
Decrease/(increase) in stock	(49,330)	(21,620)
Increase/(decrease) in creditors	43,160	(89,038)
Dividends and interests	(18,948)	(13,427)
Depreciation	392,626	407,110
Net cash generated by/(used in) Operating activities	109,093	(410,629)
Analysis of cash and cash equivalents		
Short term deposits	664,670	649,785
Cash at bank and in hand	699,750	586,594
Cash held as part of investment portfolio (note 10)	55,259	26,743
	1,419,679	1,263,122

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

General Information

The Charity is a private company, limited by guarantee, registered in England and Wales. The registered office and company details are shown on page 56.

Basis of Preparation

The accounts 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) (Second edition) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note and they are rounded to the nearest £.

The charity meets the definition of a public benefit entity under FRS 102.

Going Concern

Following a review of our financial position, reserve policies and plans, the Council consider that there are no material uncertainties about the charity's ability to continue as a going concern for the foreseeable future, being a period of at least a year from the date the accounts are signed.

Income Recognition

Income from donations and legacies is included in full in the statement of financial activities when the Charity is entitled to the income, the amount is measurable, and it is likely to be received. Volunteer time is not included in the financial statements. Unrestricted income for the Appeal Order matches the unrestricted expenditure for that activity.

Grants are included in the statement of financial activities in the year in which they meet the conditions of recognition.

Expenditure

Expenditure is recognised in the period to which it relates. Expenditure includes attributable VAT which cannot be recovered. Expenditure is allocated to the activity where the cost relates directly to that activity.

Support costs are administrative costs, including the provision of services for the benefit of Appeal Order staff and are charged as incurred based on the specific usage; where an allocation is necessary, an appropriate basis such as staff cost, staff numbers or floor space has been used depending on the nature of the expenditure.

Costs of Raising Funds

Expenditure on raising funds relates to the costs incurred by The Charity in raising funds for the charitable work. This includes costs associated with investment properties, rented office space, running the visitor centre and raising voluntary income.

Fixed Assets

Depreciation is provided at rates calculated to write down the cost or revalued amount of tangible fixed assets, other than land, to their estimated residual value evenly over their expected useful lives. The depreciation rates in use are as follows:
Per annum

Furniture & Equipment	15% - 34%
Plant	20%
Building Refurbishment	3% - 10%

Items of equipment are capitalised where the purchase price exceeds £5,000 except in the case of computer equipment which is expensed in the year. Expenditure related to the maintenance of the estate is expensed as incurred. Depreciation costs are allocated to activities based on the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Freehold land and buildings include occupied excess office space and beneficiary flats. There is no depreciation charged on land, with an estimated historical cost of £255,001.

Operating Leases

Rentals for assets held under operating leases are charged to the Statement of Financial Activities as they become payable.

Fund Accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity.

Designated funds are unrestricted funds allocated by the Council for specific purposes.

Fixed Asset Investments

Investment property is shown at the market value. The difference between historical cost and valuation is included within the revaluation reserve. The value of investment property is reviewed every year with any gain/(loss) for the year being taken to the statement of financial activities.

Other investments are shown at market value at the balance sheet date, with any gain or loss for the year being disclosed in the notes and taken to the statement of financial activities.

Stocks

Stock is stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stock can be sold in the normal course of business after allowing for the costs of realisation.

Debtors

Short-term debtors are measured at transaction price, less any impairment.

Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably.

Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors, are initially recognised at transaction value and, subsequently, are measured at their settlement value.

Pensions

The charity makes pension contributions to The Poppy Factory Personal Pension plan.

Critical Accounting Judgements and Estimates

In preparing these accounts, management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the accounts. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key estimate is the valuation of the investment properties.

The significant accounting estimates with a significant risk of a material change to the carrying value of assets and liabilities within the next year are:

- The valuation of the investment properties – refer to note 11

2. CHARITABLE ACTIVITIES INCOME

	Unrestricted £	Restricted £	2024 Total £	2023 Total £
Appeal Order	1,294,783	–	1,294,783	1,519,146
London VPPP Lead Income	–	250,195	250,195	435,602
Beneficiary flats	121,483	–	121,483	126,459
	1,416,266	250,195	1,666,461	2,081,207

TPF is the portfolio lead for The Armed Forces Covenant Fund Trust's (AFCFT) London Veterans – Places, Pathways and People programme (London VPPP), for which TPF has received a total of £250,195 in the year, and against which there were £154,658 of disbursements to partners. (See note 6.)

3. DONATIONS AND LEGACIES INCOME

	Unrestricted £	Restricted £	2024 Total £	2023 Total £
Other grants and donations	200,249	691,429	891,678	892,302
	200,249	691,429	891,678	892,302

The following restricted funds were received from AFCFT:

Family Programme	£80,000
Navigator Programme	£50,000
Places, Pathways and People (VPPP Midlands + Southeast)	£16,510

These restricted funds received in the year were delivered, with the exemption of £5,000 for the Family Programme and £12,230 for the Navigator Programme, remaining unspent at year-end.

The following restricted funds were received from the NHS:

Project funded by NHS England	£31,950
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The following restricted funds were received in support of the North West Navigator service: Veterans Foundation

£25,000

COMPARATIVE NOTE FOR 2023

	Unrestricted £	Restricted £	2024 Total £
Other grants and donations	278,565	613,737	892,302
	278,565	613,737	892,302

4. OTHER TRADING ACTIVITIES INCOME

	2024 Total £	2023 Total £
Visitor Centre	90,637	96,106
Corporation Tax Rebate (MGTR)	–	18,332
	90,637	114,438

In the current year, all Other trading activities income is unrestricted.

5. INVESTMENT INCOME, INCLUDING PROPERTY

	Unrestricted £	Restricted £	2024 Total £	2023 Total £
Office income	963,885	–	963,885	514,732
Open Market Property	968,351	–	968,351	928,101
Bank Interest	17,785	1,163	18,948	13,427
Total	1,950,021	1,163	1,951,184	1,456,260

In the prior year, £513 of Investment Income was restricted.

6. TOTAL EXPENDITURE

	Staff Costs £	Other Costs £	Depreciation £	Support Costs £	2024 Total £	2023 Total £
Charitable activities						
Veteran and Family Services	1,625,828	20,750	127,308	114,034	1,887,920	1,727,068
London VPPP Lead Disbursements	–	154,658	–	–	154,658	350,451
Appeal Order	569,585	652,009	148,038	73,174	1,442,806	1,673,245
Beneficiary Flats	1,594	42,454	–	4,672	48,720	62,173
	2,197,007	869,871	275,346	191,880	3,534,104	3,812,937
Raising funds						
Fundraising costs	108,114	51,308	–	–	159,422	164,225
Visitor Centre	22,832	77,564	117,279	–	217,675	217,583
Office Rental Costs	14,327	389,247	–	34,357	437,931	585,011
Open Market Property costs	19,461	557,813	–	17,590	594,864	431,324
	164,734	1,075,932	117,279	51,947	1,409,892	1,398,143
	2,361,741	1,945,803	392,625	243,827	4,943,996	5,211,080

The depreciation charge of £392,625 in the year relates to the building refurbishment.

TPF is the portfolio lead for AFCFT's London Veterans - Places, Pathways and People programmes, for which there was £154,658 of disbursements to partners. (2023 £350,451).

COMPARATIVE NOTE FOR 2023

	Staff Costs £	Other Costs £	Depreciation £	Support Costs £	2023 Total £
Charitable activities					
Veteran and Family Services	1,523,450	–	132,521	71,097	1,727,068
London VPPP Lead Disbursements	–	350,451	–	–	350,451
Appeal Order	610,186	834,083	154,099	74,877	1,673,245
Beneficiary Flats	2,128	56,005	–	4,040	62,173
	2,135,764	1,240,539	286,620	150,014	3,812,937
Raising funds					
Visitor Centre	42,268	54,825	120,490	–	217,583
Office Rental Costs	9,004	553,953	–	22,054	585,011
Open Market Property costs	25,789	394,709	–	10,826	431,324
Fundraising costs	139,287	24,938	–	–	164,225
	216,348	1,028,425	120,490	32,880	1,398,143
	2,352,112	2,268,964	407,110	182,894	5,211,080

SUPPORT COSTS

	2024 Total £	2023 Total £
IT Hardware, Software and Services	100,919	69,446
Legal and Professional Services	13,115	12,982
Other support Costs	129,793	111,797
	243,827	194,225

Included above are the support costs, which have been allocated per the accounting policy (note 1). £29k of governance costs are included within the support costs.

7. NET INCOME FOR THE YEAR

	2024 Total £	2023 Total £
This is stated after :		
Depreciation	392,626	407,110
Auditors' remuneration:		
– audit	23,255	22,119
– other services	–	4,681

8. STAFF COSTS AND NUMBERS

	2024 Total £	2023 Total £
Staff costs were as follows:		
Salaries and wages	1,995,572	1,989,758
Social security costs	187,285	185,962
Pension contributions	178,884	176,392
	2,361,741	2,352,112

The number of employees whose emoluments during the year exceeded £60,000 were:

	2024 No.	2023 No.
£60,001 – £70,000	–	1
£70,001 – £80,000	2	2
£80,001 – £90,000	1	1
£90,001 – £100,000	1	–

The average number of staff employed was 61 (2023: 63) and the average number of employees (full-time equivalent) during the year was as follows:

	2024 No.	2023 No.
Estate	1.0	1.0
Appeal Order	15.9	18.8
Veteran and Family Services	29.2	27.6
Fundraising and Communications	2.9	5.0
CEO and Support	1.8	1.4
Average number of employees FTE	50.8	53.8

Key management personnel are the Senior Management Team listed on page 64. The total remuneration of key management personnel for the year to 30 September 2024 was £484k (2023: £433k)

9. TAXATION

As a charity, The Royal British Legion Poppy Factory Limited is exempt from tax on income and gains falling within Part 11 of the Corporation Tax Act 2010 and Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges arose in the year (2023: £nil).

10. TANGIBLE FIXED ASSETS

	Building Refurbishment £	Freehold land and property £	Plant £	Furniture & Equipment £	Total £
Cost or valuation					
At 1 October 2023	5,185,837	1,601,619	439,684	226,894	7,454,034
At 30 September 2024	5,185,837	1,601,619	439,684	226,894	7,454,034
Depreciation					
At 1 October 2023	1,033,441	1,346,618	439,684	164,504	2,984,247
Charge for the year	361,994	–	–	30,632	392,626
At 30 September 2024	1,395,435	1,346,618	439,684	195,136	3,376,873
Net book value					
At 30 September 2024	3,790,402	255,001	–	31,758	4,077,161
At 30 September 2023	4,152,396	255,001	–	62,390	4,469,787

The net book value of freehold property relates to land value and is not subject to further depreciation.

11. INVESTMENT PROPERTY

	2024 £	2023 £
Market value at the start of the year	28,315,000	26,820,000
Revaluation	(5,136,000)	1,495,000
Market value at the end of the year	23,179,000	£28,315,000

Our investment properties comprise 47 residential flats that are let on the open market. The accounts reflect the Trustees' best estimate of the market value of the flats at the balance sheet date. The valuation is inherently subjective, as it is based upon assumptions and estimations, which may prove to be inaccurate.

The assumptions used to value the properties have been refined this year following an independent review of the fair value of the full residential estate. In estimating the value of the flats at the balance sheet date, the Trustees have estimated their value assuming vacant possession. The Trustees have then applied a discount of up to 20% to the estimated value of each flat, to derive their best estimate of the amount that an investor would be willing to pay for the flats at the balance sheet date, taking into consideration the existing tenancies. No such discount was applied in the prior year. This more prudent estimate reduces the estimated value of investment property value by £5.1m.

12. OTHER INVESTMENTS

	2024 £	2023 £
Market value at the start of the year	1,420,129	1,364,917
Net (disposals)/additions	(28,516)	(12,288)
Gain/(loss) on investments	173,832	81,956
	1,565,445	1,420,129
Cash held as part of the portfolio	55,259	26,743
Market value at the end of year	1,620,704	1,446,872
	2024 £	2023 £
Investments comprise:		
Equities	1,125,379	964,114
Fixed Interest	248,883	289,346
Alternatives	191,183	166,669
Cash	55,259	26,743
Market value at the end of the year	1,620,704	1,446,872

13. STOCK

	2024 £	2023 £
Raw materials	147,374	98,044

14. DEBTORS

	2024 £	2023 £
Trade debtors	15,669	121,974
Other debtors	9,066	-
Prepayments and accrued income	119,124	107,506
	143,859	229,480

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade creditors	48,872	39,937
Accruals	67,677	101,332
Deferred income	186,030	163,633
Wages and holiday pay accrual	25,322	28,544
Taxation and social security	46,905	47,322
Pension contributions	23,255	21,345
Amounts due to The Royal British Legion	57,987	54,283
Other	103,958	60,450
	560,006	516,846

The full amount of deferred income brought forward is released in the year. The deferred income relates to Open Market rent paid monthly in advance and Office rent paid quarterly in advance.

16. OPERATING LEASES

At 30 September 2024 the total commitments under non-cancellable operating leases was £nil (2023: £nil).

The Poppy Factory acts as a lessor with its office tenants.

	2024 £	2023 £
Total income due to The Poppy Factory as a lessor with its office tenants:		
Income due in less than 1 year	492,178	518,173
Income dues for 1 to 5 years	1,194,530	1,240,583
Total	1,686,708	1,758,756

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds £	Revaluation funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	4,077,161	-	4,077,161
Investment property	-	23,179,000	-	-	23,179,000
Other investments	-	-	-	1,620,704	1,620,704
Net current assets	300,210	-	-	795,437	1,095,647
Net assets at the end of the year	300,210	23,179,000	4,077,161	2,416,141	29,972,512

COMPARATIVE NOTE FOR 2023

	Restricted funds £	Revaluation funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	–	–	4,469,787	–	4,469,787
Investment property	–	28,315,000	–	–	28,315,000
Other investments	–	–	–	1,446,872	1,446,872
Net current assets	270,471	–	–	776,586	1,047,057
Net assets at the end of the year	270,471	28,315,000	4,469,787	2,223,458	35,278,716

18. MOVEMENTS IN FUNDS

	1 October 2023 £	Income £	Expenditure £	Gains/ (Losses) and Transfers £	30 September 2024 £
Restricted funds					
Amenities and benevolent fund	78,561	1,163	–	–	79,724
Veteran and Family Services restricted fund	191,910	941,624	(913,048)	–	220,486
Total restricted funds	270,471	942,787	(913,048)	–	300,210
Unrestricted funds					
Investment property	28,315,000	–	–	(5,136,000)	23,179,000
Designated funds					
Fixed assets fund	4,469,787	–	(392,626)	–	4,077,161
General funds	2,223,458	3,657,173	(3,638,322)	173,832	2,416,141
Total unrestricted funds	35,008,245	3,657,173	(4,030,948)	(4,962,168)	29,672,302
Total funds	35,278,716	4,599,960	(4,943,996)	(4,962,168)	29,972,512

COMPARATIVE NOTE FOR 2023

	1 October 2022 £	Income £	Expenditure £	Gains/ (Losses) and Transfers £	30 September 2023 £
Restricted funds					
Amenities and benevolent fund	78,048	513	–	–	78,561
Veteran and Family Services restricted fund	152,672	1,049,339	(1,010,101)	–	191,910
Total restricted funds	230,720	1,049,852	(1,010,101)	–	270,471
Unrestricted funds					
Investment property	26,820,000	–	–	1,495,000	28,315,000
Total revaluation reserve	26,820,000	–	–	1,495,000	28,315,000
Designated funds					
Fixed assets fund	4,876,897	–	(407,110)	–	4,469,787
Planned maintenance fund	500,000	–	–	(500,000)	–
Total designated funds	5,376,897	–	(407,110)	(500,000)	4,469,787
General funds	1,940,503	3,494,355	(3,793,869)	582,469	2,223,458
Total unrestricted funds	34,137,400	3,494,355	(4,200,979)	1,577,469	35,008,245
Total funds	34,368,120	4,544,207	(5,211,080)	1,577,469	35,278,716

Restricted funds:

- The Amenities and Benevolent fund is the net accumulation of the unspent donations received for the benefit of the beneficiaries of the charity.
- The Veteran and Family Services restricted fund is made up of restricted donations received specifically for the Employment and Family Services.

Unrestricted funds:

- **Revaluation reserve** -
 - The property revaluation is the difference between the investment property valuation and its historic cost.

• **Designated funds** -

- Fixed assets fund

The net book value of fixed assets held for charitable and investment purposes was purchased through unrestricted funds. Outgoing resources comprise depreciation on these assets.

19. STAFF PENSION FUNDS

The charity made contributions of £178,884 (2023: £176,392) to the Poppy Factory's Personal Pension plan.

20. RELATED PARTY TRANSACTIONS

The Royal British Legion is the charity's major customer. TRBL funds a contract with the charity against an agreed budget with any surplus/deficit adjusted at the end of the financial year following changes in order volume or variance in costs. The total amount of income recognised during the year was £1,294,783 (2023: £1,519,146) in respect of the Appeal Order. At the year-end, £57,987 was payable to TRBL (2023: £54,283 payable by TRBL).

Total Donations made by Trustees to The Poppy Factory in the year was £nil (2023: £nil). Council members do not receive any remuneration, but they are but are eligible for reimbursement of expenses. No expenses were reimbursed in 2024, or 2023.

There were no other related party transactions in the year, nor in 2023.

21. CAPITAL COMMITMENTS

At 30 September 2024, the charity had no capital commitments. (2023: £nil)

22. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITY

(Incorporating an income and expenditure account)

Year Ended 30 September 2023	Notes	Unrestricted £	Designated Building Fund £	Restricted £	2023 Total £
INCOME FROM:					
Charitable activities, including appeal activities	2	1,645,605	–	435,602	2,081,207
Donations and legacies	3	278,565	–	613,737	892,302
Other trading activities	4	114,438	–	–	114,438
Investments, including property	5	1,455,747	–	513	1,456,260
Total income		3,494,355	–	1,049,852	4,544,207
EXPENDITURE ON:					
Charitable activities	6				
Veteran and Family Services		934,897	132,521	659,650	1,727,068
Other, including Appeal Order		1,581,319	154,099	350,451	2,085,869
		2,516,216	286,620	1,010,101	3,812,937
Raising funds	6				
Donations and legacies		164,225	–	–	164,225
Other trading activities		97,093	120,490	–	217,583
Investments, including property		1,016,335	–	–	1,016,335
		1,277,653	120,490	–	1,398,143
Total expenditure		3,793,869	407,110	1,010,101	5,211,080
Net income/(expenditure) before gains and losses on investments		(299,514)	(407,110)	39,751	(666,873)

CHARITY DETAILS

NAME OF CHARITY

The Royal British Legion Poppy Factory Limited

CHARITY NUMBER 25348

COMPANY NUMBER 204405

REGISTERED OFFICE AND OPERATIONAL ADDRESS

20 Petersham Road, Richmond, Surrey, TW10 6UR

PATRON

Her Majesty The Queen

PRESIDENT

Surgeon Rear Admiral Lionel Jarvis
CBE KStJ FRCR DL

VICE PATRONS

Dr Geraldine Strathdee CBE MRCPsych
Brigadier Marc A J McH Overton TD DL VR

COUNCIL MEMBERS

Alistair Kett (Chair)
Cliff Dare MBE FRICS (Vice Chair)
Linda Costello
Major General Tim Hodgetts CB CBE KHS OStJ DL
Martin Hodgson
Matthew Hubbard
Dr Sridevi Kalidindi MBBS BSc (Hons)
FRCPsych PhD CBE
Simon Taylor
Rachael Taylor-Jenkins,
appointed on 19 January 2024
Andrew Wishart
Julius P H S Wolff-Ingham OBE
resigned on 7 November 2024
Brian Worrell

SENIOR MANAGEMENT TEAM

Amanda Shepard, Chief Executive
Debbie Boughtflower, Director of Operations
Mark Louw, Finance Director
Charlotte Dymock, Senior HR Business Partner
Jeff Short, Director of Production and The Estate

AUDITOR

Saffery LLP, 71 Queen Victoria Street,
London EC4V 4BE

INVESTMENT MANAGERS

Close Brothers Asset Management, 10 Exchange
Square, Primrose Street, London EC2A 2BY

BANKERS

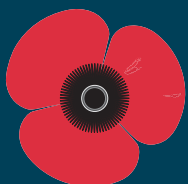
Barclays Bank Plc.
PO Box 13
8 George Street, Richmond TW9 1JU
Bank of Scotland
The Mound
Edinburgh EH1 1YZ
Close Brothers Savings
10 Crown Place
London EC2A 4FT

SOLICITORS

Russell-Cooke LLP
2 Putney Hill
Putney
London SW15 6AB



The Poppy Factory
20 Petersham Rd,
Richmond TW10 6UR,
London
www.poppyfactory.org



**THE
POPPY
FACTORY**

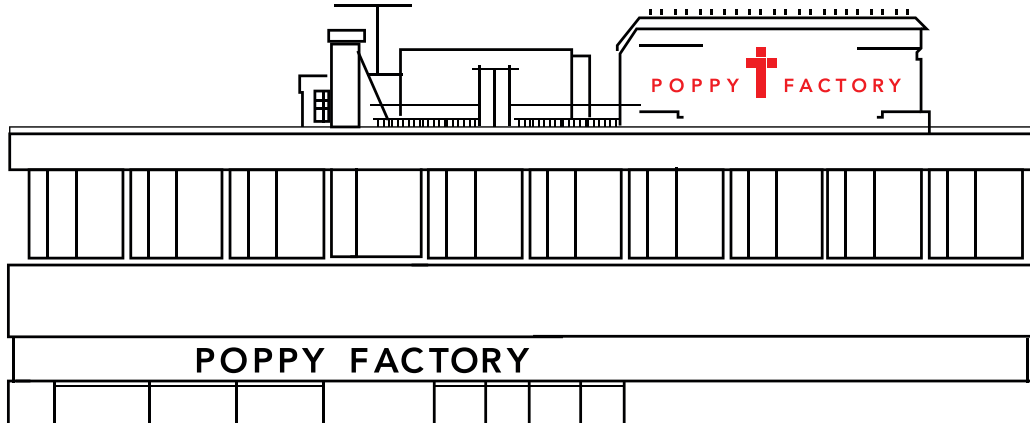
ROYAL BRITISH LEGION POPPY FACTORY LIMITED

England & Wales - Charity number 225348

Accounts



**THE
POPPY
FACTORY**



ANNUAL REPORT & ACCOUNTS TO 30 SEPTEMBER 2023

THE ROYAL BRITISH LEGION POPPY FACTORY LTD, TRADING AS THE POPPY FACTORY

GLOSSARY OF TERMS

AFCFT	Armed Forces Covenant Fund Trust
DMWS	Defence Medical Welfare Service
NHS	National Health Service
VPPP	Veterans' Places, Pathways and People programme

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INTRODUCTION

As the challenges facing the Armed Forces community change, so The Poppy Factory continues to evolve. Always forward-thinking, we have this year taken significant further steps in meeting the needs of today's veterans and their families.

Bringing abundant new energy, ideas and leadership experience, Amanda Shepard is driving positive progress as our new Chief Executive. The Board of Trustees and I were delighted to confirm Amanda in post in July, following an interim period characterised by strong results across the board for the charity and the communities we serve.

New services are already helping family members to secure employment, and enabling veterans who are not yet ready for the workplace to make positive steps forward. In doing so, we remain true to our founding ambition of all-round support, centred on employment. This is achieved, in part, by forging ever stronger connections with our partners.

Our expanded range of services can only be delivered effectively from a position of financial security. We are grateful for the backing of our military funders, trusts and foundations, and of our corporate partners who increasingly recognise the unique opportunity offered by our Richmond site for meetings and events. Alongside important income from our offices and estate, this diversity of funding ensures that our work continues to have a powerful impact for so many in the Armed Forces community.

The Board and I would like to thank Deirdre Mills for her commitment and service as outgoing Chief Executive.

Alistair Kett,
Chair of The Poppy
Factory, reflects on
a year of progress
and the expansion
of support for the
Armed Forces
community.



Alistair Kett
Chair of The Poppy Factory

Many of the challenges facing society, including poorer mental health, financial difficulty and uncertainty about the future, are felt equally keenly in the Armed Forces community and are often magnified among those we support. Additionally, homelessness and addiction are among the most common barriers facing the veterans and their families we work with today.

Helping people overcome these barriers to move forward with their lives has always been at the core of our work as a charity, and we continue to push boundaries to help those who need it the most.

It is rewarding to note that efforts to extend our reach are paying off. This year more than 500 veterans registered for employment support, a record number, continuing the trend for growing demand since the Covid crisis. Combined with those already registered, we helped more than 900 veterans make positive progress towards employment this year. Around one third started new jobs and nearly two thirds improved their life stability, health and wellbeing.

An undoubted success of the last 12 months has been the launch of new services, greatly expanding our capability. Our Families Employment Service is already helping dozens of family members across England and Wales, while Navigator is helping veterans in Merseyside chart a new path away from the most difficult of circumstances.

The success of our services, and the personal successes of each veteran and family member, could not be achieved without the close collaboration of our many partners. I am grateful to all the charities, agencies and organisations who work with us so effectively. These ever-stronger relationships will continue to be essential as we look to help the Armed Forces community tackle the challenges of the future.

Amanda Shepard,
The Poppy Factory's
Chief Executive,
sets out how we
are helping more
veterans and family
members to change
their lives.



Amanda Shepard
The Poppy Factory's
Chief Executive

OBJECTIVES

Our strategic aim is to support veterans with health conditions and their families into meaningful and sustainable employment. Our objectives are underpinned by data, continually reviewed to ensure the work of our charity is delivered effectively and the objectives are being met. Here are our objectives for the coming year.

SUPPORTING VETERANS AND FAMILIES



- To continue delivering our Veteran and Family Services, maintaining a highly effective, person-centred approach.
- To further develop our Veterans Employment Service, Families Employment Service and Navigator Service, supporting positive mental health and wellbeing, increased independence and improved employment opportunities for family members and veterans.
- To continue leading the Veterans Places, Pathways and People programme in London and to partner with VOS in the South East and DMWS in the Midlands as part of the national programme funded by Armed Forces Covenant Fund Trust.
- To continue supporting veterans with health conditions and dependents through employment at our Richmond factory, making specialist wreaths and Remembrance items.

PARTNERSHIPS

- To strengthen existing networks to improve the range and accessibility of support for all veterans.
- To continue delivering our services alongside primary care and NHS veteran services.
- To continue building referral pathways and relationships within the Veterans Places, Pathways and People programme and the London Armed Forces Network.
- To share the impact of our evidence-based services and encourage continued support and funding of our work.



MONITORING, EVALUATING AND IMPROVING

- To continue developing our monitoring and evaluation programme so that we understand our impact, and identify areas for service development to better meet the needs of veterans and their families.
- To ensure veterans' voices and lived experience are at the heart of our service development and delivery.

INCOME GENERATION

- To further develop a diverse and sustainable income base to support service delivery and veteran support.
- To generate and maximise income from all aspects of our Richmond estate.



THOUGHT LEADERSHIP

- To continue to share our knowledge and insight and to positively influence government, veterans, veterans' organisations, employers and wider funders and partners, with the aim of improving services and opportunities for veterans.

HIGHLIGHTS OF THE YEAR

A difficult economic backdrop did little to deter the veterans and family members who we supported into employment this year. But our help may be needed now more than ever, as indicated by the rapid take-up of new services. With demand growing, our services won praise from independent assessors as we renewed our commitment to the whole of the diverse veteran community.

LIFT-OFF FOR NEW SERVICES

Expanding our support to meet the needs of veterans and their loved ones has been a priority. Two services launched in April with immediate impact. Our new **Families Employment Specialists** are helping Forces family members on their journey into employment, with many already starting jobs or retraining. Our Navigator Service is helping veterans to improve their health and wellbeing through meaningful activities and connections, charting a path to a brighter future.



HEALTHY APPROACH TO EX-FORCES PATIENTS

Our ground-breaking partnership with the NHS, giving regional GPs and mental health teams an opportunity to prescribe employment support for ex-Forces patients, received praise at the start of the year in an independent report by the Institute of Mental Health at the University of Nottingham. This led to a programme of engagement with health services across England and Wales, with a record number of veterans now referred to our services through the NHS.



ROYAL WREATHS FOR A NEW ERA

In keeping with a tradition that we have upheld since the 1920s, we were honoured to work with the Royal Household to design new Remembrance wreaths for Their Majesties King Charles III and Queen Camilla. The wreaths, which include ribbons in Their Majesties' racing colours, are made by hand in Richmond by our specialist Royal wreath makers, who also created new designs for Their Royal Highnesses

The Prince and Princess of Wales. Our showcase was a highlight for the many thousands of guests who discovered our visitor centre this year.



PRIDE IN OUR LGBT+ VETERANS

We were proud to welcome a group of LGBT+ veterans for a get-together at The Poppy Factory, hosted with our partner charity Fighting with Pride ahead of Pride in London 2023. The rainbow flag flew from the roof of our Richmond factory throughout July and our charity made a national commitment to warmly welcome and support members of the LGBT+ community by signing up to the Pride in Veterans Standard.



GOLD STANDARD



A rigorous independent review in February commended the quality of employment support that we offer to the Armed Forces community. The assessor for the matrix Standard – the international quality standard for organisations delivering information, advice and guidance – noted “overwhelmingly positive” comments from veterans who were interviewed. He highlighted the transformative impact that skilled support can have for those who face multiple barriers to employment, renewing our matrix Standard accreditation for three more years. In a separate assessment, we also achieved the new Veterans Mental Health Awareness Standard following a successful three-month pilot.

VETERAN & FAMILY SERVICES



Expanding our services to better meet the needs of the veterans and families we work with has been a priority this year. The veterans we support can face some of the most challenging situations in the ex-Forces community, with complex mental and physical health conditions often compounded by issues such as homelessness and addiction. Family members too may face similar challenges, with caring responsibilities for children and veterans adding further pressure. Our services empower each of these individuals to make positive progress on their own terms.

VETERANS EMPLOYMENT SERVICE

It has been another busy year for our team, with demand for our Veterans Employment Service continuing to grow since the Covid crisis. The number of annual registrations is higher now than before the pandemic.

Although our aim is to help veterans find meaningful employment, the people we support often face complex barriers including some form of health condition or disability. Initially, we focus on removing these barriers, supporting each veteran to improve their stability, health and wellbeing.

Despite this challenging backdrop, we continue to help veterans find meaningful work. This is achieved together by developing a personalised plan. Important practical steps may include committing to training, completing job applications, attending interviews and volunteering to build confidence and skills.

Our Employment Consultants are experienced problems solvers. They understand how to remove barriers and help veterans prepare for work, guiding them through the process, building trust and independence. In some cases, it is necessary to support veterans through several jobs, including voluntary and temporary positions, before they reach their ideal role.

Once in employment, we work with both the individual and their employer to offer help and advice on staying healthy at work. We're there to advocate on behalf of the veteran when needed. Our team work closely with NHS colleagues to ensure that treatment and recovery are considered as part of the veteran's journey back to work, and in two locations, our Employment Consultants work alongside local health teams.

Families
Employment
Specialists
Lara and Sara



Due to the complexity of the challenges faced, we often need to provide intensive support over several months. On average, it takes around 100 days for a veteran to start work after they register with our service, but we will work with someone who is motivated to find employment for as long as it takes. To ensure we can offer this personalised approach, we manage our caseloads to ensure that Employment Consultants have the time and resources to work effectively.

NAVIGATOR SERVICE

Many of the veterans who seek our support can be a long way from being work-ready, with many difficult barriers to overcome. They may not have left their home or local area in a very long time. In recognition of this, we launched the Navigator service in April 2023.

Navigator helps veterans to engage in meaningful activity that enhances their health and wellbeing and in doing so, supports them to become work-ready. The service offers 6 months of focused support initially. The aim is always to achieve a primary goal that is set by the veteran. Once this goal is achieved, if appropriate, they will be referred on to the Veterans Employment Service. Our focus throughout is to empower the individual.

Our Navigator team work closely with colleagues and partners to meet the needs of the veteran they are supporting. The top three issues faced are mental health, homelessness and addiction.

FAMILIES EMPLOYMENT SERVICE

It is not only veterans whose lives are impacted by time in the Armed Forces. Service can affect an entire family. Family members may help care for a veteran who is unwell or whose activity is significantly reduced. For partners of those who have served, this can be an added challenge alongside the regular relocations that are part of military life. There are many factors that may affect a family member's own employment and prospects.

We launched our Families Employment Service in April 2023 in partnership with The Ripple Pond, who offer wraparound support to families of veterans and serving personnel. Our service is available to any adult family member supporting or caring for a member of the Armed Forces community who has, or has recovered from, a health condition. This includes 'chosen family', separated partners and parents of veterans.

The service is suitable for anyone who is unemployed and looking to move into employment, or who has difficulties in their current role as a result of their circumstances and needs help to keep their job or move to a new one. Our Families Employment Specialists have lived experience of military life. They understand the challenges of caring for a veteran and can empathise with those who reach out to us for support. They empower people to overcome obstacles and find work that suits their individual circumstances and personal aspirations.

CARLY, STANDING BY TO SUPPORT FELLOW FEMALE VETERANS



Carly had a successful career in the Army, rising to the rank of Corporal throughout her 13 years of Service in Northern Ireland, Cyprus, Iraq and Afghanistan. Then her mental health began to suffer. After leaving the Forces, Carly was diagnosed with post-traumatic stress disorder and struggled with homelessness. Following employment support, she is now helping other women who have served through the Everton in the Community Women Veterans programme.



TIME IN SERVICE

Carly said: "I knew I wanted to join the Army when I was 12 years old. I was a tomboy and I liked physical fitness and being outside, I didn't much like the academic side of school.

"I joined when I was 16 in 1997, at a time when not many women joined the Services. I really enjoyed the initial training, I met some really like minded people and embraced the camaraderie.

"Two years later I was sent on tour to Northern Ireland and soon after that, Cyprus. Both tours went OK. Then in 2004 I was sent to Iraq, and that was tough. My job involved protecting local women during search operations.

"In 2007 I went to Afghanistan. That was difficult too. It was a hard environment to be in. I remember getting back from a tour and the first thing we did was get drunk. That's how we coped at the time. Looking back, it wasn't a good way to deal with what we'd been through. It wasn't until I left the Army that I realised how my experiences impacted my mental health.

DIFFICULT TIMES

"I left the Army in 2010. It felt like the right time for me. I enjoyed my time in Service and I'm proud of getting to the rank of Corporal. Joining so young made me wonder what else was out there, so I decided to move to Spain and open a bar with my partner. After that, I travelled around for various jobs.

"I've had a hard time in recent years. My nan died during the Covid pandemic and I was caring for my partner, who injured his spinal cord in an accident. I was his full-time carer and I wasn't getting much support. Then my dog died, and I knew I had to reach out and ask for help as things were getting too much. My mind was all over the place and I started getting flashbacks of my time on tour.

"In 2022, I moved back home with my parents in The Wirral and reached out for support. I was diagnosed with PTSD and signposted to Op COURAGE. They referred me to The Poppy Factory and that's where I met my Employment Consultant, Andrew.

"Andrew has supported me enormously. Without his help I wouldn't be where I am today. He's helped me with more than just employment, he's helped me move into a flat of my own and help me believe in myself again. I would sometimes ring Andrew for a chat and explain how I was feeling, and he'd listen and offer me guidance. It's such a comfort to know I've got that support on the end of the phone.

LAUGHING AWAY THE BLUES

"Andrew mentioned the work that Everton in the Community are doing to support veterans. Everton in the Community Veterans Provision is a project that helps people through engagement, support tools and evidenced-based behavioural change methods to improve their lives, so I went along to a Laughing away the Blues event. I was a little apprehensive at first but the people there made me feel so welcome. My confidence started to grow and I started to feel my spark coming back.

"I now believe I'm strong enough to move forward and help fellow female veterans who've been through similar experiences."



Andrew Pickersgill,

Employment Consultant at
The Poppy Factory said:

"Carly's journey is perhaps such a powerful one because every ounce of what's brought her to where she is now, is testament to her own steely determination and resilience; her persistence and never giving up; her fortitude; her reaching out and accepting help, it also helps being able to partner with excellent projects like Everton's Veteran's Provision. I've really enjoyed working with Carly and I'm always at the end of the phone if she needs me."

OUR IMPACT



**VETERANS
EMPLOYMENT
SERVICE**

4 IN 5 Have a mental health condition

1 IN 2 Has a physical health issue

1 IN 5 Reports hearing loss

1 IN 4 Lives with chronic pain

1 IN 3 Is over the age of 50



531

Veterans registered

Highest ever number of registrations, 7% increase from last year



900
OVER

Veterans benefited

Existing clients and new referrals / registrations

DEMAND HAS INCREASED SINCE THE COVID CRISIS



OUTCOMES FOR THE VETERANS WE SUPPORTED

301 Started jobs,
including
5 self-employed

25 Began
volunteering

43 Undertook
work placements
to build experience

148 Completed
work-related
training courses

85 Directed
towards cost of
living support

14 Started
full-time
education



4 IN 5
Veterans
still employed
after 3 months



4.6
Satisfaction
rating:
4.6 out of 5



73% Report
improved
job search
skills

Based on outcomes star assessment
of 198 veterans every 3-4 months



61% Report
increased
stability

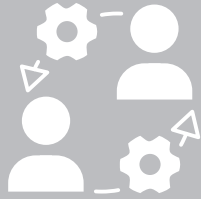


64% Report
improved
health and
wellbeing



91% Recommend
to friends
and family

WHO ARE WE WORKING WITH?



1 IN 3

Referrals
came via
the NHS

1 IN 10

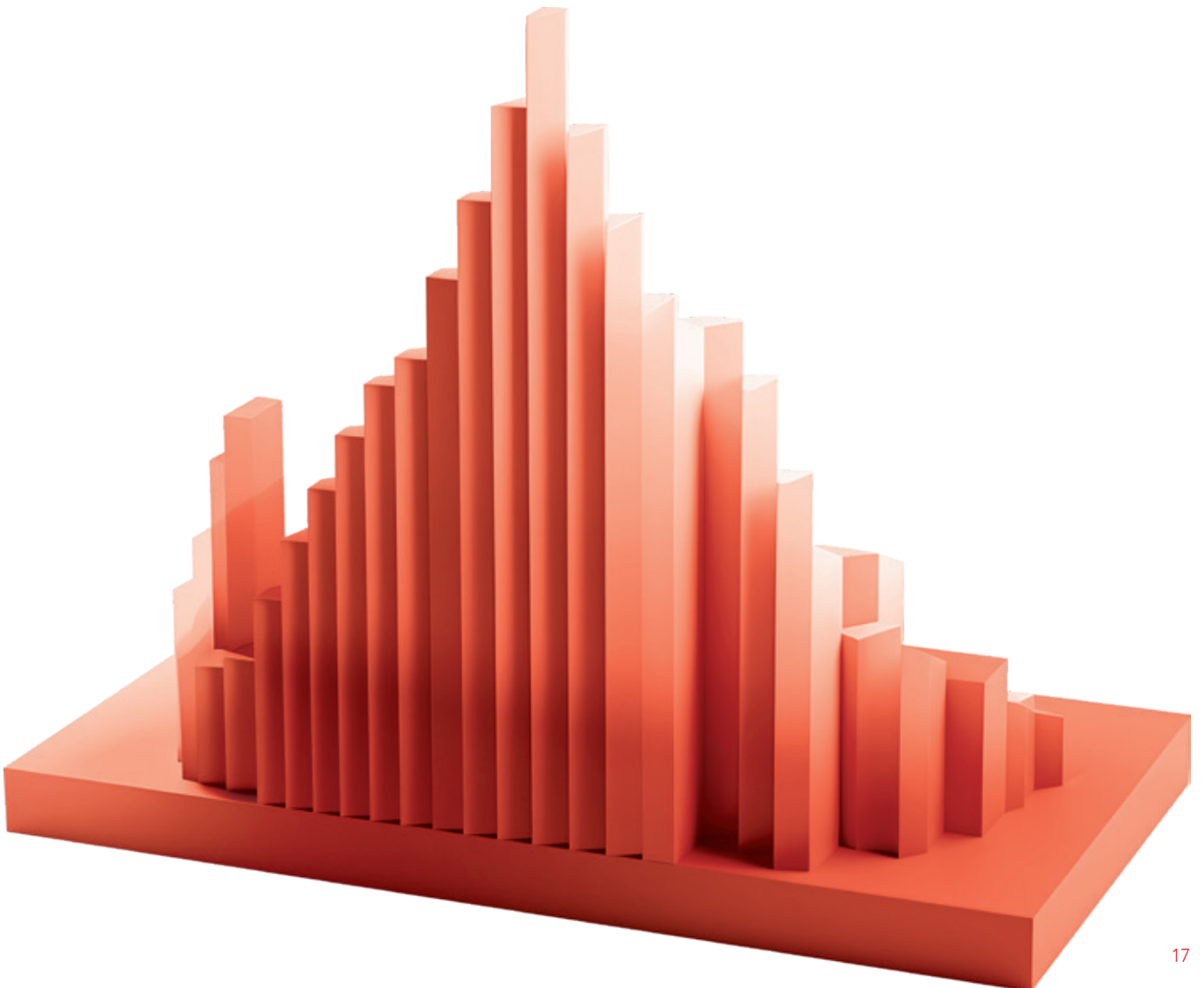
Referrals
came through
Jobcentre Plus

74% Served
in The Army

13% Served in
The Royal Navy or
Royal Marines

9% Served in
The RAF

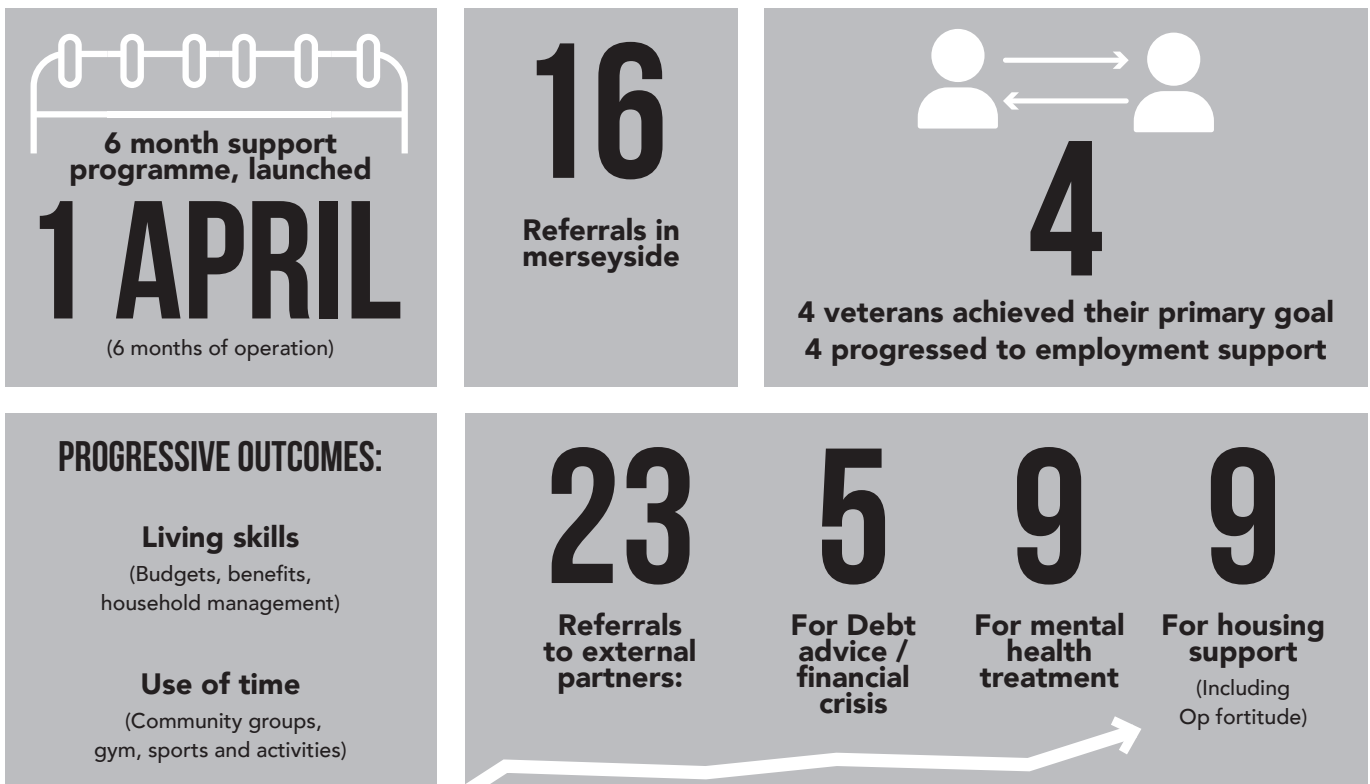
4% Served
in The Reserves



FAMILIES EMPLOYMENT SERVICE



NAVIGATOR SERVICE



THE YEAR IN RICHMOND

Two years since launching, our visitor centre goes from strength to strength. Our expanded team of hosts and volunteers ensure a warm welcome for many thousands of visitors annually, and special events throughout the year have brought live music, classic cars, VIP guests and more.

Autumn is naturally the busiest time of year in our visitor centre, with many groups making the journey to Richmond as thoughts turn to Remembrance. Yet this year, we welcomed a truly diverse mix of guests in all seasons.

Towards the end of 2022 we hosted the Minister for Defence People, Andrew Murrison MP. We were also delighted to offer a series of concerts by performers including the celebrated classical soprano Carly Paoli, followed by Blackwater Valley Wind Quintet setting the festive mood in December.

It was an honour to welcome the French Minister for Veterans and Memory, Patricia Miralles, in February, along with international sports star Frank Leboeuf, Bleuet de France's Ambassador to the French Football Federation. Spring also brought an opportunity to bring members of the Armed Forces community together at The Poppy Factory through our Time for Tea event, offered as part of our leadership of London Veterans Partnership.

Events in March showed off the versatility of the visitor centre space. We hosted a coffee morning for Richmond Park MP Sarah Olney,

brought together military leaders from the City for a networking event, welcomed a group of Rolls Royce enthusiasts complete with classic cars, and addressed members and supporters at our own AGM.



The coronation of Their Majesties King Charles III and Queen Camilla brought a perfect excuse to break out the bunting and cupcakes in May, when we offered special Discovery sessions highlighting our longstanding relationship with the Royal Household – including our recent work to design new Royal wreaths.

Over the summer, the rainbow flag flew proudly from the roof of the factory and a group of LGBT+ veterans joined us for a get-together hosted with our London Veterans Partnership friends, Fighting with Pride. Events such as this, combined with our commitment to the Pride

in Veterans Standard, are an important step forward in demonstrating our support for all in the diverse Armed Forces community.

Activity picked up once again in September with increasing numbers of sold-out Discovery sessions, group visits and corporate volunteers, all generating vital funds for our veteran and family services. As interest from community groups, corporate supporters and members of the public continues to rise, we look forward to another busy year ahead in support of the Armed Forces community.



Over
4,000
Visitors



101
Group visits



27
Discovery sessions





PRESIDENT'S OVERVIEW

The Poppy Factory's President, Surgeon Rear Admiral Lionel Jarvis, offers thoughts on our charity's continued role in the Remembrance tradition.

As another year closes amid tumultuous world events, the importance of remembering all those who have given their lives in conflict remains as vital as ever. The Remembrance period brings context to current difficulties and allows time for reflection as we acknowledge the sacrifices made by those who serve, and particularly those that came before us.

In November I was honoured to invite Her Majesty The Queen, our longstanding supporter and Patron, to lay a personal Cross of Remembrance and to conduct a review of the plots at the opening of the 95th Field of Remembrance. Preparations for the event begin much earlier in the year, with valued contributions by our production staff and teams of tireless volunteers. The many thousands of crosses and other tributes planted in the grounds of Westminster Abbey are testament to the personal sense of loss, and pride in the Service and sacrifice of others, still felt by so many today.

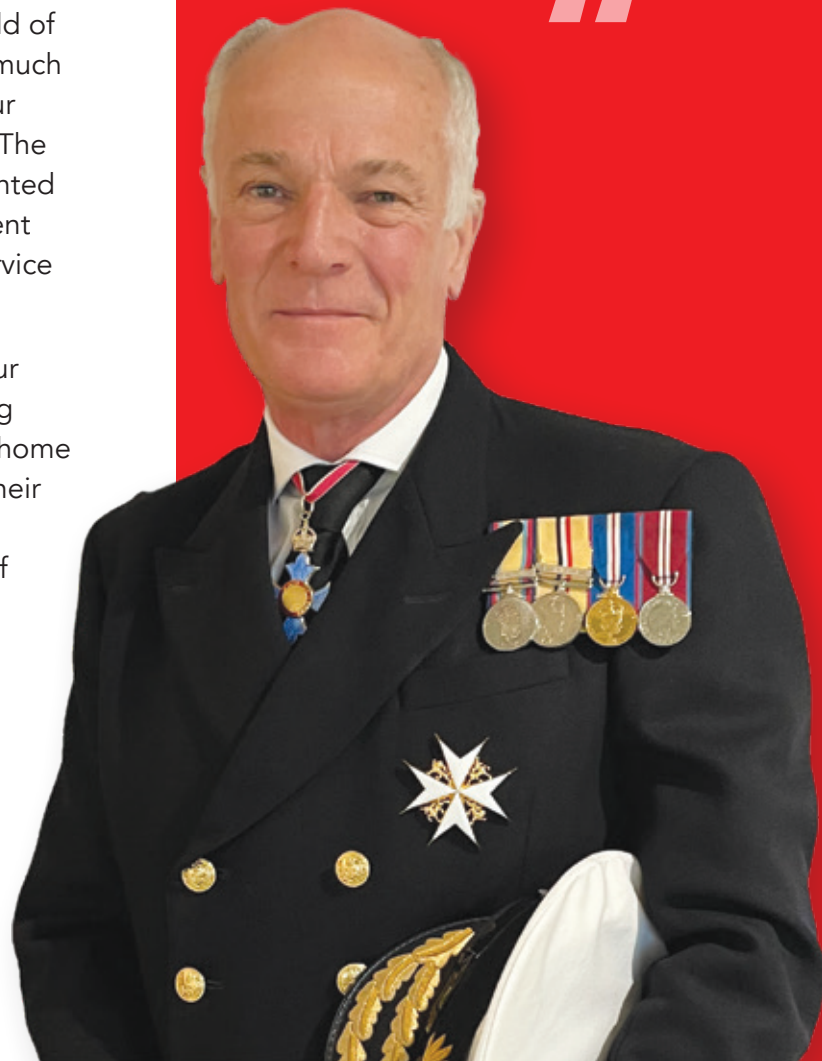
With tremendous dedication and commitment, our production team continues to fulfil its role creating Remembrance wreaths by hand from our historic home in Richmond. This includes the new wreaths for Their Majesties King Charles III and Queen Camilla and Their Royal Highnesses The Prince and Princess of Wales, as well as those of the wider Royal Family.

All these wreaths are laid with respect and solemnity in services across England and Wales and far beyond. In the face of continued global uncertainty, long may these traditions bind us.

Lionel Jarvis,
The Poppy Factory's President,
Surgeon Rear Admiral Lionel Jarvis



All these wreaths are laid with respect and solemnity in services across England and Wales and far beyond. In the face of continued global uncertainty, long may these traditions bind us.





PRODUCTION 2023



Our production team in Richmond upon Thames once again worked consistently through the year to create Remembrance wreaths and tributes for the Poppy Appeal, their dedication clear in the thousands of hand-made wreaths that are laid in services around the world. We were delighted to welcome almost 1,200 guests for the opening of the Field of Remembrance at Westminster Abbey in 2023.

More than a century since The Poppy Factory first began employing wounded and injured veterans to produce Remembrance products, we are proud to continue playing our part in this longstanding yet still vital tradition.

Each year, all the Remembrance wreaths for England and Wales are made by hand and with a great deal of care by our small production team; in 2023 that figure was over 115,000. These wreaths are then laid in services across the UK and around the world, including by members of the Royal Family. Every wreath holds great significance for those who wish to remember and pay tribute to others who have lost their lives in service.

Although the act of Remembrance is fundamental to our production work, employment support has always been at the heart of what we do, and this is as true for the factory team as it is for the hundreds of veterans we now help in communities elsewhere. In Richmond upon Thames, we strive as

ever to create a comfortable, supportive and inclusive environment for employees with mental and physical health conditions.

Members of the production team have also played a key role in welcoming guests to our visitor centre and our corporate volunteers, demonstrating their wreath-making skills to anyone who wishes to try their hand.



Gary Lock



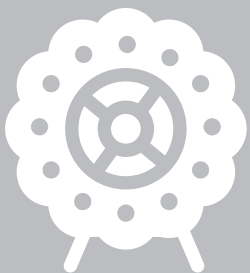
THE FIELD OF REMEMBRANCE

Almost 1,200 guests gathered together on 9 November 2023 for the opening of the Field of Remembrance by Her Majesty The Queen.

This tradition was established by The Poppy Factory in 1928 when our founder, Major George Howson MC, suggested using the grounds of Westminster Abbey as a place where anyone could plant a poppy as a tribute to someone who had given their life in service. In that first year over 30,000 hand-made poppies were planted, to be replaced in later years by crosses and other tributes.

This year, more than 35,000 tributes were once again carefully laid out according to regiments, units and associations. We would like to thank our dedicated team of workers and volunteers for their hard work in ensuring this important tradition is upheld.

PRODUCTION WORK IN NUMBERS



115,000
Wreaths



200 Royal and special wreaths



700,000 Crosses and tributes, of all faiths and none

15

Production workers including 2 special wreath makers worked on the order throughout the year



Photo: Westminster Abbey an Picture Partnership



Photo: Westminster Abbey an Picture Partnership



Photo: Westminster Abbey an Picture Partnership

Photo:
Westminster Abbey an
Picture Partnership



Photo:
Westminster Abbey an
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Westminster Abbey an
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Westminster Abbey an
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Photo:
Westminster Abbey an
Picture Partnership

FUNDING OUR WORK



With our services expanding to meet the needs of the Armed Forces community, effective partnership working is as important as ever. We work closely with other charities and partner organisations to deliver high quality support for veterans with health conditions and their families, and the vital contributions made by our funding partners are central to this work. We are grateful for all the funding, gifts in kind and other contributions from partner charities, trusts, foundations, companies, groups and supporters in 2022-23.

GRANT FUNDING PARTNERS



MILITARY CHARITIES

We are proud to work closely and effectively with other military charities and are grateful for the vital funding that they provide. Thanks to the contributions of major funding partners like ABF The Soldiers' Charity, the Royal Navy and Royal Marines Charity, RAF Benevolent Fund and Greenwich Hospital, we continue to offer employment support to help veterans overcome any barriers.

TRUSTS & LIVERY COMPANIES

Trusts and foundations provided vital contributions towards our employment support for veterans this year, helping them to overcome barriers to work and thrive in civilian jobs. We were delighted to receive support from both new and existing supporters during the year, both nationally and regionally, including State Street, Julia and Hans Rausing, and Queen Mary's Roehampton Trust.

With thanks to the Armed Forces Covenant Fund Trust's Veterans' Places, Pathways and People Programme, we continued to provide joined-up support to veterans with mental health conditions in London, the South East and the Midlands. Meanwhile, new support through the Reaching and Supporting Armed Forces Communities Programme is ensuring that family members of veterans with a health condition can receive specialist employment support.

TRUST SUPPORTERS

We would like to thank all our supporters, with special thanks to the following:

The Anson Charitable Trust

The Childwick Trust

Dr & Mrs J D Olav Kerr Charitable Trust No. 2

The Drapers' Company

The G C Gibson Charitable Trust

Inman Charity Trustees Limited

Julia and Hans Rausing

Kent Community Foundation

The Lancashire Foundation

The MacRobert Trust

Medlock Charitable Trust

Moondance Foundation

Queen Mary's Roehampton Trust

State Street

The Tallow Chandlers' Company

Waterloo Foundation

The Worshipful Company of Butchers

CORPORATE PARTNERS

Our Richmond headquarters was once again a focus of activity for our corporate partners in 2022-23, with many of our supporters choosing to take part in corporate volunteering sessions or hire our visitor centre and boardroom for off-site meetings and events. We are grateful for their boundless energy and enthusiasm, and for their important contributions towards the funding of our Veteran and Family Services. We would particularly like to thank those partners who contributed substantial funds this year, including Salesforce, Bloomberg and TJC.

We would also like to thank our friends in the Richmond-upon-Thames community, including the Museum of Richmond, Visit Richmond, Richmond Council and Be Richmond.

FUNDRAISING CHAMPIONS

We are hugely grateful for the efforts of all those supporters who chose to raise funds individually, and whose efforts helped veterans to change their lives through employment in 2022-23.

RESPONSIBLE FUNDRAISING

Those who give funds to support veterans with health conditions through The Poppy Factory can be assured that we comply with the regulatory standards for fundraising. Our charity is registered with the Fundraising Regulator and we are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice, which covers the requirements charities must follow as set out in the Charities Act 2016. All direct fundraising is done by our own team - we do not outsource any of our activity to third parties. Several of our in-house fundraising team are members of the Institute of Fundraising. We do not target individuals in the street or through direct marketing. Any public fundraising is limited to voluntary donations, such as through our website or through occasional bucket collections carried out by our own staff and volunteers. We encourage our corporate partners, and other organisations, groups and individuals, to organise their own fundraising events on behalf of The Poppy Factory. Our team provides resources, information and guidance to support these events as appropriate, to ensure that all activity falls within the Code of Fundraising Practice.



MUSA & MARK ADVANCE

FROM THE ROYAL MARINES TO THE RED CARPET

FORMER ROYAL MARINE
MARK PRICE TRAVELLED
AND WORKED AROUND THE
WORLD AFTER LEAVING
SERVICE.

BACK IN THE UK WITH A
FAMILY TO SUPPORT, HE
FOUND IT DIFFICULT TO
BREAK INTO A CHANGING
JOBS MARKET. EMPLOYMENT
SUPPORT HELPED HIM
BUILD HIS CONFIDENCE AND
FIND NEW OPPORTUNITIES,
LEADING TO AN EXCITING
NEW CAREER IN THE FILM
INDUSTRY.

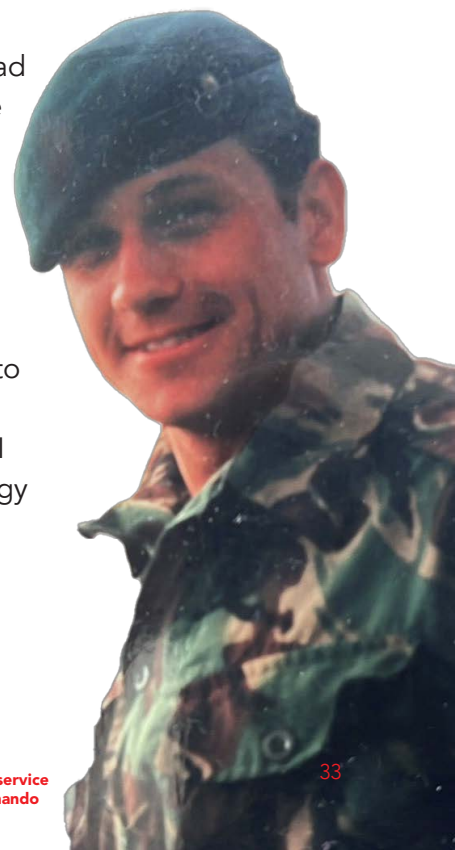
BEYOND THE ROYAL MARINES

Mark said: "I served for two years in the Royal Navy from 1986 to 1988, then transferred to the Royal Marines and stayed there until 2000. I served in Northern Ireland and the Gulf on operational tours. I enjoyed the comradeship and the teamwork. I left because I was injured, feeling a little on the sidelines and not being able to do as much when one hundred percent fit.

"After I left service, I moved to Thailand to work as a dive instructor. Later I moved to Africa and worked for a company that specialised in building resorts. I didn't come back until eight years later. During this time I met my wife and we had kids who lived in Cape Verde for the first few years of their lives.

ADAPTING TO A CHANGING WORLD

"It was when we came back to the UK in 2014 that I needed help. The biggest challenge I felt, was how much technology had moved on and left me behind. We were living in Suffolk and I didn't have a job to support my family. That's when I got in touch with The Poppy Factory.



"I hadn't been in the system for so long, I needed ideas for how I could market myself and soon. As veterans, I don't think we're very good at talking about ourselves, I needed to find that little bit of confidence. I remember during this time feeling shattered and unable to find direction.

"Looking back there were two things about the support I had that got me on the right track. I was able to put a really strong CV together and start registering this CV on different job websites. I was told on a course that if I wanted to get into something, I should start with a volunteering role. That really helped as I started with the Fire Service which I really enjoyed.

NEW SKILLS AND NEW INDUSTRIES

"I got a job working with the prison service, and while I was there, I was funded to do a NEBOSH qualification. I was then able to get a good job in health and safety. Over four years, I completed further qualifications and combined this with a teaching certificate which enabled me to gain further employment.

"When Covid struck, I realised how much I enjoyed working from home and thought about starting to work for myself. Then, by chance, someone I knew asked if I could work on health and safety on a film set, and things took off. I went to Morocco for two months to work on a sci-fi thriller. Suddenly, I was into film work as a health and safety consultant.

HELPING OTHERS FIND A Foothold

"As well as working for myself, I'm now volunteering for a project that's helping other veterans get into the industry, such as through acting or camera work. I'm excited to be able to help people in that way.

"When you're looking for a job, you've got to keep on going and keep on pushing. If you feel exhausted, you need to rest and then carry on the next day. Once you take your first step, building up your confidence, you're on your way."



STEPPING OUT FROM ISOLATION

FORMER INFANTRYMAN
MUSA JALLOW, 39, WAS
ISOLATED AND STRUGGLING
WITH HIS MENTAL HEALTH.

Musa has made great progress since he first joined BSS in 2020, with close support from The Poppy Factory's employment team to help him overcome social isolation. Musa recently became a Team Leader and in 2023 he took part in a BSS Conference and completed a LEAP Apprenticeship, which helped him hone a range of construction industry skills.

Musa said: "When someone at The Royal British Legion mentioned employment support at The Poppy Factory, I sent an email and my Employment Consultant got in touch. She was lovely and so supportive. When I first met her there were a lot of things I couldn't do for myself and she really helped.

"At that point I felt no-one was ever going to employ me. I thought I'd never work again and I really had no confidence.

"Taking part in the BSS conference transformed me from a soldier to a proud civilian learning new skills that help me and my colleagues.

"The attraction of the apprenticeship was achieving nationally recognised qualifications, constantly learning new skills for professional development."

Hannah Benford, Apprenticeships Communications Lead at Leap Apprenticeships & Early Careers, said: "We are extremely proud of all of our apprentices. Witnessing Musa harness the opportunities apprenticeships bring and building a career within our industry is amazing."

HE THOUGHT HE WOULD NEVER HAVE THE CONFIDENCE TO WORK AGAIN. WITH EMPLOYMENT SUPPORT HE FOUND HIS FEET IN THE WORLD ONCE MORE WITH A REWARDING NEW JOB AT THE BSS NATIONAL TUBE DISTRIBUTION CENTRE, CLOSE TO HIS HOME IN COVENTRY, WHERE HE SUCCESSFULLY COMPLETED AN APPRENTICESHIP.



Musa Jallow

FINANCIAL REVIEW



COMMENTARY ON THE BALANCE SHEET & RESULTS FOR THE PERIOD

Our total incoming resources were £4,544k, an increase of £454k.

- The total income from charitable activities for the year was £2,081k (2022 £1,915k) made up of
 - Appeal Order income at £1,519k (2022 £1,509k),
 - London VPPP lead income at £435k (2022 £274k) and
 - Beneficiary flats at £126k (2022 £132k).

The Appeal Order income was used exclusively to produce wreaths and symbols for The Royal British Legion for their annual remembrance activities. The income from the Appeal Order matches the costs of the production.

- The total income from donations and legacy was £892k (2022 £824k) and includes £129k from the NHS for three pilot programmes. Unless it is otherwise restricted, voluntary income funds the development and provision of the employment service.
- The total income from other trading activities was £114k (2022 £35k) is primarily from Visitor Centre income at £96k (2022 £35k), including admissions income and facilities hire. It also includes £18k (2022 £nil) of creative industries tax relief relating to investments made in the visitor centre.
- The total income from investments was £1,456k (2022 £1,316k) including £515k (2022 £447k) from office income and £928k (2022 £850k) from open market residential income.

Our total outgoing resources were £5,211k, an increase of £493k compared to £4,718k in 2022, this total cost includes £407k of building refurbishment-related depreciation costs in the year. The building refurbishment project was completed in October 2020.

- The total expenditure on charitable activities was £3,813k (2022 £3,694k) and included:
 - The overall Employment Service expenditure of £1,727k (2022 £1,717k), includes £133k of depreciation charged to the Employment Service, relating to the building refurbishment project.
 - The total expenditure on other charitable activities was £2,086k (2022 £1,977k) and includes the following:
 - £1,673k (£1,671k) Appeal Order costs, including £154k of depreciation charged to the Appeal Order, relating to the building refurbishment project.
 - £350k (2022 £222k) London VPPP lead disbursements.
 - £62k (2022 £84k) expenditure relating to the beneficiary flats.

In supporting ex-service men and women on their journey, we source training courses, which are funded by partners including ABF The Soldiers Charity and Greenwich Hospital.

- The total expenditure on raising funds was £1,398k (2022 £1,024k) and included:
 - £164k (2022 £227k) expenditure on raising voluntary income.
 - £218k (2022 £152k) expenditure on other trading activities in the Visitor Centre, including £120k of deprecation charged to the Visitor Centre, relating to the building refurbishment project.
 - £1,016k (2022 £645k) expenditure on investments and includes the following:
 - £585k (2022 £167k) of office property costs and includes £322k investment in sustainability upgrades to improve the energy efficiency of the main building.
 - £431k (2022 £478k) of open market property costs.

Net expenditure before other recognised gains and losses in the year was £-667k, which includes a £407k depreciation charge in the year and compares to £-628k net expenditure in 2022. Full details of movements on reserves are disclosed in note 18.

Cash and short-term deposits decreased by £384k to £1,263k at the year-end, compared to £1,647k in 2022. This was impacted by investments in the main building sustainability upgrades.

Creditors were £517k compared to £606k in 2022, a decrease of £89k in creditors at the year-end. Debtors were £229k compared to £203k in 2022, an increase of £27k in debtors at the year-end.

INVESTMENT PROPERTY

The investment property comprises 47 of the 62 residential flats that are let commercially, with rents based on professional advice from the charity's letting agents and in line with market value. The objective is to ensure a sustainable income return on these properties to fund the employment service. The remaining 16 flats are let to beneficiary tenants.

A sample of properties in the investment property portfolio was valued by Nightingale Chancellors, Chartered Surveyors, as at 30 September 2023 which, extrapolated across the whole portfolio, valued the properties at £28.3m. This increases the investment property reserve by £1.5m.

OTHER INVESTMENTS

Funds not required in the short to medium term are invested partly in deposit accounts over a suitable period with an institution with an investment grade 'A' credit rating.

The carrying value of investments is adjusted to market value at year-end.

During the year, other funds were invested with Close Brothers Asset Management. The total funds increased by £82k to £1,447k. The return-on-investment objective is CPI plus 3% over the medium term, which was not achieved in the year to 30 Sept 2023, with a total 6% gain in the year (September 2023 CPI was 6.7%). The investment performance will continue to be monitored.

RESERVES

The Council approved the reserves policy, which is reviewed annually. The General Reserve is to enable The Poppy Factory to continue to deliver its services in the event of an unexpected fall in income. The General Reserve should be maintained to cover: budgeted beneficiary employment and indirect costs for the factory for 9 months following the balance sheet date; a sum to cover building emergencies on the estate, to ensure that it remains

revenue-producing; and 6 months planned costs for employment support, to ensure that commitments can be honoured in the event of a significant reduction in voluntary income. The current reserves target is £2.0m, and the general funds are £2.2m. With planned deficits and investments, the general fund is expected to be brought into line with the reserves target within 1 year.

At 30 September 2023, the total funds of the charity were £35.3m (2022: £34.4m). After taking account of the revaluation of investment properties and investments, the charity had unrestricted funds of £35.0m. Of the £35.0m, £32.8m (2022: £32.2m) is revaluation reserve and designated funds. The revaluation reserve of £28.3m (2022: £26.8m) is related to that part of the residential estate classified as investment property and described above. Designated funds relate to the fixed asset fund and voluntary income used for the employment service.

PRINCIPAL RISKS AND UNCERTAINTIES

The Poppy Factory has a robust risk management process to identify and record risks to the organisation and individuals. All identified risks are considered, and appropriate management responses are applied. Additionally, all reasonable measures are taken to mitigate the potential impacts of risks. The risks identified and the management responses are kept under review at monthly executive meeting and presented at each Council Meeting.

The key risks identified for The Poppy Factory relate to:

- Safeguarding
- Macroeconomic environment
- Data protection
- Cyber Security

The Poppy Factory has a number of areas of work where safeguarding is a key consideration:

- employment services for veterans with health conditions and their families, where health conditions

and other circumstances can lead to vulnerabilities.

- employment within our factory for veterans with health conditions who may have specific vulnerabilities.
- beneficiary housing for adults who may have specific vulnerabilities.
- employment of staff working directly and indirectly in the delivery of employment services to veterans.

All risks relating to the safeguarding of the charity's beneficiaries and staff are given priority and are under continual review. We have robust policy and procedures in place to ensure all staff know what actions to take if a safeguarding concern is identified. All direct delivery staff are trained in adult safeguarding, and those working with families are also trained in child safeguarding. Internal and external supervision is in place to support all frontline staff and ensure that any safeguarding situation is identified at the earliest possible time. Reporting protocols are in place to meet health and safety requirements.

Macro-economic environment:

There is a risk that The Poppy Factory will not be able to raise sufficient funds to deliver the full scale of our employment support services; specifically, there is a risk that the fallout of wars in Ukraine and the Middle East, or other global or national events, push the UK economy into recession, or otherwise impacts our ability to raise voluntary income. If higher-than-average levels of inflation are maintained due to macroeconomic influences, this may lead to further financial challenges. There is the associated risk that wars in Ukraine and the Middle East lead to increasing demand for our services.

The Poppy Factory therefore continues to diversify its portfolio, engaging with regular funders, reaching out to new funders, and ensuring that its estate assets are generating income.

Data Protection:

There is a risk that personal data necessarily held by The Poppy Factory is subject to unauthorised access or misuse. The Poppy Factory has a data protection policy, which is regularly reviewed, and all staff receive data protection training. The Poppy Factory has undertaken a data audit to ensure adequate data protection, both physical and electronic, and the appropriate policies are in place. The Poppy Factory is compliant with the Fundraising Regulator's standards.

Cyber Security:

There is a risk that unauthorised access is gained to The Poppy Factory IT systems or that there is an introduction of malware or ransomware, which may result in loss of or restricted access to data. The Poppy Factory continues to invest in cyber security measures and is accredited with Cyber Essentials Plus, and this accreditation is renewed annually.

GUARANTEES

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of its winding up. The total number of members at 30 September 2023 was 40 (2022: 39). The number of members is limited to 60. Council members are members of the charity, but this entitles them to voting rights only.

STATEMENT OF RESPONSIBILITIES OF THE COUNCIL

INTRODUCTION AND STATEMENT OF COMPLIANCE

The Council (whose members are also trustees under charity law and directors under company law) presents its report and the audited financial statements for the year ended 30 September 2023.

Reference and administrative information, set out on the inside back cover, forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal Constitution

The Royal British Legion Poppy Factory Limited (The Poppy Factory) is a charitable company limited by guarantee, incorporated on 11 March 1925 and registered as a charity on 11 May 1964.

The company was established under a Memorandum of Association. New Articles of Association were adopted on 13 April 2012 and amended by a special resolution on 23 March 2017.

Governance

The members of the Council during the year are shown on the inside back cover. Council members equate to directors in companies act terms and trustees in charities act terms.

New Council members are appointed as necessary, in order to give a wide breadth of experience to the organisation. They have been recruited through a formal recruitment and selection process which includes a review of their Curriculum Vitae and an interview with the Chief Executive Officer (CEO) and members of the Council.

The Trustees would like to thank Peter Gill and

Krishna Dhanak for their service as Trustees and their contribution to The Poppy Factory.

Induction of Council members is carried out by the CEO prior to the new member's first Council meeting. This encompasses:

- governing documents;
- Council members' responsibilities;
- mission statement;
- health and safety policy;
- operational and committee structures;
- audited and management accounts;
- strategic plan; and
- key projects.

on an as-required basis.

No benefits are received by members of the Council. Council members' expenses are referred to in note 19 to the accounts.

Public Benefit

The Council confirms that it has due regard to the provisions of section 17 of the Charities Act 2011 and has referred to the guidance contained in the Charity Commission's general guidance on public benefit, both when reviewing The Poppy Factory's aims and objectives and also in planning activities.

Objects and Activities

Our Articles of Association set out that we "organise, establish and manage schemes for the purpose of assisting men and women who have been members of the Forces of the Crown and primarily those of them who have been disabled". The Poppy Factory does this by providing an employment service to veterans with health conditions and their families across England and Wales. We also provide paid work at our factory in Richmond, where men and women with health conditions who are connected to the Service have been making Remembrance products for over 100 years.

Remuneration of Key Management Personnel

The Trustees consider that the members of the Council and the Senior Management Team

comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. All Council members give their time freely and no director received remuneration in the year. Details of directors' expenses are disclosed in note 20 (no director expenses were incurred in the year) and related party transactions are disclosed in note 20 of the accounts.

The pay of the Senior Management Team and all staff is reviewed annually and normally increased in accordance with average earnings to reflect a cost-of-living adjustment. In view of the nature of the charity, the Council members benchmark against pay levels in other charities. The remuneration benchmark is the mid-range for similar roles in similar sized charities.

Management

The Council meets five times a year or when required. The following committee structure has been approved by the Council committees: The Finance and Estate Committee, Income Generation and Communications Committee, Programmes and People Committee. The committees and various working groups all report to the Council meetings as part of the governance structure.

The Council agrees the strategic aims of the charity, authorises the budget and approves the expenditure. The day-to-day running of the charity is delegated to the CEO, Ms Amanda Shepard, who was appointed by the Council.

The Council is responsible for preparing the Report and the financial statements in accordance with applicable law and regulations. Company law requires the Council to prepare financial statements for each financial year. Under that law, the Council has elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the charitable company and of the surplus or deficit for that period. In preparing these financial statements we are required to:

- select suitable accounting policies and apply them consistently;
- observe methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charitable company will continue in operation.

We are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable it to ensure that the financial statements comply with the Companies Act 2006. We are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the members of the Council is aware at the time the report is approved:

- there is no relevant audit information of which the Charity's auditors are unaware; and
- all steps have been taken by members of the Council to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.
- in approving this report, the Council members are also approving the Strategic Report in their capacity as company directors.

Approved by the Council on and signed on its behalf by:

Alistair Kett

A. Kett
Chairman

AUDITORS REPORT

OPINION

We have audited the financial statements of The Royal British Legion Poppy Factory Limited for the year ended which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including 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 charitable company's state of affairs as at 30 September 2023 and
- of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

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 charitable company 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 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 charitable company'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 during 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.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

We have nothing to report in respect of the following matters where the Companies 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; 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 40, the trustees (who are also directors of the charitable company for the purposes of company law) 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 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 auditor's 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 charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

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 charitable company'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 charitable company'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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Claire Wills

Claire Wills

(Senior Statutory Auditor)
for and on behalf of Saffery LLP
Chartered Accountants 71 Queen Victoria Street London EC4V 4BE
Statutory Auditors
Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



FINANCIAL STATEMENTS



STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an income and expenditure account)

Year Ended 30 September 2023	Notes	Unrestricted £	Designated Building Fund £	Restricted £	2023 Total £	2022 Total £
INCOME FROM:						
Charitable activities, including Appeal Order	2	1,645,605	-	435,602	2,081,207	1,914,508
Donations and legacies	3	278,565	-	613,737	892,302	823,859
Other trading activities	4	114,438	-	-	114,438	35,410
Investments, including property	5	1,455,747	-	513	1,456,260	1,316,344
Total income		3,494,355	-	1,049,852	4,544,207	4,090,121
TOTAL EXPENDITURE ON:						
Charitable activities	6					
Employment Service		934,897	132,521	659,650	1,727,068	1,717,169
Other, including Appeal Order		1,581,319	154,099	350,451	2,085,869	1,977,311
		2,516,216	286,620	1,010,101	3,812,937	3,694,480
Raising funds	6					
Donations and legacies		164,225	-	-	164,225	226,950
Other trading activities		97,093	120,490	-	217,583	151,904
Investments, including property		1,016,335	-	-	1,016,335	645,087
		1,277,653	120,490	-	1,398,143	1,023,941
Total expenditure		3,793,869	407,110	1,010,101	5,211,080	4,718,421
Net income/(expenditure) before gains and losses on investments		(299,514)	(407,110)	39,751	(666,873)	(628,300)
Other recognised gains/(losses)						
Revaluation of investment property	11	1,495,000	-	-	1,495,000	230,000
Gains/(losses) on investments	12	82,469	-	-	82,469	(139,137)
Net income/(expenditure)		1,277,955	(407,110)	39,751	910,596	(537,437)
Transfers between funds		500,000	(500,000)	-	-	-
Net movement in funds		1,777,955	(907,110)	39,751	910,596	(537,437)
Total funds brought forward	18	28,760,503	5,376,897	230,720	34,368,120	34,905,557
Total funds carried forward		30,538,458	4,469,787	270,471	35,278,716	34,368,120

The notes on pages 50 to 62 form part of these accounts. All the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Details of income and expenditure by fund for 2022 is given in note 22.

BALANCE SHEET AT 30 SEPTEMBER 2023

	Notes	2023 £	2023 £	2022 £	2022 £
FIXED ASSETS					
Tangible fixed assets	10		4,469,787		4,876,897
Investment properties	11		28,315,000		26,820,000
Other investments	12		1,446,872		1,364,917
TOTAL FIXED ASSETS			34,231,659		33,061,814
CURRENT ASSETS					
Stock	13	98,044		76,425	
Debtors	14	229,480		202,698	
Short-term deposits		649,785		906,302	
Cash at bank and in hand		586,594		726,766	
TOTAL CURRENT ASSETS		1,563,903		1,912,191	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	15	(516,846)		(605,885)	
NET CURRENT ASSETS			1,047,057		1,306,306
NET ASSETS	17		35,278,716		34,368,120
FUNDS OF THE CHARITY					
Restricted funds	18		270,471		230,720
Unrestricted funds					
Revaluation reserve			28,315,000		26,820,000
Designated funds			4,469,787		5,376,897
General funds			2,223,458		1,940,503
			35,008,245		34,137,400
TOTAL FUNDS			35,278,716		34,368,120

Approved by the Council of The Royal British Legion Poppy Factory Limited, Company Number 00204405 (England and Wales) and signed on its behalf by:

Alistair Kett

A. Kett

Chairman

Date: January 22, 2024

CASH FLOW STATEMENT

	2023 Total £	2022 Total £
Cash flows from operating activities	(410,629)	(119,305)
Cash flows from investing activities		
Interest income	13,427	19,276
Purchase of investments	(74,586)	(116,386)
Purchase of Fixed Assets	-	(53,408)
Proceeds from sale of investments	87,387	51,707
Net cash provided by/(used in) investing activities	26,228	(98,811)
Change in cash and cash equivalents in the reporting period	(384,401)	(218,116)
Cash and cash equivalents at the beginning of the reporting period	1,647,523	1,865,639
Cash and cash equivalents at the end of the reporting period	1,263,122	1,647,523

ANALYSIS OF CHANGES IN NET DEBT

	1 October 2022 £	Cash Flows £	30 September 2023 £
Cash and cash equivalents			
Cash	1,647,523	(384,401)	1,263,122
Total	1,647,523	(384,401)	1,263,122

NOTES TO THE CASH FLOW STATEMENT

	2023 Total £	2022 Total £
RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES		
Net (expenditure)/income for the reporting period	(666,872)	(628,300)
Decrease/(increase) in debtors	(26,782)	(54,068)
Decrease/(increase) in stock	(21,620)	36,828
(Decrease)/increase in creditors	(89,038)	135,138
Interest income	(13,427)	(19,276)
Depreciation	407,110	410,373
Net cash provided by/(used in) Operating activities	(410,629)	(119,305)
Analysis of cash and cash equivalents		
Short term deposits	649,785	906,302
Cash at bank and in hand	586,594	726,766
Cash held as part of investment portfolio (note 10)	26,743	14,455
	1,263,122	1,647,523

1. ACCOUNTING POLICIES

General Information

The Charity is a private company, limited by guarantee, registered in England and Wales. The registered office and company details are shown on page 62.

Basis of Preparation

The accounts 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) (Second edition) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note. There has been a reclassification applied to income and expenditure categorisation in the Statement of Financial Activities (SOFA), to better represent the charity's activities. The reclassification does not affect the net income on the SOFA and does not affect the balance sheet.

Going Concern

Following a review of our financial position, reserve policies and plans, the Council consider that there are no material uncertainties about the charity's ability to continue as a going concern for the foreseeable future.

Public Benefit

The charity meets the definition of a public benefit entity under FRS 102.

Income Recognition

Income from donations and legacies is included in full in the statement of financial activities when receivable. Volunteer time is not included in the financial statements. Unrestricted income for the Appeal Order matches the unrestricted expenditure for that activity.

Grants are included in the statement of financial activities in the year in which they meet the conditions of recognition. Grants for the purchase of fixed assets are credited to restricted income when receivable.

Depreciation of fixed assets purchased with such grants is charged against the restricted fund. Where a fixed asset is donated to the charity for its own use, it is treated in a similar way to a restricted grant.

Expenditure

Expenditure is recognised in the period to which it relates. Expenditure includes attributable VAT which cannot be recovered. Expenditure is allocated to the activity where the cost relates directly to that activity.

Support Costs

Support costs are administrative costs, including the provision of services for the benefit of Appeal Order staff and are charged as incurred based on the specific usage; where an allocation is necessary, an appropriate basis such as staff cost, staff numbers or floor space has been used depending on the nature of the expenditure.

Costs of Raising Funds

Expenditure on raising funds relates to the costs incurred by the charitable company in raising funds for the charitable work. This includes costs associated with investment properties, rented office space, running the visitor centre, and raising voluntary income.

Fixed Assets

Depreciation is provided at rates calculated to write down the cost or revalued amount of tangible fixed assets, other than land, to their estimated residual value evenly over their expected useful lives. The depreciation rates in use are as follows:

	Per annum
Furniture and equipment	15% - 34%
Plant and machinery	20%
Freehold buildings	3% - 10%

Items of equipment are capitalised where the purchase price exceeds £5,000 except in the case of computer equipment which is expensed in the year. Expenditure related to the maintenance of the estate is expensed as incurred. Depreciation costs

are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Operating Leases

Rentals for assets held under operating leases are charged to the Statement of Financial Activities as they become payable.

Fund Accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity.

Designated funds are unrestricted funds allocated by the Council for specific purposes.

Fixed Asset Investments

Investment property is shown at market value on a vacant possession basis. The value of investment property is reviewed every year with any gain/(loss) for the year being taken to the statement of financial activities. The split between open market and beneficiary flats is reviewed annually. Beneficiary flats are valued at historical cost.

Other investments are shown at market value at the balance sheet date, with any gain/(loss) for the year being disclosed in the notes and taken to the statement of financial activities.

Stocks

Stock is stated at the lower of cost and net realisable value. Cost is determined on a first-in-first-out basis and includes transport and handling costs. Net realisable value is the price at which stock can be sold in the normal course of business after allowing for the costs of realisation.

Debtors

Short-term debtors are measured at transaction price, less any impairment.

Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors, are initially recognised at transaction value and subsequently measured at their settlement value.

Pensions

The charity makes pension contributions to The Poppy Factory's Personal Pension scheme. The Poppy Factory's contributions to the RBL defined benefit scheme, which is now closed, were accounted for as they became payable in the year, as they are fully recovered under the terms and conditions and continuation of the Appeal Order.

Critical Accounting Judgements and Estimates

In preparing these accounts, management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the accounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key estimate is the valuation of the investment properties.

More detail is shown in note 11.

2. CHARITABLE INCOME

	Unrestricted £	Restricted £	2023 Total £	2022 Total £
Appeal Order	1,519,146	-	1,519,146	1,509,463
London VPPP lead income	-	435,602	435,602	273,515
Beneficiary flats	126,459	-	126,459	131,530
	1,645,605	435,602	2,081,207	1,914,508

The Poppy Factory is the portfolio lead for the Armed Forces Covenant Fund Trust's (AFCFT) London Veterans - Places, Pathways and People programme, for which The Poppy Factory received a total of £435,602 in the year, and against which there were £350,451 of disbursements to partners. (See note 6.) The 2022 Appeal Order income and Beneficiary flats income was unrestricted. The 2022 London VPPP lead income was restricted.

3. VOLUNTARY INCOME

	Unrestricted £	Restricted £	2023 Total £	2022 Total £
Other grants and donations	278,565	613,737	892,302	823,859

The following was received as restricted income, all of which was spent within the year:

- £33,540 – AFCFT Veterans' Places Pathways and People Programme, via Veterans Outreach Support, towards the employment service in the South East.
- £32,500 – AFCFT Veterans' Places Pathways and People Programme, via Defence Medical Welfare Service, towards the employment service in the Midlands.
- £25,000 – AFCFT Reaching and Supporting Armed Forces Communities Programme, for the Families Service.
- £13,441 – Forces in Mind Trust Grant.

COMPARATIVE NOTE FOR 2022

	Unrestricted £	Restricted £	2022 Total £
Other grants and donations	297,265	526,594	823,859

4. OTHER INCOME

	Unrestricted £	Restricted £	2023 Total £	2022 Total £
Visitor Centre	96,106	-	96,106	35,410
Creative Industries Tax Relief	18,332	-	18,332	-
	114,438	-	114,438	35,410

The 2022 Visitor Centre income was unrestricted.

5. INVESTMENT INCOME, INCLUDING PROPERTY

	Unrestricted £	Restricted £	2023 Total £	2022 Total £
Office income	514,732	-	514,732	446,594
Open Market Property	928,101	-	928,101	850,475
Bank Interest	12,914	513	13,427	3,420
Investment portfolio distributions	-	-	-	15,855
Total	1,455,747	513	1,456,260	1,316,344

In the prior year, £29 of Investment Income was restricted.

The total Estate income of £1,569k (2022 £1,429k) was comprised of £928k Open Market (2022 £850k), £515k Commercial Office (2022 £447k) and £126k Beneficiary Flats (2022 £132k).

6. TOTAL EXPENDITURE

	Staff Costs £	Other Costs £	Depreciation £	Support Costs £	2023 Total £
Charitable activities					
Employment Service	1,523,450	(33,172)	132,521	104,269	1,727,068
London VPPP Lead Disbursements	-	350,451	-	-	350,451
Appeal Order	610,186	834,083	154,099	74,877	1,673,245
Beneficiary Flats	2,128	56,005	-	4,040	62,173
	2,135,764	1,207,367	286,620	183,186	3,812,937
Raising funds					
Fundraising Costs	139,287	24,938	-	-	164,225
Visitor Centre	42,268	54,825	120,490	-	217,583
Office Costs	9,004	553,953	-	22,054	585,011
Open Market Property Costs	25,789	394,709	-	10,826	431,324
	216,348	1,028,425	120,490	32,880	1,398,143
	2,352,112	2,235,792	407,110	216,066	5,211,080

The depreciation charge of £407,110 in the year relates to the building refurbishment. The Poppy Factory is the portfolio lead for AFCTF's London Veterans - Places, Pathways and People programme, for which there was £350,451 of disbursements to partners. (2022 £222,349)

The total Estate expenditure of £1,079k (2022 £729k) was comprised of £431k Open Market (2022 £478k), £585k Commercial Office (2022 £167k) and £62k Beneficiary Flats (2022 £84k).

COMPARATIVE NOTE FOR 2022

	Staff Costs £	Other Costs £	Depreciation £	Support Costs £	2022 Total £
Charitable activities					
Employment Service	1,448,225	13,773	138,898	116,273	1,717,169
London VPPP Lead Disbursements	-	222,349	-	-	222,349
Appeal Order	716,695	717,948	161,515	74,819	1,670,977
Beneficiary flats	3,883	77,262	-	2,840	83,985
	2,168,803	1,031,332	300,413	193,932	3,694,480
Raising funds					
Fundraising costs	219,393	7,557	-	-	226,950
Visitor Centre	-	41,944	109,960	-	151,904
Office rental costs	7,703	139,586	-	19,303	166,592
Open market property costs	22,124	444,853	-	11,518	478,495
	249,220	633,940	109,960	30,821	1,023,941
	2,418,023	1,665,272	410,373	224,753	4,718,421

Support Costs

	2023 Total £	2022 Total £
IT hardware, software and services	69,446	74,832
Legal and professional services	12,982	8,715
HR support and training	21,842	32,726
Other support costs	111,797	108,478
	216,067	224,751

Included above are the support costs, which have been allocated in accordance with the accounting policy (note 1).

7. NET INCOME FOR THE YEAR

	2023 Total £	2022 Total £
This is stated after :		
Depreciation	407,110	410,373
Rentals payable under operating leases	-	1,135
Auditors' remuneration:		
- audit (inc. VAT)	22,119	19,157
- other services (inc. VAT)	4,681	-

8. STAFF COSTS AND NUMBERS

	2023 Total £	2022 Total £
Staff costs were as follows:		
Salaries and wages	1,989,758	2,034,050
Social security costs	185,962	188,786
Pension contributions	176,392	181,522
Redundancy payments	-	13,665
	2,352,112	2,418,023

The number of employees whose emoluments during the year exceeded £60,000 were:

	2023 No.	2022 No.
£60,001 - £70,000	1	2
£70,001 - £80,000	2	1
£80,001 - £90,000	1	1
£90,001 - £100,000	-	1

In connection with the higher paid employees, the total employer contributions in the year to The Poppy Factory's Personal Pension plan was £28,018 (2022: £38,736).

The average number of staff employed was 63 (2022: 69) and the average number of employees (full-time equivalent) during the year was as follows:

	2023 No.	2022 No.
Estate	1.0	1.0
Appeal Order	18.8	23.2
Employment Service	27.6	27.3
Fundraising and Comms	5.0	5.5
CEO and Support	1.4	1.2
Average number of employees FTE	53.8	58.2

Key management personnel are the Senior Management Team listed on page 62, comprised of 5 staff (2022: 6 staff).
The total remuneration of key management personnel for the year to 30 September 2023 was £392,380 (2022: £484,093)

9. TAXATION

As a charity, The Royal British Legion Poppy Factory Limited is exempt from tax on income and gains falling within Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen on the charity.

10. TANGIBLE FIXED ASSETS

	Building Refurbishment £	Freehold land and property £	Plant £	Furniture and Equipment £	Total £
Cost or valuation					
At 1 October 2022	5,185,837	1,601,619	439,684	226,894	7,454,034
Additions	-	-	-	-	-
At 30 September 2023	5,185,837	1,601,619	439,684	226,894	7,454,034
Depreciation					
At 1 October 2022	671,447	1,346,618	439,684	119,388	2,577,137
Charge for the year	361,994	-	-	45,116	407,110
At 30 September 2023	1,033,441	1,346,618	439,684	164,504	2,984,247
Net book value					
At 30 September 2023	4,152,396	255,001	-	62,390	4,469,787
At 30 September 2022	4,514,390	255,001	-	107,506	4,876,897

The net book value of freehold property relates to land value and is not subject to further depreciation.

11. INVESTMENT PROPERTY

	2023 Total £	2022 Total £
Market value at the start of the year	26,820,000	26,590,000
Revaluation	1,495,000	230,000
Market value at end of year	28,315,000	26,820,000

Nightingale Chancellors, Chartered Surveyors, carried out a valuation on 30 September 2023 of 12 representative flats at market value on a vacant possession basis. From this, the Council arrived at an increased valuation including the other 35 flats of £1,495,000. The carrying value of the properties is reviewed every year.

12. OTHER INVESTMENTS

	2023 Total £	2022 Total £
Market value at the start of the year	1,350,461	1,424,920
Additions at historical cost	74,586	116,385
Disposals at carrying value	(87,387)	(36,228)
Gains/(losses) on investments	82,469	(154,615)
	1,420,129	1,350,462
Cash held as part of the portfolio	26,743	14,455
Market value as end of year	1,446,872	1,364,917
Historic cost the end of the year	1,250,347	1,236,110

	2023 £	2022 £
Investments comprise:		
Equities	964,114	878,167
Fixed interest	289,346	261,917
Alternatives	166,669	210,378
	1,420,129	1,350,462
Cash and settlements	26,743	14,455
Market Value at the end of the year	1,446,872	1,364,917

13. STOCK

	2023 Total £	2022 Total £
Raw materials	98,044	76,425

14. DEBTORS

	2023 Total £	2022 Total £
Trade debtors	121,974	13,335
Prepayments and accrued income	107,506	189,363
	229,480	202,698

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 Total £	2022 Total £
Trade creditors	39,937	138,810
Accruals	101,332	69,305
Deferred income	163,633	170,390
Wages and holiday pay accrual	28,544	29,257
Taxation and social security	47,322	48,255
Pension	21,345	22,859
VAT	-	28,740
Amounts due to The Royal British Legion	54,283	68,068
Other	60,450	30,201
	516,846	605,885

DEFERRED INCOME

	2023 £	2022 £
As at 1 October 2022	170,390	173,789
Amounts deferred during the year	1,436,435	1,312,651
Amounts released during the year	(1,443,192)	(1,316,050)
Balances carried forward as at 30 September 2023	163,633	170,390

Deferred income related to prepaid open market and office rents and service charges.

16. OPERATING LEASES

At 30 September 2023 the total commitments under non-cancellable operating leases:

	2023 Total £	2022 Total £
Total commitments under non-cancellable operating leases expiring within:		
One year	-	1,135
Between one and five years	-	846
Total	-	1,981

The Poppy Factory acts as a lessor with its office tenants.

	2023 Total £	2022 Total £
Total income due to The Poppy Factory as a lessor with its office tenants:		
Income due in less than 1 year	518,173	350,511
Income dues for 1 to 5 years	1,240,583	1,171,417
Total	1,758,756	1,521,928

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds £	Revaluation Reserve £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	4,469,787	-	4,469,787
Investment property	-	28,315,000	-	-	28,315,000
Other investments	-	-	-	1,446,872	1,446,872
Net current assets	270,471	-	-	776,586	1,047,057
Net assets at the end of the year	270,471	28,315,000	4,469,787	2,223,458	35,278,716

COMPARATIVE NOTE FOR 2022

	Restricted funds £	Revaluation Reserve £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	4,876,897	-	4,876,897
Investment property	-	26,820,000	-	-	26,820,000
Other investments	-	-	-	1,364,917	1,364,917
Net current assets	230,720	-	500,000	575,586	1,306,306
Net assets at the end of the year	230,720	26,820,000	5,376,897	1,940,503	34,368,120

18. MOVEMENTS IN FUNDS

	1 October 2022 £	Income £	Expenditure £	Gains/(Losses) and Transfers £	30 September 2023 £
Restricted funds					
Amenities and benevolent fund	78,048	513	-	-	78,561
Employment Service restricted fund	152,672	1,049,339	(1,010,101)	-	191,910
Total restricted funds	230,720	1,049,852	(1,010,101)	-	270,471
Unrestricted funds					
Investment property	26,820,000	-	-	1,495,000	28,315,000
Total revaluation reserve	26,820,000	-	-	1,495,000	28,315,000
Designated funds					
Fixed assets fund	4,876,897	-	(407,110)	-	4,469,787
Planned maintenance fund	500,000	-	-	(500,000)	-
Employment Service fund	-	278,565	(278,565)	-	-
Total designated funds	5,376,897	278,565	(685,675)	(500,000)	4,469,787
General funds	1,940,503	3,215,790	(3,515,304)	582,469	2,223,458
Total unrestricted funds	34,137,400	3,494,355	(4,200,979)	1,577,469	35,008,245
Total funds	34,368,120	4,544,207	(5,211,080)	1,577,469	35,278,716

COMPARATIVE NOTE FOR 2022

	1 October 2021 £	Income £	Expenditure £	Gains/(Losses) and Transfers £	30 September 2022 £
Restricted funds					
Amenities and benevolent fund	78,019	29	-	-	78,048
Employment Service restricted fund	190,535	800,109	(837,972)	-	152,672
Total restricted funds	268,554	800,138	(837,972)	-	230,720
Unrestricted funds					
Investment property	26,590,000	-	-	230,000	26,820,000
Total Revaluation reserve	26,590,000	-	-	230,000	26,820,000
Designated funds					
Fixed assets fund	5,233,862	-	(410,373)	53,408	4,876,897
Planned maintenance Fund	-	-	-	500,000	500,000
Employment Service fund	-	297,265	(297,265)	-	-
Total designated funds	5,233,862	297,265	(707,638)	553,408	5,376,897
General funds	2,813,141	2,992,718	(3,172,811)	(692,545)	1,940,503
Total unrestricted funds	34,637,003	3,289,983	(3,880,449)	90,863	34,137,400
Total funds	34,905,557	4,090,121	(4,718,421)	90,863	34,368,120

Restricted funds

Amenities and benevolent fund	The Amenities and benevolent fund is the net accumulation of the unspent donations received for the benefit of the beneficiaries of the charity.
Employment Service restricted fund	The Employment Service restricted fund is made up of restricted donations received specifically for employment support purposes and used for the employment service.

Unrestricted funds

Revaluation reserve

The property revaluation is the difference between the investment property valuation and its historic cost; and

The other investment revaluation is the difference between the market valuation and historical cost.

Designated funds

Fixed assets fund	The net book value of fixed assets held for charitable and investment purposes purchased through unrestricted funds. Outgoing resources comprise depreciation on these assets.
Planned maintenance fund	£500k that was designated for the upgrade to the current main factory windows has been reversed as the project has been completed.
Employment Service fund	Funds designated by the Council specifically for employment support purposes and used for the Employment Service.

19. STAFF PENSION FUNDS

The charity made contributions of £176,392 (2022: £181,522) to The Poppy Factory's Personal Pension plan.

The assets and liabilities of the TRBL defined benefit pension scheme, which is now closed, rest with The Royal British Legion, a separate charity registered in the UK. Several of The Poppy Factory staff were enrolled in this scheme. The Charity's contributions to this defined benefit scheme were accounted for as they fell due, and all contributions were fully funded from the Appeal Order.

20. RELATED PARTY TRANSACTIONS

The Royal British Legion is the charity's major customer. TRBL funds a contract with the charity against an agreed budget with any surplus/deficit adjusted at the end of the financial year following changes in volume or variance in costs. The total amount of income recognised during the year was £1,519,146 (2022: £1,509,463) in respect of the Appeal Order. At the year-end, £54,283 was payable to TRBL (2022: £68,068 payable by TRBL).

Total donations made by Trustees to The Poppy Factory in the year was £nil (2022: £nil).

Council members do not receive any remuneration, but they are eligible for reimbursement of expenses. No expenses were reimbursed in 2023, or in 2022.

There were no other related party transactions in the year, or in 2022.

21. CAPITAL COMMITMENTS

At 30 September 2023, the charity had no capital commitments. (2022: £nil)

22. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITY

Year Ended 30 September 2022	Unrestricted £	Designated Building Fund £	Restricted £	2022 Total £
INCOME FROM:				
Charitable activities, including Appeal Order	1,640,993	-	273,515	1,914,508
Donations and legacies	297,265	-	526,594	823,859
Other trading activities	35,410	-	-	35,410
Investments, including property	1,316,315	-	29	1,316,344
Total income	3,289,983	-	800,138	4,090,121
TOTAL EXPENDITURE ON:				
Charitable activities				
Employment Service	962,648	138,898	615,623	1,717,169
Other, including Appeal Order	1,593,447	161,515	222,349	1,977,311
	2,556,095	300,413	837,972	3,694,480
Raising funds				
Donations and legacies	226,950	-	-	226,950
Other trading activities	41,944	109,960	-	151,904
Investments, including property	645,087	-	-	645,087
	913,981	109,960	-	1,023,941
Total expenditure	3,470,076	410,373	837,972	4,718,421
Net income/(expenditure)	(180,093)	(410,373)	(37,834)	(628,300)

ADMINISTRATION

NAME OF CHARITY	The Royal British Legion Poppy Factory Limited
CHARITY NUMBER	225348
COMPANY NUMBER	204405
REGISTERED OFFICE AND OPERATIONAL ADDRESS	20 Petersham Road, Richmond, Surrey, TW10 6UR

PATRON

Her Majesty The Queen

PRESIDENT

Surgeon Rear Admiral Lionel Jarvis CBE KStJ FRCR DL

VICE PATRONS

Dr Geraldine Strathdee CBE MRCPsych
Brigadier Marc A J McH Overton TD DL VR

COUNCIL MEMBERS

Alistair Kett (Chair)	Simon Taylor
Cliff Dare MBE FRICS (Vice Chair)	Rachael Taylor-Jenkins, appointed on 19 January 2024
Linda Costello	Andrew Wishart
Major General Tim Hodgetts CB CBE KHS OStJ DL	Julius P H S Wolff-Ingham OBE
Martin Hodgson, appointed on 15 August 2023	Brian Worrell, appointed on 26 April 2023
Matthew Hubbard	Krishna Dhanak, resigned on 20 January 2023
Dr Sridevi Kalidindi MBBS BSc (Hons) FRCPsych PhD CBE	Peter R Gill, resigned on 23 March 2023

SENIOR MANAGEMENT TEAM

Amanda Shepard, Chief Executive
Debbie Boughtfower, Director of Operations
Mark Louw, Finance Director
Keren Rowlands, Senior HR Business Partner
Jeff Short, Director of Production and The Estate

AUDITOR

Saffery LLP
71 Queen Victoria Street
London
EC4V 4BE

INVESTMENT MANAGERS

Close Brothers Asset Management
10 Exchange Square
Primrose Street
London EC2A 2BY

BANKERS

Barclays Bank Plc. PO Box 13 8 George Street Richmond TW9 1JU	Bank of Scotland The Mound Edinburgh EH1 1YZ
--	--

Close Brothers Savings
10 Crown Place
London
EC2A 4FT

SOLICITORS

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Putney
London SW15 6AB

The Poppy Factory

20 PETERSHAM RD, RICHMOND TW10 6UR, LONDON

WWW.POPPYFACTORY.ORG

ROYAL BRITISH LEGION POPPY FACTORY LIMITED

England & Wales - Charity number 225348

Accounts

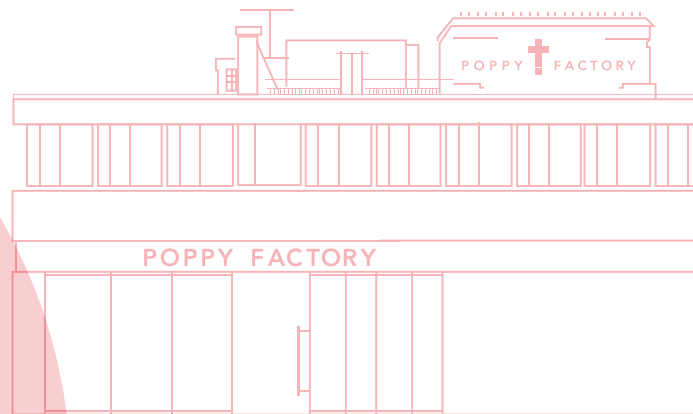
The Poppy Factory

ANNUAL REPORT AND ACCOUNTS

**SUPPORTING VETERANS WITH
HEALTH CONDITIONS ON THEIR
JOURNEY INTO EMPLOYMENT**

TO 30 SEPTEMBER

2022



GLOSSARY OF TERMS

AFCFT	Armed Forces Covenant Fund Trust
CDARS	Community Drug and Alcohol Recovery Services
COBSEO	The Confederation of Service Charities
DMWS	Defence Medical Welfare Service
NHS	National Health Service
VPPP	Veterans' Places, Pathways and People programme

C O N T E N T S

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INTRODUCTION

THE POPPY FACTORY'S PRESIDENT, SURGEON REAR ADMIRAL LIONEL JARVIS, HIGHLIGHTS THE IMPORTANCE OF REMEMBRANCE AMIDST NEW CHALLENGES AND A NEW OPERATING ENVIRONMENT.

This year, our Patron, Her Majesty The Queen Consort, will open the Field of Remembrance. It is a sign of changing times as we remember Her Majesty Queen Elizabeth II and all those who have died, but where we also now welcome those who have stepped forward to serve and to lead.

The Poppy Factory is now in its centenary year. With a new visitor experience at our headquarters in Richmond upon Thames, we are able to tell the story of our founder and the community of men and women who have been working at the factory throughout these last 100 years. We have a display of the Royal wreaths, now updated to reflect the wishes of His Majesty the King and other members of the Royal household.

But the displays also tell a modern story and detail how our support to wounded, injured and sick veterans has evolved through the ages. Now we provide employment support to veterans with health challenges across all of England and Wales, where we engage with local communities and the NHS to provide more holistic forms of rehabilitation and care. We lead the provision of veteran mental health support services in London and we partner with a range of different charitable organisations in the rest of the country.

Reflecting on the past, The Poppy Factory can be proud of all that it has achieved and we look forward to our next 100 years of service.



Surgeon Rear Admiral
Lionel Jarvis
President

ALISTAIR KETT, CHAIRMAN OF THE POPPY FACTORY, REFLECTS ON ACHIEVEMENT AND BUILDING A STRONG AND SUSTAINABLE BASELINE OF SUPPORT.

The Poppy Factory's story is one of continued relevance and growth. Today's veterans have much more complex needs and we have developed new partnerships and processes to provide the very best support.

Mention should be made of our NHS partners and our new Navigator service with STOLL which provides specialist care and support for those in particular need. Meanwhile, our employment support service continues to grow. We have more consultants than ever before, based across the country and linked to local communities and services so as to provide joined-up support. We are also leading a team of different charities to provide mental health support services across the capital as part of Op Courage.

Such growth needs to be underpinned by sound financial planning. We are grateful for the continued backing of our military funders, our trusts and foundations and for the range of new corporates who choose to make good use of our state-of-the-art facilities. We continue to rent out a large proportion of our Estate and are expanding our offering so as to generate even more income in support of the important and impactful work that we do.



Alistair Kett
Chairman

INTRODUCTION

DEIRDRE MILLS, THE POPPY FACTORY'S CHIEF EXECUTIVE, DISCUSSES IMPACT AND RESULTS.

It is not enough to have good intention or to offer services in isolation. Rather we must work together, within the military charity sector and beyond, to give the best of ourselves and provide the best outcomes for those in need.

And our results this year have been truly exceptional. Our community service has exceeded its targets. Over 2000 progressive outcomes have been recorded for veterans on their journey into employment. 349 job starts have been recorded for veterans achieving their ultimate goal. And it is important to note that we will continue to work with these veterans, providing in-work support and connection to their employers for the whole of a follow-up year.

Elsewhere our National Health Service trials are coming to completion. A recent academic research paper has once again proved the benefits of working in partnership and has allowed us to map out a plan of further, integrated, growth. Our Navigator trial with Stoll shows great promise and will be rolled out across the country and we are now considering a range of support services for families.

Every veteran's journey into employment is different but we know we can offer specialist support and assistance and that there is always something to suit. Getting there is a team effort and everyone is now connecting and leaning in to our modern mission. Thank you to everyone who supports our cause and helps veterans with health challenges live healthy and purposeful lives.



Deirdre Mills
Chief Executive



Paul Clayton

OBJECTIVES

Our strategic aim remains one of supporting veterans with health conditions into meaningful and sustainable employment. We continue to review our data and use evidence to underpin our objectives. As a result, our support has continued to grow, offering a wider choice to suit individual circumstances. Our Navigator service supports veterans into training and volunteering as a precursor to traditional employment support and we are seeking to establish a new families service to offer help in a more inclusive and holistic way.

We continue to push boundaries based on what we know to be veteran need. We lead the London Veterans Partnership programme, funded by Armed Forces Covenant Fund Trust in support of Op Courage. We are working alongside King Edward VII's Hospital to support veterans with hearing impairment. Finally, we are working alongside the NHS, embedding Employment Consultants within health settings to offer ex-Forces patients immediate and easy to access support. Here are our objectives for the coming year.

SUPPORTING VETERANS WITH HEALTH CONDITIONS

- To continue to deliver our employment service, ensuring a veteran-centred approach which supports veterans with health conditions into employment and provides in-work support for 12 months.
- To offer a Navigator service which supports positive mental health and wellbeing, increases independence and improves opportunities for employability.
- To build upon our evidence base of working alongside the National Health Service by growing our embedded services within a range of health settings across the country.
- To continue to lead the Armed Forces Covenant Fund Trust Veterans' Places, Pathways and People (VPPP) programme in London and to partner with Veterans Outreach Support in the South East and Defence Medical Welfare Service in the Midlands as part of the national programme.
- To continue to support veterans with health conditions and veteran dependents at our Richmond factory as they make specialist wreaths and Remembrance products.

PARTNERSHIPS

- To strengthen existing networks in order to improve the range and accessibility of support for all veterans.
- To continue integrating and delivering our services within primary care and NHS veteran services.
- To continue building referral pathways and relationships within the Armed Forces Covenant Fund Trust VPPP programme.
- To share the impact of our evidence-based services and encourage continued support and funding of our work.

MONITORING, EVALUATING AND IMPROVING

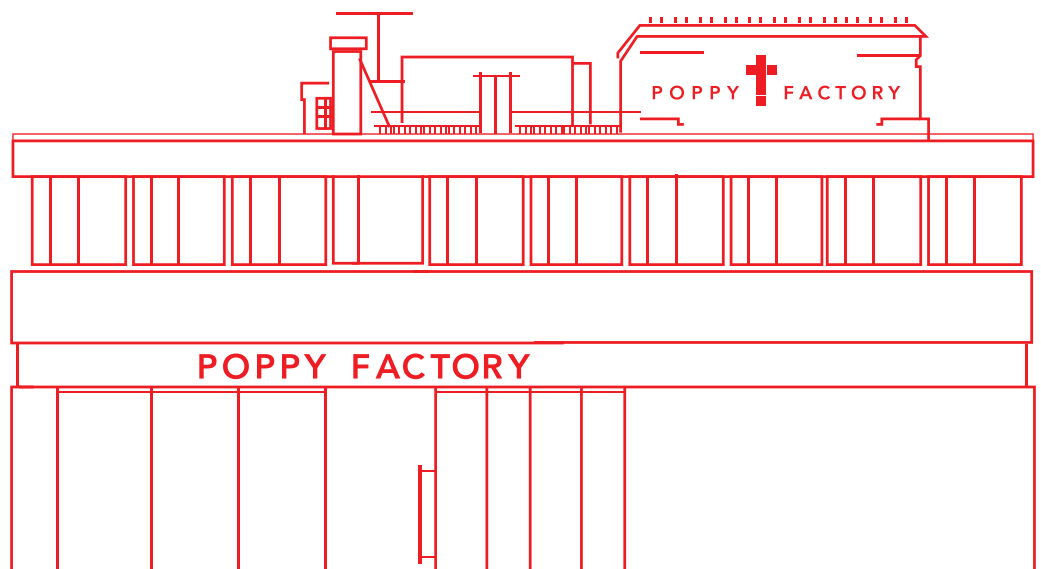
- To continue developing our monitoring and evaluation programme so that we understand our impact, adjust to meet veteran need and identify areas for service development.
- To ensure veterans' voices and lived experience are at the heart of our service development and delivery.

INCOME GENERATION

- To develop a diverse and sustainable income base to support service delivery and veteran support.
- To generate and maximise income from all aspects of our Richmond estate.

THOUGHT LEADERSHIP

- To continue to share our knowledge and insight and to influence government, veterans, veterans' organisations, employers and wider funders and partners, in order to improve services for veterans.



HIGHLIGHTS

of the year

Against a backdrop of a severe cost of living crisis and in the wake of the pandemic, our team has much to be proud of in our centenary year. Despite many challenges over the last 12 months, we helped hundreds more veterans on their journey into employment, launched impactful new programmes and partnerships, fulfilled our role in Remembrance and welcomed thousands of guests to our new visitor centre.

HAPPY 100TH BIRTHDAY

In September, our staff and volunteers came together in Richmond-upon-Thames to mark The Poppy Factory's 100th anniversary. Throughout the year, this important milestone created an opportunity to look back at our unique story and reflect on how our employment support has developed, grown and adapted to meet the needs of the ex-Forces community today.



JOINING FORCES

Organisations that support the ex-Forces community understand that we can be more effective when we join forces. This year, we were proud to take a lead role in delivering the Veterans' Places, Pathways and People programme funded by Armed Forces Covenant Fund Trust. As portfolio holder in London and an active member in the Midlands and the South East, we're working with partners to improve veterans' mental health and wellbeing and reduce social isolation.



A HIT WITH VISITORS

Thousands of guests booked tickets to explore our visitor centre in its first full year of operation and the feedback they left behind was overwhelmingly positive. We couldn't have done it without our expert hosting team and friendly and dedicated volunteers – huge thanks to all who played a role in welcoming, hosting, serving and demonstrating to our visitors this year.

FOCUS ON HEALTH

Having our Employment Consultants embedded within NHS services helped us reach many more ex-Forces patients this year, with over one third of referrals to our employment service now coming through the NHS. As we continue to build these local health partnerships, we are increasingly able to show the impact of employment support in improving health and wellbeing.



VIP SUPPORTERS

Our centenary celebrations were given an extra boost by some VIP supporters this year. Former Defence Minister Lord Lee of Trafford donated a historic document to our exhibition on the 40th anniversary of the Falklands conflict, the Museum of Richmond got behind us with a stunning exhibition of their own, and acclaimed singer Carly Paoli gave an extraordinary solo performance in our visitor centre, which was captured on camera for Hello! magazine. Our sincere thanks go to all.

100 LAPS FOR 100 YEARS

Despite extreme summer heat forcing a postponement, an ambitious team of cyclists gathered in August to attempt the daunting challenge of 100 laps of Richmond Park. The riders – organised by our own Director of Production and the Estate, Jeff Short – completed 105 circuits in just 6 hours, smashing their target and raising an incredible £10,000 for the employment service. An outstanding effort all round!



Veteran Services

The veterans we support can face some of the most challenging situations in the ex-Forces community. Complex mental and physical health conditions can go hand in hand with other issues. Our employment service adapts to fit the needs of every veteran, empowering each individual to make positive progress on their own terms.

EMPLOYMENT SUPPORT

Our employment service continues to help veterans find meaningful employment. While everyone we support has some form of health condition or disability, we also address other issues that might prevent someone from making progress.

Working with veterans individually, we can help them overcome barriers and stay in work, even when things get tough.

We know that the people we help face some of the most challenging and complex situations in the ex-Forces community. Our team of Employment Consultants are expert problem solvers, working with veterans to address the big issues such as housing and health. We also understand the importance of the smaller practical steps and can help with training, job application forms or even interview clothing.

As employment specialists, we aim to prepare someone for work and guide them right the way through their journey to sustained employment. This often starts with basic steps to build confidence and raise aspiration through encouragement and access to information.

Once we've developed trust with a veteran, we can start to build experience and create independence through job search skills, training or qualifications. We help people understand the unique value of their military experience to civilian employers, and to recognise their transferable skills. Once in employment, we work with both the individual and their employer to offer help and advice on staying healthy at work. We're there to advocate on behalf of a veteran if needed.

Of the veterans we support, 80 per cent have some form of mental health condition that affects their ability to work and 49 per cent have some form of physical health issue, including mobility problems or a heart condition. Without appropriate support, these health conditions often lead to long periods of unemployment, or force the veteran to leave a role.

Our services work closely with colleagues in the NHS to ensure that treatment and recovery are considered as part of the journey back to work. In the last year, 35 per cent of all referrals into our employment service were made by NHS clinicians.

Because of the complex challenges faced by the veterans on our caseload, we often need to offer intensive support over several months. On average, it takes around 100 days for a veteran to start work after they register with us. To meet this need, each of our Employment Consultants works with a caseload of around 25 people, ensuring that they have the time and resource to work effectively.

FAMILIES PROGRAMME

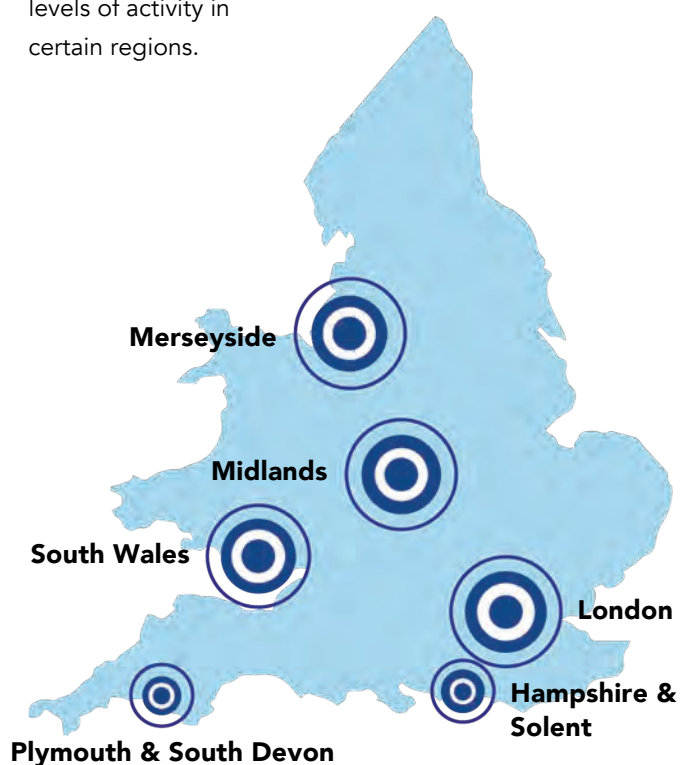
Caring for a partner or family member who is unwell, or whose activity is significantly reduced, affects the entire family. For partners of those who have served or are currently serving, this can be an added challenge alongside the regular relocations that are part of military life.

Through consultation and research, we have identified gaps in the current provision available to the military community and believe a specialist service is needed.

Through a partnership between The Ripple Pond and The Poppy Factory, we intend to combine our expertise to co-produce a programme of support. This will be aimed primarily at family members who have caring responsibilities for a veteran and are therefore more limited in their potential to move into employment.

WHERE WE WORK

We support veterans across England and Wales, with higher levels of activity in certain regions.



THE VETERANS WE SUPPORT

4 in 5 have a mental health condition

1 in 2 has a physical health issue

1 in 3 has some form of hearing loss

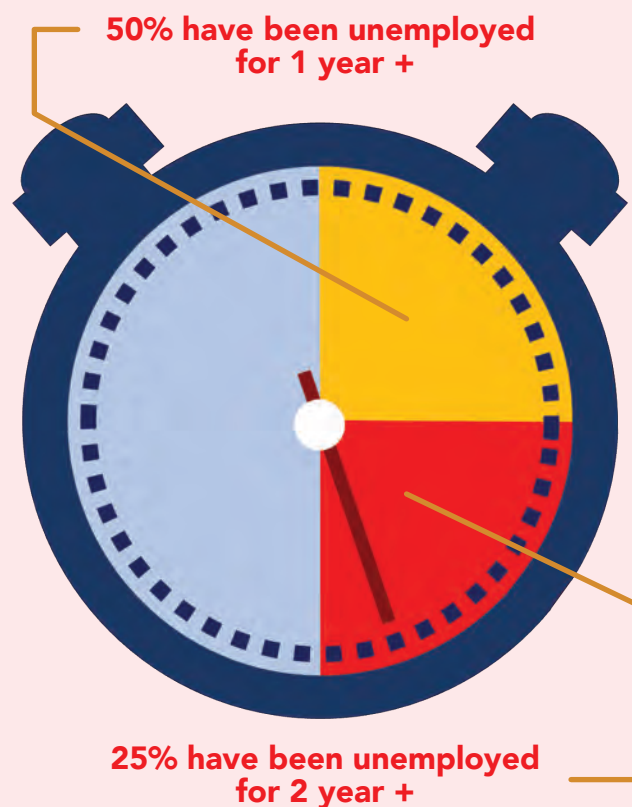
1 in 3 is over the age of 50

80% served in the Army

14% served in the Royal Navy or Royal Marines

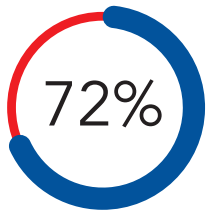
6% served in the Royal Air Force

Based on responses given by veterans at the start of employment support.



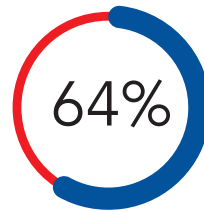
On average, it takes **103 days** to support a veteran into employment.

OUR IMPACT



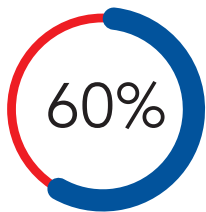
72% of veterans report improved job search skills

Based on Outcomes Star assessment of 269 veterans every 3-4 months



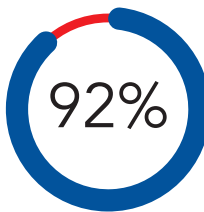
64% report increased health and wellbeing

Based on Outcomes Star assessment of 269 veterans every 3-4 months



60% report increased stability

Based on Outcomes Star assessment of 269 veterans every 3-4 months



92% would recommend our employment service to friends or family

Based on 36 responses to our feedback survey



Satisfaction rating: 4.7 out of 5

Based on 36 responses to our feedback survey



We supported 498 veterans in 2021-22, including 461 new veterans

(7% increase on 2020-21)



With our help, they started 349 jobs

(26% increase on 2020-21)



190 Ex-Forces patients came to us through the NHS – 35% of all referrals

(48% increase on 2020-21)



4 in 5 veterans were still in employment after 3 months

We also helped veterans achieve

2,144 interim outcomes (80% increase on 2020-21), including:

178 training courses accessed

165 actions to improve wellbeing

94 funding applications submitted, for training and equipment, accommodation or travel

78 financial or benefits assessments completed

50 people supported into self-employment

42 voluntary placements

34 directed towards cost of living support

PAUL'S STORY

Our support helped Falklands veteran Paul Clayton get through a difficult period and move forward into employment at the start of 2022. In June, Paul made a significant contribution to our visitor centre exhibition, helping to mark the 40th anniversary of a conflict that is still vivid in his memory.

LOOKING BACK ON CONFLICT

“ I joined the Army in 1980. After training in London, I joined 12 Air Defence Regiment in the Royal Artillery. None of us ever thought that we would ever be involved in a real conflict.

The Falklands was a roller coaster of emotions the whole time. It was many years later that I developed post-traumatic stress disorder. I never expected to have any comeback from what happened. The break-up of my marriage knocked me, it allowed some difficult thoughts to come forward and I just went off a cliff. I was drinking and I got myself into debt. “

ROAD TO RECOVERY

“ It took me a long time to get back to the point I'm at now. The Poppy Factory helped in lots of ways. I felt Zarah, my Employment Consultant, cared enough to listen to me. She helped me find a new job as a waste coordinator.

If push comes to shove, I can talk to Zarah and she will understand. She's able to read between the lines and ask the right questions, and I feel like she's got my back. I'm not quite there yet, but I'm getting there. “

REMEMBERING THE FALKLANDS

We are grateful to Paul for donating an artillery shell casing, which he picked up on the battlefield at Port Stanley, to a new display in our visitor centre that highlights the personal legacy of the Falklands conflict.

Paul said: "I held on to the shell casing for 40 years and I'm pleased to finally see on display, where visitors will see it and remember what we went through in the Falklands. A lot of people didn't come back on both sides."

The Poppy Factory would also like to thank Lord Lee of Trafford for donating an original copy of the Falkland Islands Review, signed by Margaret Thatcher, and our former President Sara Jones, for her personal contribution to the exhibition.



Paul Clayton



PARTNERSHIPS AT WORK

Effective partnerships help veterans with health conditions access a wider range of services and opportunities more easily, connecting them to support that will help them move forward and improve their health and wellbeing. Joint working is central to our mission, and this year we are proud to have taken a leading role in developing new and ever stronger partnerships with regional partners and the NHS.

VETERANS' PLACES, PATHWAYS AND PEOPLE PROGRAMME

This year we began an exciting two-year partnership with the Armed Forces Covenant Fund Trust through its Veterans' Places, Pathways and People programme (VPPP), which funds regional projects to develop better, more joined-up, lasting support for veterans with mental health needs.

In both the Midlands and the South East, we are an active member of the regional portfolios, working alongside our VPPP partners. This funding is helping us to deliver our employment service, reach more veterans and build closer relationships with local services in order to open up new and more effective referral pathways for the veterans we support.

In London, we are excited to have taken on a more central role as the VPPP portfolio lead, coordinating eight veteran charities to improve support for the capital's ex-Forces community. Working under the banner of London Veterans Partnership, our role is to help the charities establish their projects and connect them together. In doing so, we will improve collaboration and sharing of best practice and learning, while also building a stronger network of support across London.

Our eight partners in London are CDARS, Company of Makers, DMWS, Firstlight Trust, Fighting with Pride, The Fighting Chance, The Ripple Pond and Stoll. Developing projects include services to help with addiction, welfare support and wellbeing activities, and we are also working to establish new, safe places for veterans to go.

Through this VPPP work, we are delighted to play a part in improving standards of support for veterans across the sector. We have partnered with Fighting with Pride to help launch its Pride in Veterans standard, aimed at improving support for LGBT+ veterans, and we are working closely with COBSEO to develop and launch its Veterans Mental Health Awareness Standard.

NAVIGATOR

One element of our VPPP work in London is a new service called Navigator, which we are piloting in partnership with Stoll and Op COURAGE.

Navigator seeks to help isolated and struggling veterans become more empowered and better connected and supported by their local communities through meaningful activities.

The Navigator worker meets with the veteran to gain an understanding of their circumstances and interests and agree their goals. Depending on their needs, the worker will help connect them to other relevant services, build their support network and improve their level of self-care.

The service helps veterans take part in meaningful activities such as volunteering, hobbies, education or training, giving them greater purpose and direction and helping them to meet new people. If the veteran then feels ready to move towards paid work, they can take the next step and move on to our employment service.

Since Navigator launched in March, 18 veterans have benefitted from the service with over 100 progressive outcomes achieved, such as attending social events, being helped to access NHS treatment and completing wellbeing activities.

"This kind of service matters and has helped me with areas in my life that I struggle to manage. The support I have received has given me hope for the future and helped me build a stronger support network."

Veteran Supported Through Navigator

NHS PROJECTS

Steady progress and useful learning continue to be the hallmarks of our NHS projects in Cheshire & Wirral, Portsmouth and Plymouth, which are now in their second year.

Over the last 12 months, 75 veterans have successfully registered onto the projects after a referral from the NHS, with 47 successful job outcomes. Through the relationships they have developed by being embedded within health services, our Employment Consultants have learned how our service best fits within the NHS in a local area. And they have proved that this type of partnership delivers results for ex-Forces patients.

Promisingly, referrals from non-NHS sources have also grown in these locations, indicating that we are reaching veterans who would not have reached us without our NHS collaborations being in place.

EVALUATING OUR NHS IMPACT

Since 2019 we have been delivering a research project funded by the Forces in Mind Trust, in collaboration with the Institute of Mental Health at the University of Nottingham and with Cheshire and Wirral NHS Foundation Trust. This research has explored the delivery of an NHS-embedded service on the Wirral.

We are delighted with the outcome of this independent research, particularly given the challenges that the Covid-19 pandemic presented during the evaluation period. Most heartening was the excellent feedback received through in-depth interviews with veterans and NHS professionals.

Most notably, veterans described our service as a safe space with an Employment Consultant who could speak their language. NHS professionals could see the value that our veteran-centred service offered to their patients, and trusted that those patients would not be rushed into work unless they were ready.

The full report was launched in October 2022. We hope it will help us build closer relationships with the NHS elsewhere and influence best practice for providing employment support for veterans with mental or physical health conditions.



A CENTURY OF COMMUNITY

Community has been core to The Poppy Factory since our charity began work in 1922. Throughout our centenary year, we have featured some of the individuals who have contributed in different eras to our diverse ex-Forces community, and to our rich 100-year story.

The history of The Poppy Factory is well-known to all who work or volunteer for our charity. But for many casual observers, our unique story is perhaps less understood.

We were therefore pleased to bring our story to life through our visitor centre this year, welcoming more than 2,000 guests through the door to discover our story and our community. By booking tickets, they raised vital funds that will help more veterans transform their lives.

Some of the tales told in the visitor centre are reflected online in our ongoing Centenary Stories series, which features veterans past and present and is helping to drive new interest in our work through the digital world.

We were also delighted to be approached by the Museum of Richmond about plans for a physical exhibition of their own, which would delve into detail about the story of our community for our centenary. The exhibition was opened in September by the Lord Lieutenant of Greater London, Sir Kenneth Olisa, joined by the Mayor of Richmond upon Thames, Cllr Julia Cambridge, and our President, Surgeon Rear Admiral Lionel Jarvis.

We are grateful to the Museum of Richmond Benefactors' Circle, The Richmond Parish Lands Charity and Arnold Clark Community Fund for their generous sponsorship of the exhibition and associated activities.

"It has been fascinating to delve deep into The Poppy Factory archives, which contain a rich seam of living local history that we wanted to help celebrate in this landmark centenary year."

Laura Irwin

Curator and Executive Officer of
the Museum of Richmond





GEORGE HOWSON

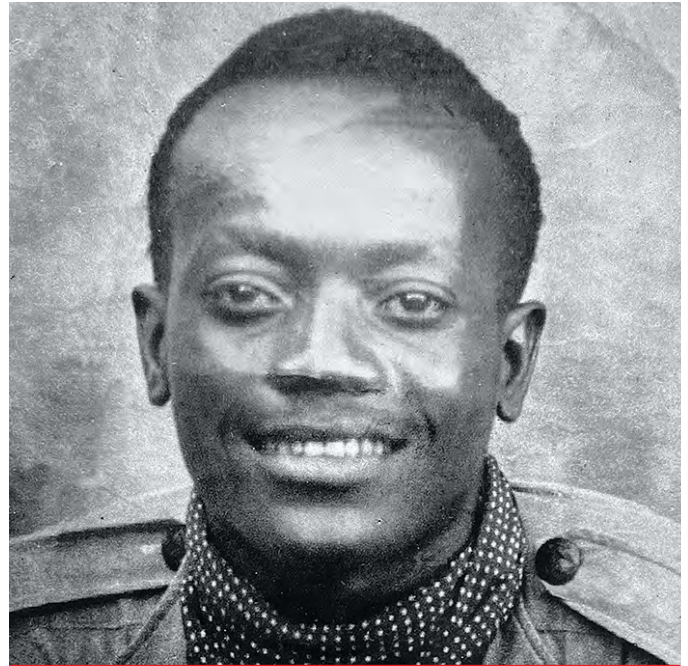
First World War Veteran,
Founder Of The Poppy Factory

In a letter to his parents in May 1922, Major George Howson MC wrote: "I have been given a cheque for £2,000 to make poppies with, it is a large responsibility and will be very difficult. If the experiment is successful it will be the start of an industry to employ 150 disabled men. I do not think it can be a great success but it is worth trying."

Having witnessed first-hand the appalling tragedy of the First World War, the then 35-year-old Army veteran was determined to do something to improve the prospects of soldiers who had returned from the conflict with life-changing injuries.

Within weeks of writing that letter, a team of veterans, all with physical disabilities, had been recruited and pressed into action. Howson had identified an opportunity to make Remembrance poppies and wreaths for the Royal British Legion.

By 1931, the factory – now based in Richmond-upon-Thames – was making nearly 30 million poppies a year. Over 300 men, women and children lived on the estate, with a busy social club and regular sporting contests. In a few short years, they had established a community that still exists today.



NOEL DAVIES

Second World War Veteran,
Production Team Member

Centenarian Noel Davies served in the RAF in north-east Africa, later moving to the UK to work first as a civil engineer and then in The Poppy Factory's production team. Alongside his work, he enjoyed a rich social life fuelled by a love of music and community.

As an ex-serviceman, Noel joined the Royal British Legion and became vice-chair of the West Indian Association of Service Personnel (WASP). He went to join our production team in March 1962, at the age of 40.

Over the next three decades, Noel embraced the factory community. Although he finally retired from the factory floor in 1989, aged 67, Noel continued working from home, making poppies by hand from his flat on our estate. He lived happily there until a move to a care home in his final years.

Alongside his work, Noel cultivated a life-long love of music. His collection included vintage 78rpm records and 8-track cassette cartridges, rarely seen in the UK, and he enjoyed a wide variety of genres.

Noel reached his landmark 100th birthday on December 21, 2021. He died five days later, on Boxing Day. We are grateful to Noel's sister, Rita Ukachi-Lois, for contributing items from Noel's music collection for display in our visitor centre.



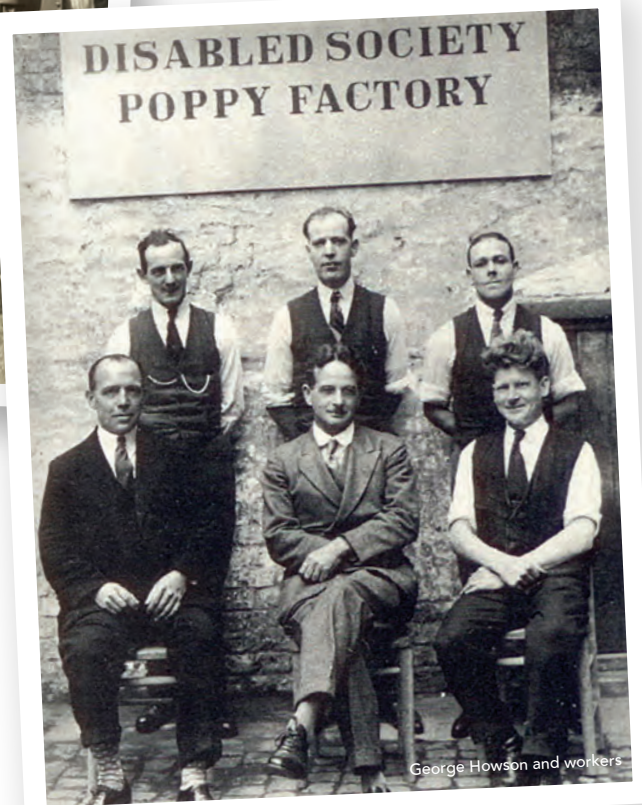
Christmas party



George Howson



Bowls contest



George Howson and workers



Noel Davies



...es on Poppy Day



Making a wreath



Museum of Richmond exhibition opening

Remembrance 2022

Our production team in Richmond-upon-Thames once again worked consistently through the year to create Remembrance wreaths and tributes for the Poppy Appeal, knowing that the wreaths they create are laid in services around the world. And despite continuing restrictions on capacity, we were delighted to welcome almost 1,000 guests for the opening of the Field of Remembrance at Westminster Abbey in 2022.



100 years since The Poppy Factory first began employing wounded and injured veterans to produce Remembrance products, we are proud to continue playing our part in this historic yet still vital tradition.

Each year, around 100,000 wreaths are made by hand and with a great deal of care by our small production team. These wreaths are then laid in services across the UK and around the world, including by members of the Royal Family. Every wreath holds great significance for those who wish to remember and pay tribute to others who have lost their lives in service.

Although the act of Remembrance is fundamental to our production work, employment support has always been at the heart of what we do, and this is as true for the factory team as it is for the hundreds of veterans we now help in communities elsewhere. In Richmond-upon-Thames, we strive as ever to create a comfortable, supportive and inclusive environment for employees with mental and physical health conditions.

This year, members of the production team have also played a key role in welcoming guests to our visitor centre, demonstrating their wreath-making skills to anyone who wishes to try their hand.

THE FIELD OF REMEMBRANCE

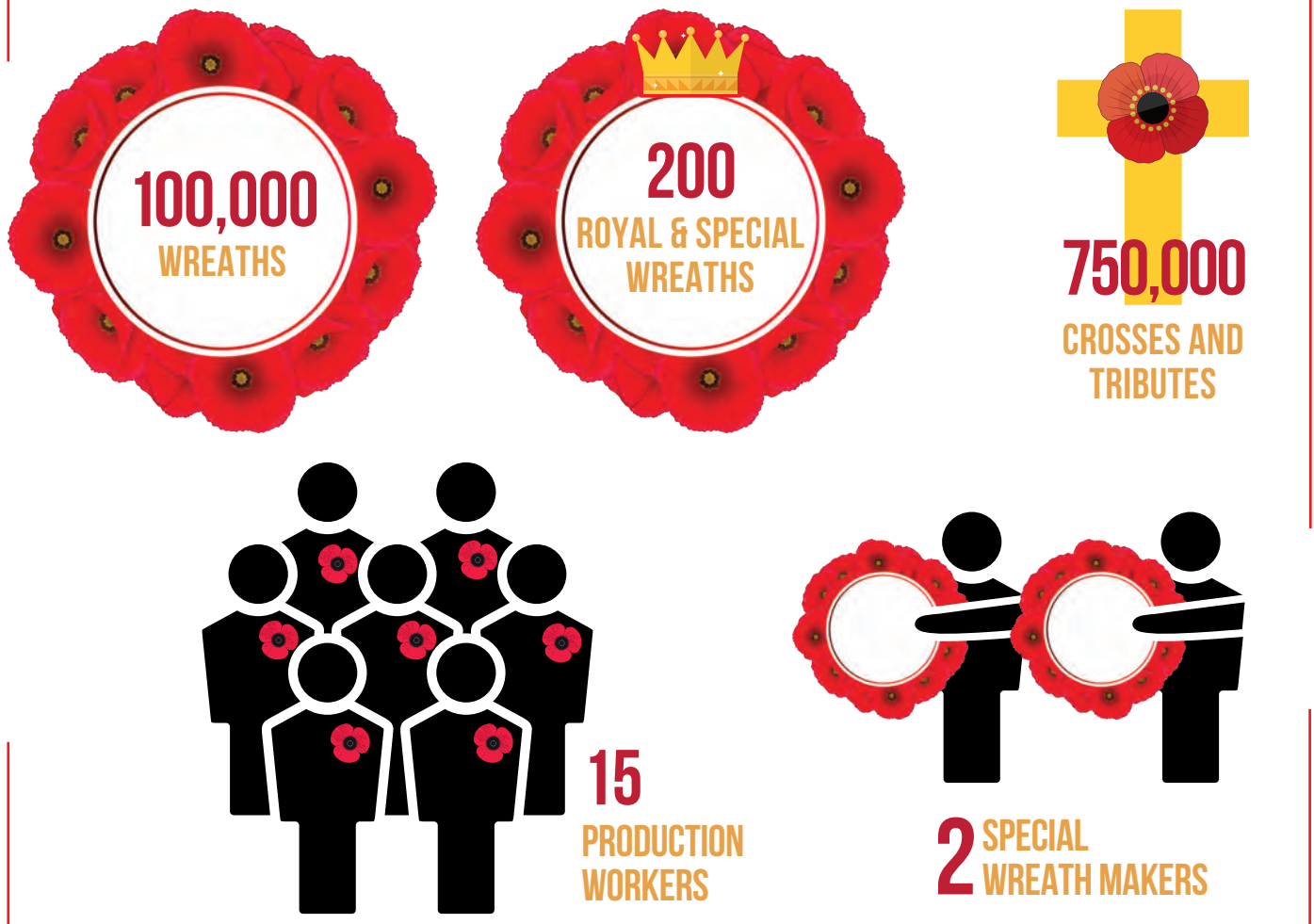
Almost 1,000 guests gathered together on 10 November 2022 for the opening of the Field of Remembrance by our Patron, Her Majesty The Queen Consort.

This tradition was established by The Poppy Factory in 1928 when our founder, Major George Howson MC, suggested using the grounds of Westminster Abbey as a place where anyone could plant a poppy as a tribute to someone who had given their life in service. In that first year over 30,000 poppies were planted, to be replaced in later years by crosses and other tributes.

This year, more than 70,000 tributes were once again carefully laid out according to regiments, units and associations. We would like to thank our dedicated team of workers and volunteers for their hard work in ensuring this important tradition is upheld.

We were also honoured to provide a plot dedicated to the memory of Her Majesty Queen Elizabeth II, which prompted an inspiring response from those who came to lay tributes and pay their respects.

PRODUCTION WORK IN NUMBERS











ZOE'S STORY

For ex-Forces patients who are being treated for health conditions, it can be hard to find a path to employment. Low confidence, depression, anxiety and addiction are just some of the barriers that might lie in their way.

*Employment Consultant **Andrew Pickersgill**, who is embedded within Cheshire and Wirral Partnership NHS Trust, describes how this partnership enabled former Army officer Zoe to find the support she needed.*



TRUST IN OTHERS

// Zoe had enjoyed a successful career as an Army officer, but after leaving the Forces she developed post-traumatic stress disorder. She was struggling with her treatment and had little confidence or trust in others.

Zoe was receiving NHS mental health treatment for her PTSD, and I worked closely with her psychiatrist and social worker to help her find the best way forward. It can take a while to build a good rapport. Through patience, empathy and regular contact, Zoe was able to start overcoming barriers and rebuilding her confidence. **//**



INTERVIEW PRACTICE

// Zoe made great progress, but job interviews were a stressful stumbling block. I suggested holding a mock interview, which is something that has worked well with other veterans that I've supported. The exercise helped her to reset her expectations and relax.

I suggested volunteering to help rebuild Zoe's confidence, which can be a great stepping stone for anyone wishing to return to employment. I helped her gain that experience, which looked great on her CV. Through continued support, Zoe was then able to achieve her goal of securing a job. //

"One of our key values at the Trust is to help people be the best they can be and this absolutely includes those who have been involved in our Armed Forces. Since we began our work with The Poppy Factory more than 40 ex-service personnel have been supported. Employment is vital to people's feeling of social inclusion and we are delighted to work with The Poppy Factory to provide person-centred support to ex-servicemen and women."

Tim Welch

Chief Executive of Cheshire and Wirral Partnership NHS Foundation Trust



FUNDING OUR WORK

In a time of great economic uncertainty, it is as important as ever to nurture strong and effective relationships with other charities, partner organisations and funding partners. By doing so, we are able to maintain the highest quality of support for veterans, no matter what new challenges may emerge. We are grateful for all the funding, gifts in kind and other contributions from partner charities, trusts, foundations, companies, groups and supporters in 2021-22.

GRANT FUNDING PARTNERS

MILITARY CHARITIES

We are proud to work closely and effectively with other military charities and grateful for the vital funding they provide. Thanks to the contributions of major funding partners like the Royal Navy and Royal Marines Charity, ABF The Soldiers' Charity, RAF Benevolent Fund and Greenwich Hospital, we continue to offer employment support to help veterans overcome any barriers.



TRUSTS & LIVELY COMPANIES

Contributions from charitable trusts and livery companies helped veterans find and stay in life-changing work in 2021-22, and we thank them for their support nationally and regionally. We were delighted to benefit from continued support from key existing supporters during the year, notably State Street, as well as from the Armed Forces Covenant Fund Trust, particular through its Veterans Places, Pathways and People programme.

TRUST SUPPORTERS

We'd like to thank all of our supporters, with special thanks to the following:

The Anson Charitable Trust	The MacRobert Trust
Armed Forces Covenant Fund Trust	Moondance Foundation
The Childwick Trust	Queen Mary's Roehampton Trust
The Clare Milne Trust	State Street
Dr & Mrs J D Olav Kerr Charitable Trust No. 2	The Tallow Chandlers Company
The Drapers' Company	Waterloo Foundation
The G C Gibson Charitable Trust	The Worshipful Company of Butchers

CORPORATE PARTNERS

Our centenary has been a central theme of this year's activity with our corporate partners, who have shown a tremendous commitment to The Poppy Factory's diverse community. The contribution of our corporate teams has once again been extraordinary, whether by volunteering their time and expertise, by helping to raise awareness of our employment support, or by engaging in vital fundraising activities. We were also grateful to receive generous contributions from our other partners throughout the year, including Salesforce, Bloomberg and Shop TJC. Particular thanks to OCS Group UK for supporting our mission through hire of our visitor centre facilities in Richmond upon Thames.

We would also like to thank our friends in the Richmond-upon-Thames community, particularly the Museum of Richmond, Be Richmond, Visit Richmond, Richmond Council and our in-house artisan baker, 7 Marvels, for supporting and helping to promote our visitor centre.

FUNDRAISING CHAMPIONS

We are hugely grateful for the efforts of the individual men and women who chose to raise funds to help veterans change their lives through employment in 2020-21. Particular thanks go to the members of the 100 Laps for 100 Years cycling team, and the 11 Elevens Remembrance Challenge team, for their energetic support.

RESPONSIBLE FUNDRAISING

Those who give funds to support veterans with health conditions through The Poppy Factory can be assured that we comply with the regulatory standards for fundraising. Our charity is registered with the Fundraising Regulator and we are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice, which covers the requirements charities must follow as set out in the Charities Act 2016. All direct fundraising is done by our own team - we do not outsource any of our activity to third parties. Several of our in-house fundraising team are members of the Institute of Fundraising. We do not target individuals in the street or through direct marketing. Any public fundraising is limited to voluntary donations, such as through our website or through occasional bucket collections carried out by our own staff and volunteers. We encourage our corporate partners, and other organisations, groups and individuals, to organise their own fundraising events on behalf of The Poppy Factory. Our team provides resources, information and guidance to support these events as appropriate, to ensure that all activity falls within the Code of Fundraising Practice. There were no complaints about our fundraising activities in 2021-22.

KEITH'S STORY

Keith Watkinson enjoyed a successful Army career, serving in Bosnia, Kosovo, Northern Ireland, Afghanistan and Iraq. Then he had equal success running his own business, until addiction and PTSD took their toll. With employment support, Keith has now recovered and embraced a brand new career in sustainable energy.

“ I joined the Royal Fusiliers in 1996 when I was 17, and I served for over 18 years with a short break half way through. I did eight or nine operational tours in Bosnia, Kosovo, Northern Ireland, Afghanistan and Iraq. Both of my tours of Afghanistan were pretty rough.

I did well in the Army. I was going through the ranks. I didn't see why Civvy Street should be any different. What I didn't realise was that I had post-traumatic stress disorder, and I couldn't understand what was going on with me. I was going at everything like a bull in a china shop.

I went straight into security and set up my own business. It seemed like the easy option but it drove me off the rails. Three years down the line, I was going to lots of events and parties and taking everything too far. I was trying to make as much money as I could, taking drugs and drinking too much. I didn't feel like I had any purpose. ”



Keith
Watkinson

“I had a friend working in the renewables industry and it looked like something different that might give me a career. I wanted to be outdoors again doing something that has a positive impact on the environment. I wanted to travel again and do something I found interesting.”

// Then Helen from Project Nova started helping me and she mentioned that The Poppy Factory had helped her get back into work. It stuck in my mind. When I went into rehab at Tom Harrison House in Liverpool, I searched for The Poppy Factory online and then Caz, my Employment Consultant, got in touch.

I had a friend working in the renewables industry and it looked like something different that might give me a career. I wanted to be outdoors again doing something that has a positive impact on the environment. I wanted to travel again and do something I found interesting.

Caz helped me in so many ways. It wasn't just sorting out my CV and searching for jobs – she helped me when I relapsed and she told me I could ring her at any time. There was employment support and emotional support too.



"It's a really difficult industry to get into. Training to be able to carry out blade repairs and work as a wind technician is expensive, but Caz helped me apply for funding through ABF The Soldier's Charity. That was a massive help and the funds came through straight away, with no messing about.

I sent so many CVs out, and eventually an opportunity came up through a contact. I'm starting at the bottom of the ladder and looking to make progress.

Being on the ropes at the top of a wind turbine can be quite physically challenging. I'd never been to Scandinavia before I started the job, now I've been to Norway and I'm working in Sweden with a bunch of guys from different countries.

I'm happy in the role I'm in, but I'm also looking at this as a career. I'm only 42 and there are lots of opportunities to make progress in the industry, in areas like health and safety and project management. But I'm also just focusing on living for now. //

FINANCIAL REVIEW

COMMENTARY ON THE BALANCE SHEET & RESULTS FOR THE PERIOD

Our total incoming resource was £4,090k compared to £4,129k in 2021 with a number of variations across our sources of income.

Our income is derived from a number of revenue streams:

- Total Estate income for the year was £1,429m (2021 £1,376m). The property rental income from Open Market residential properties was £851k (2021 £806k). The revenue from the general estate was £579k (2021: £570k), including surplus office space and car parking at £447k and beneficiary rent at £132k. The estate income is used to finance the charity's objectives.
- Total voluntary income was £1,097k, including £274k from the Veterans - Places, Pathways and People programme: Portfolio Lead, for London. This also includes £97k from the NHS for three pilot programmes. Total 2021 voluntary income was £1,096k. Unless otherwise restricted, voluntary income funds the development and expansion of the employment service.
- The Appeal Order income was £1,509k, compared to £1,649k in 2021. The Appeal Order income is used exclusively for the production of wreaths, crosses and poppies for The Royal British Legion for their annual remembrance activities. The income from the Appeal Order matches the costs of production.

Our total outgoing resources were £4,718k, an increase of £60k compared to £4,658k in 2021, this total cost includes £410k of building refurbishment-related depreciation costs in the year. The building refurbishment project was completed in October 2020.

- The expenditure on the estate was £729k (2020 £845k). The estate expenditure included new security arrangements on the residential estate and upgrades to office windows, which have improved the energy efficiency of the building. Additionally, on the residential estate, 2 flats were refurbished in the year (2021: 2 flats were refurbished in the year).
- Other costs of raising funds were £227k (2021 £236k) and Visitor Centre costs were £151k (2021 £77k) of which £110k was depreciation charged to the Visitor Centre.
- Overall employment service expenditure was £1,717k, £11k higher than £1,706k in 2021. The overall expenditure includes £139k of depreciation charged to the employment service, in relation to the building refurbishment, which was completed in October 2020. As part of TPF's role as London Veterans' Places, Pathways and People Programme: Portfolio Lead, £222k was distributed to partner organisations.
- In supporting veterans on their employment journey, we source training courses, which are funded by partners including ABF The Soldiers' Charity and Greenwich Hospital.

- The annual Appeal Order from TRBL enabled The Poppy Factory to employ 23 people (2021: 26) who are either veterans or the dependents of ex-Service men and women who have a health barrier to employment.

Net expenditure before other recognised gains and losses in the year was £-628k, which includes a £410k depreciation charge in the year, and compares to £-530k net income in 2021. Full details of movements on reserves are disclosed in note 17.

Cash and short-term deposits decreased by £218k to £1,647k at the year-end.

Creditors were £606k compared to £471k in 2021, an increase of £135k in creditors at the year-end. Debtors were £203k compared to £149k in 2021, an increase of £54k in debtors at the year-end.

INVESTMENT PROPERTY

The investment property comprises 46 of the 62 residential flats that are let on the open market, with rents based on professional advice from the charity's letting agents and in line with market value. The objective is to ensure a sustainable income return on these properties in order to fund the employment service. The remaining 16 flats are let to beneficiary tenants.

A sample of properties in the investment property portfolio was valued by Nightingale Chancellors, Chartered Surveyors, as at 30 September 2022 which, extrapolated across the whole portfolio, valued the properties at £26.8m. This increases the investment property reserve by £230k.

OTHER INVESTMENTS

Funds not required in the short to medium term are invested partly in deposit accounts over a suitable period (or periods) with an institution with an investment grade 'A' credit rating.

During the year, other funds were invested with Close Brothers Asset Management. The total funds decreased by £123k to £1,365k. The return on investment objective is CPI plus 3% over the medium term, which was not achieved in the year to 30 Sept 2022, with a total 8% loss. The investment performance will continue to be monitored. The carrying value of investments is adjusted to market value at year-end.

RESERVES

The Council approved the reserves policy, which is reviewed annually. The General Reserve is to enable The Poppy Factory to continue to deliver its services in the event of an unexpected fall in income. The General Reserve should be maintained to cover: budgeted beneficiary employment and indirect costs for the factory for 9 months following the balance sheet date; a sum to cover building emergencies on the estate, to ensure that it remains revenue-producing; and 6 months planned costs for employment support, to ensure that commitments can be honoured in the event of a significant reduction in voluntary income. The current reserves target is £1.95m, and the general funds are £1.94m. This includes the designation of £500k towards a planned building maintenance project, that is expected to be completed by the end of 2023.

At 30 September 2022, the total funds of the charity were £34.4m (2021: £34.9m). After taking account of the revaluation of investment properties and investments, the charity had unrestricted funds of £34.1m (2021: £34.6m). Of the £34.1m unrestricted funds, £32.2m (2021: £31.8m) is revaluation reserve and designated funds. The revaluation reserve of £26.8m (2021: £26.6m) is related to that part of the residential estate classified as investment property and described above. Designated funds relate to the fixed asset fund and voluntary income used for the employment service. Additionally, the planned maintenance fund relates to funds designated for the purpose of upgrading the windows of the main factory building, which is expected to be completed by the end of 2023.

PRINCIPAL RISKS AND UNCERTAINTIES

The Poppy Factory makes use of a risk management process to identify and record risks to the organisation. All identified risks are considered, and appropriate management responses are applied. Additionally, all reasonable measures are taken to mitigate the potential impacts of risks. The risks identified and the management responses are kept under review and presented at each Council Meeting.

The key risks identified for The Poppy Factory relate to:

- **Veteran Services**
- **Collaboration**
- **Income**
- **Safeguarding**
- **Data protection**

Veteran Services:

There is a risk that the services provided by The Poppy Factory no longer align with changing beneficiary need. The Poppy Factory therefore continues to monitor and evaluate the needs of the veteran community and has structured its services to provide an improved and more flexible range of support measures.

Collaboration:

As veteran need becomes more complex, the military charity sector needs to work collaboratively to ensure the best outcomes. The Poppy Factory needs to be part of that collaboration to maintain relevance and avoid duplication in its service provision. As a result, The Poppy Factory regularly engages with a large number of charitable organisations and statutory bodies, including the NHS and DWP and helps to coordinate activities across the country.

Income:

There is a risk that The Poppy Factory is not able to raise sufficient funds to deliver the full scale of our employment support services. The Poppy Factory therefore continues to diversify its portfolio, engaging with regular funders, reaching out to new funders and ensuring that its estate assets are generating income.

Safeguarding:

The Poppy Factory provides employment services to veterans with health challenges, whose needs are carefully considered and provided for. However, there remains a risk that the safeguarding needs of the veterans we work with are not fully recognised and adequately catered for.

The Poppy Factory employs staff working directly and indirectly in the delivery of employment services to veterans, and staff needs are carefully considered and provided for, both in the direct delivery of the employment service and in the normal conduct of The Poppy Factory activities. However, there remains a risk that the safeguarding needs of the staff are not fully recognised and adequately catered for.

The Poppy Factory provides beneficiary housing to adults who may have specific vulnerabilities, and beneficiary tenant needs are carefully considered and provided for. However, there remains a risk that the safeguarding needs of the beneficiary tenants are not fully recognised and adequately catered for.

The Poppy Factory provides employment within our factory to veterans with health challenges, and these needs are carefully considered and provided for. However, there remains a risk that the safeguarding needs of the production employees are not fully recognised and adequately catered for.

As a result, all risks relating to the safeguarding of the charity's beneficiaries and staff are given priority and are under constant review. Appropriate training and reporting protocols are in place to meet health and safety requirements.

Data Protection:

There is a risk that personal data necessarily held by The Poppy Factory is subject to unauthorised access or misuse. The Poppy Factory has a data protection policy, which is regularly reviewed, and The Poppy Factory has undertaken a data audit to ensure adequate data protection, both physical and electronic, and the appropriate policies are in place. The Poppy Factory is accredited with Cyber Essentials Plus, and this accreditation is renewed annually. The Poppy Factory is compliant with the Fundraising Regulator's standards.

GUARANTEES

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of members at 30 September 2022 was 39 (2020: 43). The number of members is limited to 60. Council members are members of the charity, but this entitles them to voting rights only.

STATEMENT OF RESPONSIBILITIES OF THE COUNCIL

INTRODUCTION AND STATEMENT OF COMPLIANCE

The Council (whose members are also trustees under charity law and directors under company law) presents its report and the audited financial statements for the year ended 30 September 2021.

Reference and administrative information, set out on the inside back cover, forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal Constitution

The Royal British Legion Poppy Factory Limited (The Poppy Factory) is a charitable company limited by guarantee, incorporated on 11 March 1925 and registered as a charity on 11 May 1964.

The company was established under a Memorandum of Association. New Articles of Association were adopted on 13 April 2012 and amended by a special resolution on 23 March 2017.

Governance

The members of the Council during the year are shown on the inside back cover. Council members equate to directors in companies act terms and trustees in charities act terms.

New Council members are appointed as necessary, in order to give a wide breadth of experience to the organisation. They have been recruited through a formal recruitment and selection process which includes a review of their Curriculum Vitae and an interview with the Chief Executive Officer (CEO) and members of the Council.

The Trustees would like to thank Michael Bustard for his service as Trustees and his contribution to The Poppy Factory.

Induction of Council members is carried out by the CEO prior to the new member's first Council meeting. This encompasses:

- governing documents;
- Council members' responsibilities;
- mission statement;
- health and safety policy;
- operational and committee structures;
- audited and management accounts;
- strategic plan; and
- key projects.

on an as-required basis.

No benefits are received by members of the Council. Council members' expenses are referred to in note 19 to the accounts.

Public Benefit

The Council confirms that it has due regard to the provisions of section 17 of the Charities Act 2011 and has referred to the guidance contained in the Charity Commission's general guidance on public benefit, both when reviewing The Poppy Factory's aims and objectives and also in planning activities.

Objects and Activities

Our Articles of Association set out that we "organise, establish and manage schemes for the purpose of assisting men and women who have been members of the Forces of the Crown and primarily those of them who have been disabled".

The Poppy Factory does this by providing an employment service to veterans with health conditions across England and Wales. We also provide paid work at our factory in Richmond, where men and women with health conditions who are connected to the Service have been making Remembrance products for 100 years.

Remuneration of Key Management Personnel

The Trustees consider that the members of the Council and the Senior Management Team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. All Council members give their time freely and no director received remuneration in the year. Details of directors' expenses are disclosed in note 19 (no director expenses were incurred in the year) and related party transactions are disclosed in note 19 of the accounts.

The pay of the Senior Management Team and all staff is reviewed annually and normally increased in accordance with average earnings to reflect a cost-of-living adjustment. In view of the nature of the charity, the Council members benchmark against pay levels in other charities. The remuneration benchmark is the mid-range for similar roles in similar sized charities.

Management

The Council meets five times a year or when required. The committee structures were reviewed during the year to ensure that the structures remain relevant. The following committee structure has been approved by the Council committees: The Finance and Estate Committee, Income Generation and Communications Committee, Programmes and People Committee. The committees and various working groups all report to the Council meetings as part of the governance structure.

The Council agrees the strategic aims of the charity, authorises the budget and approves the expenditure. The day-to-day running of the charity is delegated to the CEO, Mrs Deirdre Mills, who was appointed by the Council.

STATEMENT OF RESPONSIBILITIES OF THE COUNCIL

The Council is responsible for preparing the Report and the financial statements in accordance with applicable law and regulations. Company law requires the Council to prepare financial statements for each financial year. Under that law, the Council has elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the charitable company and of the surplus or deficit for that period.

In preparing these financial statements we are required to:

- select suitable accounting policies and apply them consistently;
- observe methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charitable company will continue in operation.

We are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable it to ensure that the financial statements comply with the Companies Act 2006. We are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the members of the Council is aware at the time the report is approved:

- there is no relevant audit information of which the Charity's auditors are unaware; and
- all steps have been taken by members of the Council to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.
- in approving this report, the Council members are also approving the Strategic Report in their capacity as company directors.

Approved by the Council on and signed on its behalf by:



A. Kett

Date: January 20, 2023

AUDITOR'S REPORT

OPINION

We have audited the financial statements of The Royal British Legion Poppy Factory Limited for the year ended which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including 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 charitable company's state of affairs as at 30 September 2022 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

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 charitable company 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 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 charitable company'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 during 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.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

We have nothing to report in respect of the following matters where the Companies 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; 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 39, the trustees (who are also directors of the charitable company for the purposes of company law) 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 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 auditor's 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 charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

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 charitable company'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 charitable company'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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Claire Wills

Claire Wills

(Senior Statutory Auditor)

for and on behalf of Saffery Champness LLP

Chartered Accountants 71 Queen Victoria Street London EC4V 4BE

Statutory Auditors

Date: January 20, 2023

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

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an income and expenditure account)

Year Ended 30 September 2022	Notes	Unrestricted £	Designated Building Fund £	Restricted £	2022 Total £	2021 Total £
INCOME FROM:						
Donations and legacies						
Voluntary income	2	297,265	-	800,109	1,097,374	1,096,260
Charitable activities						
Appeal Order	2	1,509,463	-	-	1,509,463	1,649,094
Beneficiary flats		131,530	-	-	131,530	129,909
Other trading activities						
Office rental and shop sales	3	482,004	-	-	482,004	440,704
Investments						
Investment income	4	869,721	-	29	869,750	812,663
Total income	17	3,289,983	-	800,138	4,090,121	4,128,630
EXPENDITURE ON:						
Raising funds						
Fundraising costs		226,950	-	-	226,950	235,872
Costs of raising other income	5	687,031	109,960	-	796,991	863,474
Charitable activities						
Employment service		962,648	138,898	615,623	1,717,169	1,705,620
London VPPP Portfolio Lead disbursements		-	-	222,349	222,349	-
Appeal Order		1,509,463	161,515	-	1,670,978	1,794,532
Beneficiary flats		83,984	-	-	83,984	58,760
Total expenditure on charitable activities		2,556,095	300,413	837,972	3,694,480	3,558,912
Total expenditure	5	3,470,076	410,373	837,972	4,718,421	4,658,258
Net income/(expenditure) before gains and losses on investments		(180,093)	(410,373)	(37,834)	(628,300)	(529,628)
Other recognised gains/(losses)						
Revaluation of investment property	10	230,000	-	-	230,000	1,174,850
Gains/(losses) on investments	11	(139,137)	-	-	(139,137)	161,911
Net income/(expenditure)		(89,230)	(410,373)	(37,834)	(537,437)	807,133
Transfers between funds		(553,408)	553,408	-	-	-
Net movement in funds		(642,638)	143,035	(37,834)	(537,437)	807,133
Total funds brought forward	17	29,403,141	5,233,862	268,554	34,905,557	34,098,424
Total funds carried forward		28,760,503	5,376,897	230,720	34,368,120	34,905,557

The notes on pages 49 to 63 form part of these accounts.

All the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Details of income and expenditure by fund for 2021 is given in note 21.

BALANCE SHEET AT 30 SEPTEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Tangible fixed assets	9	-	4,876,897	-	5,233,862
Investment properties	10	-	26,820,000	-	26,590,000
Other investments	11	-	1,364,917	-	1,488,229
TOTAL FIXED ASSETS		-	33,061,814	-	33,312,091
CURRENT ASSETS					
Stock	12	76,425	-	113,253	-
Debtors	13	202,698	-	148,629	-
Short-term deposits		906,302	-	527,105	-
Cash at bank and in hand		726,766	-	1,275,225	-
TOTAL CURRENT ASSETS		1,912,191	-	2,064,212	-
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	14	(605,885)	-	(470,746)	-
NET CURRENT ASSETS		-	1,306,306	-	1,593,466
NET ASSETS	16	-	34,368,120	-	34,905,557
FUNDS OF THE CHARITY					
Restricted funds	17	-	-	-	-
		-	230,720	-	268,554
Unrestricted funds		-	-	-	-
Revaluation reserve		-	26,820,000	-	26,590,000
Designated funds		-	5,376,897	-	5,233,862
General funds		-	1,940,503	-	2,813,141
		-	34,137,400	-	34,637,003
TOTAL FUNDS		-	34,368,120	-	34,905,557

Approved by the Council of The Royal British Legion Poppy Factory Limited, Company Number 00204405 (England and Wales) and signed on its behalf by:



A Kett
Chairman

Date: January 20, 2023

CASH FLOW STATEMENT

	2022 Total £	2021 Total £
Cash flows from operating activities	(119,305)	(71,949)
Cash flows from investing activities		
Dividends and interests	19,276	6,395
Purchase of investments	(116,386)	(716,455)
Purchase of fixed assets	(53,408)	(877,755)
Proceeds from sale of investments	51,707	1,171,960
Net cash provided by/(used in) investing activities	(98,811)	(415,855)
Change in cash and cash equivalents in the reporting period	(218,116)	(487,804)
Cash and cash equivalents at the beginning of the reporting period	1,865,639	2,353,443
Cash and cash equivalents at the end of the reporting period	1,647,523	1,865,639

ANALYSIS OF CHANGES IN NET DEBT

	1 October 2021 £	Cash flows £	30 September 2022 £
Cash and cash equivalents			
Cash	1,865,639	(218,116)	1,647,523
Total	1,865,639	(218,116)	1,647,523

NOTES TO THE CASH FLOW STATEMENT

	2022 Total £	2021 Total £
RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES		
Net (expenditure)/income for the reporting period	(628,300)	(529,628)
Decrease/(increase) in debtors	(54,068)	135,273
Decrease/(increase) in stock	36,828	(25,721)
(Decrease)/increase in creditors	135,138	6,975
Dividends and interests	(19,276)	(6,395)
Depreciation	410,373	347,547
Net cash provided by/(used in) operating activities	(119,305)	(71,949)
Analysis of cash and cash equivalents		
Short term deposits	906,302	527,105
Cash at bank and in hand	726,766	1,275,225
Cash held as part of the investment portfolio (note 10)	14,455	63,309
	1,647,523	1,865,639

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

General Information

The Charity is a private company, limited by guarantee, registered in England and Wales. The registered office and company details are shown on page 64.

Basis of Preparation

The accounts 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) (Second edition) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Going Concern

Following a review of our financial position, reserve policies and plans, the Council consider that there are no material uncertainties about the charity's ability to continue as a going concern for the foreseeable future.

Public Benefit

The charity meets the definition of a public benefit entity under FRS 102.

Income Recognition

Income from donations and legacies is included in full in the statement of financial activities when receivable. Volunteer time is not included in the financial statements. Unrestricted income for the Appeal Order matches the unrestricted expenditure for that activity.

Grants are included in the statement of financial activities in the year in which they meet the conditions of recognition. Grants for the purchase of fixed assets are credited to restricted income when receivable. Depreciation of fixed assets purchased with such grants is charged against the restricted fund. Where a fixed asset is donated to the charity for its own use, it is treated in a similar way to a restricted grant.

Expenditure

Expenditure is recognised in the period to which it relates. Expenditure includes attributable VAT which cannot be recovered. Expenditure is allocated to the activity where the cost relates directly to that activity.

Support Costs

Support costs are administrative costs, including the provision of services for the benefit of Appeal Order staff and are charged as incurred based on the specific usage; where an allocation is necessary, an appropriate basis such as staff cost, staff numbers or floor space has been used depending on the nature of the expenditure.

Costs Of Raising Funds

Expenditure on raising funds relate to the costs incurred by the charitable company in raising funds for the charitable work. This includes costs associated with investment properties, rented office space, running the visitor centre and raising voluntary income.

Fixed Assets

Depreciation is provided at rates calculated to write down the cost or revalued amount of tangible fixed assets, other than land, to their estimated residual value evenly over their expected useful lives. The depreciation rates in use are as follows:

	Per annum
Furniture and equipment	15% - 34%
Plant and machinery	20%
Freehold buildings	3% - 10%

Items of equipment are capitalised where the purchase price exceeds £5,000 except in the case of computer equipment which is expensed in the year. Expenditure related to the maintenance of the estate is expensed as incurred. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Operating Leases

Rentals for assets held under operating leases are charged to the Statement of Financial Activities as they become payable.

Government Grants

Government grant income represents the total amount claimed from HMRC under the Coronavirus Job Retention Scheme (CJRS). The income is accounted for in the period in which the associated salary payments are made to furloughed staff.

Fund Accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity.

Designated funds are unrestricted funds allocated by the Council for specific purposes.

Fixed Asset Investments

Investment property is shown at the market value on a vacant possession basis. The value of investment property is reviewed every year with any gain/(loss) for the year being taken to the statement of financial activities. The split between commercial and beneficiary flats is reviewed annually. Beneficiary flats are valued at historical cost.

Other investments are shown at market value at the balance sheet date, with any gain or loss for the year being disclosed in the notes and taken to the statement of financial activities.

Stocks

Stock is stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stock can be sold in the normal course of business after allowing for the costs of realisation.

Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

Pensions

The charity makes pension contributions to TRBL Pension Funds, comprising a Group Personal Pension and a defined benefit scheme, for those employees who have joined the schemes. The Poppy Factory's contributions to the defined benefit scheme are accounted for as and when they become payable in the year as they are fully recovered under the terms and conditions and continuation of the Appeal Order.

Critical Accounting Judgements and Estimates

In preparing these accounts, management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the accounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. One of the key estimates is the valuation of the investment properties.

More detail is shown in note 10.

2. VOLUNTARY INCOME

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Government Grants	-	-	-	9,978
Other Grants and Donations	297,265	526,594	823,859	1,096,260
London VPPP Portfolio Lead	-	273,515	273,515	-
	297,265	800,109	1,097,374	1,106,238

The appeal order grant income from RBL for the year was £1,509,463. (2021: £1,649,094).

The 2021 appeal order income of £1,649,094 is comprised of £1,508,071 of RBL grant income and £141,023 of government grants relating to the CJRC.

TPF is the portfolio lead for AFCTF's London Veterans - Places, Pathways and People programme, for which TPF has received a total of £274,515k, and against which there were £222,349k of disbursements to partners (See note 5.)

COMPARATIVE NOTE FOR 2021

	Unrestricted £	Restricted £	2021 Total £
Government Grants	9,978	-	9,978
Other Grants and Donations	632,911	453,371	1,086,282
	642,889	453,371	1,096,260

3. OTHER TRADING ACTIVITIES

	2022 Total £	2021 Total £
Office rental income	446,594	440,264
Visitor Centre	35,410	440
	482,004	440,704

In the current year, all other trading activities are unrestricted.

4. INVESTMENT INCOME

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Open Market Property	850,475	-	850,475	806,264
Bank Interest	3,391	29	3,420	4
Investment portfolio distributions	15,855	-	15,855	6,395
Total	869,721	29	869,750	812,663

In the prior year, £nil of Investment Income was restricted.

5. TOTAL EXPENDITURE

	Staff costs £	Other costs £	Depreciation £	Support Costs £	2022 Total £	2021 Total £
Raising funds						
Visitor Centre	-	41,944	109,960	-	151,904	77,219
Office Rental costs	7,703	139,586	-	19,303	166,592	394,085
Open Market Property costs	22,124	444,853	-	11,518	478,495	392,170
Fundraising costs	219,393	7,557	-	-	226,950	235,872
	249,220	633,940	109,960	30,821	1,023,941	1,099,346
Charitable activities						
Employment service	1,448,225	13,773	138,898	116,273	1,717,169	1,705,620
London VPPP Portfolio Lead	-	222,349	-	-	222,349	-
Appeal Order	716,695	717,948	161,515	74,819	1,670,977	1,794,532
Beneficiary flats	3,883	77,264	-	2,838	83,985	58,760
	2,168,803	1,031,334	300,413	193,930	3,694,480	3,558,912
	2,418,023	1,665,274	410,373	224,751	4,718,421	4,658,258

The depreciation charge of £410,373 in the year relates to the building refurbishment.

TPF is the portfolio lead for AFCTF's London Veterans' Places, Pathways and People programme, for which there was £222k of disbursements to partners. (2021 £nil)

COMPARATIVE NOTE FOR 2021

	Staff costs £	Other costs £	Depreciation £	Support Costs £	2021 Total £
Raising funds					
Visitor Centre	-	183	77,036	-	77,219
Office Rental costs	16,658	362,423	-	15,004	394,085
Investment property costs	16,658	359,209	-	16,303	392,170
Fundraising costs	233,019	2,853	-	-	235,872
	266,335	724,668	77,036	31,307	1,099,346
Charitable activities					
Employment service	1,410,797	42,806	125,073	126,944	1,705,620
Appeal Order	774,501	757,886	145,438	116,707	1,794,532
Beneficiary flats	-	43,756	-	15,004	58,760
	2,185,298	844,448	270,511	258,655	3,558,912
	2,451,633	1,569,116	347,547	289,962	4,658,258

Support Costs

	2022 Total £	2021 Total £
IT Hardware, Software and Services	74,832	83,982
Legal and Professional Services	8,715	43,513
HR Support and Training	32,726	26,075
Other Support Costs	108,478	116,707
	£224,751	£270,277

Included above are the following support costs, which have been allocated in accordance with the accounting policy (note 1). The allocation of the support costs has been reviewed and support costs for 2021 reallocated.

6. NET INCOME FOR THE YEAR

	2022 Total £	2021 Total £
This is stated after:		
Depreciation	410,373	1,024
Rentals payable under operating leases	1,135	1,661
Auditors' remuneration:		
- audit	19,157	15,437

7. STAFF COSTS AND NUMBERS

	2022 Total £	2021 Total £
Staff costs were as follows:		
Salaries and wages	2,034,050	1,922,690
Social security costs	188,786	188,614
Pension contributions	181,522	171,170
Redundancy payments	13,665	18,158
Other staff costs	78,315	69,445
	2,496,338	2,370,077

The total value of the redundancy payments in the year to 30 September 2022 was £13,665. All redundancy payments due were paid in full within the year.

The number of employees whose emoluments during the year exceeded £60,000 were:

	2022 No.	2021 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£80,001 - £90,000	1	-
£90,001 - £100,000	1	1
£110,001 - £120,000	1	1

In connection with the higher paid employees, the total employer contributions in the year to a TRBL Personal Pension plan was £38,736 (2021: £27,897).

The average number of staff employed was 69 (2021: 73) and the average number of employees (full-time equivalent) during the year was as follows:

	2022 No.	2021 No.
Estate	1.0	1.0
Appeal Order	23.2	26.1
Employment Service	27.3	25.8
Fundraising and Communications	5.5	5.9
CEO and Support	1.2	1.4
Average number of employees FTE	58.2	60.2

The above staff numbers do not include home workers; their costs of in the year were £nil, in 2021, £34,870 of home worker costs are included above.

Key management personnel are the Senior Management Team listed on page 1. The total remuneration of key management personnel for the year to 30 September 2022 was £484,093 (2021: £439,824).

8. TAXATION

As a charity, The Royal British Legion Poppy Factory Limited is exempt from tax on income and gains falling within Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen on the charity.

9. TANGIBLE FIXED ASSETS

	Building refurbishment £	Freehold land and property £	Plant £	Furniture and equipment £	Total £
Cost or valuation					
At 1 October 2021	5,132,429	1,601,619	439,684	226,894	7,400,626
Additions	53,408	-	-	-	53,408
Transfers	-	-	-	-	-
At 30 September 2022	5,185,837	1,601,619	439,684	226,894	7,454,034
Depreciation					
At 1 October 2021	306,190	1,346,618	439,684	74,272	2,166,764
Charge for the year	365,257	-	-	45,116	410,373
Transfer/(Disposals)	-	-	-	-	-
At 30 September 2022	671,447	1,346,618	439,684	119,388	2,577,137
Net book value					
At 30 September 2022	4,514,390	255,001	-	107,506	4,876,897
At 30 September 2021	4,826,239	255,001	-	152,622	5,233,862

The net book value of freehold property relates to land value and is not subject to further depreciation.

10. INVESTMENT PROPERTY

	2022 £	2021 £
Market value at the start of the year	26,590,000	25,895,000
Revaluation	230,000	1,174,850
Value of flats sold in the year	-	(479,850)
Market value at end of year	26,820,000	26,590,000

Nightingale Chancellors, Chartered Surveyors, carried out a valuation on 30 September 2022 of 12 representative flats at market value on a vacant possession basis. From this, the Council arrived at an increased valuation including the other 34 flats of £230,000. The carrying value of the properties will be reviewed every year.

During the year, no flats were sold. In the prior year, 1 flat was sold with a total net receipt of £479,850.

11. OTHER INVESTMENTS

	2022 £	2021 £
Market value at the start of the year	1,424,920	1,227,042
Additions at historic cost	116,385	735,625
Disposals at carrying value	(36,228)	(692,110)
Realisation (Loss)/gain on disposal	15,855	6,395
Unrealised (loss)/gain in revaluation	(170,470)	147,968
	1,350,462	1,424,920
Cash held as part of the portfolio	14,455	63,309
Market value at end of year	1,364,917	1,488,229
Historic cost at end of the year	1,236,110	1,174,665

	2022 £	2021 £
Investments comprise:		
Equities	878,167	954,697
Fixed interest	261,917	304,423
Alternatives	210,378	165,800
	1,350,462	1,424,920
Cash and settlements	14,455	63,309
Market value at the end of the year	1,364,917	1,488,229

12. STOCK

	2022 £	2021 £
Raw materials	76,425	113,253

13. DEBTORS

	2022 £	2021 £
Trade debtors	13,335	14,861
Prepayments and accrued income	189,363	133,768
	202,698	148,629

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	138,810	81,884
Accruals	69,305	58,800
Deferred income	170,390	173,789
Wages and holiday pay accrual	29,257	37,122
Taxation and social security	48,255	47,427
Pension	22,859	22,209
VAT	28,740	12,427
Amounts due to The Royal British Legion	68,068	230
Other	30,201	36,858
	605,885	470,746

DEFERRED INCOME

	2022 £	2021 £
As at 1 October 2021	173,789	131,887
Amounts deferred during the year	1,312,651	1,442,578
Amounts released during the year	(1,316,050)	(1,400,676)
Balances carried forward as at 30 September 2022	170,390	173,789

15. OPERATING LEASES

At 30 September 2022 there were total commitments under non-cancellable operating leases:

	2022 £	2021 £
Total commitments under non-cancellable operating leases expiring within:		
One year	1,135	1,661
Between one and five years	846	1,441
Total	1,981	3,102

The Poppy Factory acts as a lessor with its office tenants.

	2022 £	2021 £
Total income due to The Poppy Factory as a lessor with its office tenants:		
Income due in less than 1 year	350,511	282,241
Income dues for 1 to 5 years	1,171,417	615,733
Total	1,521,928	897,974

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds £	Revaluation reserve £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	4,876,897	-	4,876,897
Investment property	-	26,820,000	-	-	26,820,000
Other investments	-	-	-	1,364,917	1,364,917
Net current assets	230,720	-	500,000	575,586	1,306,306
Net assets at the end of the year	230,720	26,820,000	5,376,897	1,940,503	34,368,120

COMPARATIVE NOTE FOR 2020

	Restricted funds £	Revaluation reserve £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	5,233,862	-	5,233,862
Investment property	-	26,590,000	-	-	26,590,000
Other investments	-	-	-	1,488,229	1,488,229
Net current assets	268,554	-	-	1,324,912	1,593,466
Net assets at the end of the year	268,554	26,590,000	5,233,862	2,813,141	34,905,557

17. MOVEMENTS IN FUNDS

	1 October 2021 £	Income £	Expenditure £	Gains/(Losses) and transfers £	30 September 2022 £
Restricted funds					
Amenities and benevolent fund	78,019	29	-	-	78,048
Capital fund	-	-	-	-	-
Employment Service restricted fund	190,535	800,109	(837,972)	-	152,672
Total restricted funds	268,554	800,138	(837,972)	-	230,720
Unrestricted funds					
Investment property	26,590,000	-	-	230,000	26,820,000
Other Investments	-	-	-	-	-
Total Revaluation reserve	26,590,000	-	-	230,000	26,820,000
Designated funds					
Fixed assets fund	5,233,862	-	(410,373)	53,408	4,876,897
Planned maintenance fund	-	-	-	500,000	500,000
Employment Service fund	-	297,265	(297,265)	-	-
Total designated funds	5,233,862	297,265	(707,638)	553,408	5,376,897
General funds	2,813,141	2,992,718	(3,172,811)	(692,545)	1,940,503
Total unrestricted funds	34,637,003	3,289,983	(3,880,449)	90,863	34,137,400
Total funds	34,905,557	4,090,121	(4,718,421)	90,863	34,368,120

COMPARATIVE NOTE FOR 2021

	1 October 2020 £	Income £	Expenditure £	Gains/(Losses) and transfers £	30 September 2021 £
Restricted funds					
Amenities and benevolent fund	78,019	-	-	-	78,019
Employment Service restricted fund	154,606	453,371	(417,442)	-	190,535
Total restricted funds	232,625	453,371	(417,442)	-	268,554
Unrestricted funds					
Investment property	25,895,000	-	-	695,000	26,590,000
Other Investments	-	-	-	-	-
Total Revaluation reserve	25,895,000	-	-	695,000	26,590,000
Designated funds					
Building fund	5,323,988	-	(347,547)	257,421	5,233,862
Employment Service fund	-	642,889	(642,889)	-	-
Total designated funds	5,323,988	642,889	(990,436)	257,421	5,233,862
General funds	2,646,811	3,032,370	(3,250,380)	384,340	2,813,141
Total unrestricted funds	33,865,799	3,675,259	(4,240,816)	1,336,761	34,637,003
Total funds	34,098,424	4,128,630	(4,658,258)	1,336,761	34,905,557

Restricted funds

Amenities and benevolent fund is the net accumulation of the unspent donations received for the benefit of the beneficiaries of the charity.

Employment Service restricted fund made up of restricted donations received specifically for employment support purposes and used for the employment service.

Revaluation reserve

The property revaluation is the difference between the investment property valuation and its historic cost; and

The other investment revaluation is the difference between the market valuation and historical cost.

Designated funds

Fixed assets fund

The net book value of fixed assets held for charitable and investment purposes purchased through unrestricted funds. Outgoing resources comprise depreciation on these assets.

Planned maintenance fund

A decision has been made that an upgrade to the current main factory windows is required, and £500k has been designated for this purpose, with the expectation that the project will complete by the end of 2023.

Employment Service fund

Funds designated by the Council specifically for employment support purposes and used for the employment service.

18. STAFF PENSION FUNDS

The charity made contributions of £181,522 (2021: £168,679) to a TRBL Personal Pension plan.

The assets and liabilities of the TRBL defined benefit pension scheme rest with The Royal British Legion, a separate charity registered in the UK. A number of The Poppy Factory staff were enrolled in this scheme.

The Charity's contributions to this defined benefit scheme were accounted for as they fell due, and all contributions were fully funded from the Appeal Order.

19. RELATED PARTY TRANSACTIONS

The Royal British Legion is the charity's major customer. They fund a contract with the charity against an agreed budget with any surplus/deficit adjusted at the end of the financial year following changes in volume or variance in costs. The total amount of income recognised during the year was £1,509,463 (2021: £1,649,094) in respect of the Appeal Order. At the year-end, £68,068 was payable to TRBL (2021: £230 payable by TRBL).

Total Donations made by Trustees to The Poppy Factory in the year was £nil (2021: £nil).

Council members do not receive any remuneration, but they are but are eligible for reimbursement of expenses. No expenses were reimbursed in 2022, or 2021.

There was no other related party transaction in the year, or 2021.

20. CAPITAL COMMITMENTS

At 30 September 2022, the charity had no capital commitments. (2021: £nil)

21. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITY

Year Ended 30 September 2021	Unrestricted £	Designated Building Fund £	Restricted £	2021 Total £
Donations and legacies				
Voluntary income	642,889	-	453,371	1,096,260
Charitable activities				
Appeal Order	1,649,094	-	-	1,649,094
Beneficiary flats	129,909	-	-	129,909
Other trading activities				
Office rental and shop sales	440,704	-	-	440,704
Investments				
Investment income	812,663	-	-	812,663
Total income	3,675,259	-	453,371	4,128,630
EXPENDITURE ON:				
Raising funds				
Fundraising Costs	235,872	-	-	235,872
Costs of raising other income	786,438	77,036	-	863,474
Charitable activities				
Employment Service	1,163,105	125,073	417,442	1,705,620
Appeal Order	1,649,094	145,438	-	1,794,532
Beneficiary flats	58,760	-	-	58,760
Total expenditure on charitable activities	2,870,959	270,511	417,442	3,558,912
Total expenditure	3,893,269	347,547	417,442	4,658,258

ADMINISTRATION

NAME OF CHARITY	The Royal British Legion Poppy Factory Limited
CHARITY NUMBER	225348
COMPANY NUMBER	204405
REGISTERED OFFICE AND OPERATIONAL ADDRESS	20 Petersham Road, Richmond, Surrey, TW10 6UR

PATRON

Her Majesty The Queen Consort

PRESIDENT

Surgeon Rear Admiral Lionel Jarvis CBE DL FRCR

VICE PATRONS

Dr Geraldine Strathdee CBE MRCPsych

Major General Marc A J McH Overton TD DL VR

COUNCIL MEMBERS

Alistair Kett (Chair)	Dr Sridevi Kalidindi MBBS BSc (Hons) FRCPsych PhD CBE
Cliff Dare MBE FRICS (Vice Chair)	Simon Taylor
Linda Costello	Andrew Wishart
Peter R Gill	Julius P H S Wolff-Ingham OBE
Major General Tim Hodgetts CBE	
Matthew Hubbard	Michael Bustard JP FICPD, resigned March 24, 2022 Krishna Dhanak, resigned January 19, 2023

SENIOR MANAGEMENT TEAM

Deirdre Mills, Chief Executive Officer
Debbie Boughtflower, Director of Operations
Mark Louw, Finance Director
Keren Rowlands, Senior HR Business Partner
Amanda Shepard,
Director of Fundraising and Communications
Jeff Short, Director of Production and The Estate

AUDITOR

Saffery Champness
71 Queen Victoria Street
London, EC4V 4BE

INVESTMENT MANAGERS

Close Brothers Asset Management
10 Exchange Square, Primrose Street, London, EC2A 2BY

BANKERS

Barclays Bank Plc.	Bank of Scotland
PO Box 13	The Mound
8 George Street	Edinburgh EH1 1YZ
Richmond TW9 1JU	

Close Brothers Savings
10 Crown Place
London
EC2A 4FT

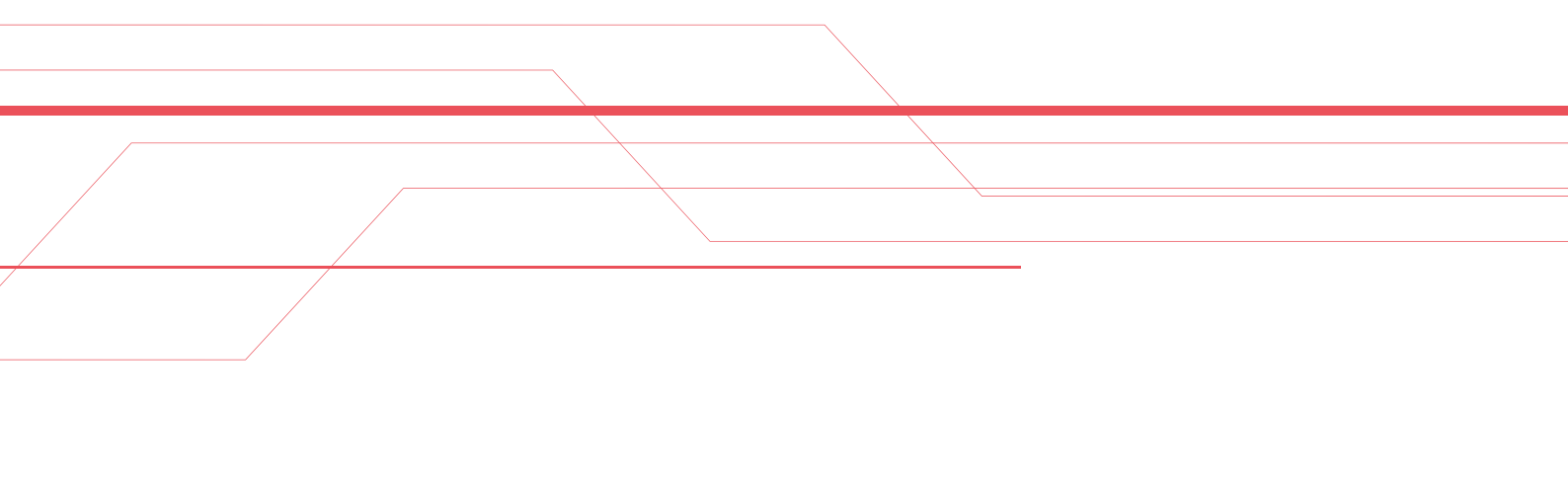
SOLICITORS

Russell-Cooke LLP
2 Putney Hill
Putney
London SW15 6AB



The Poppy Factory

20 Petersham Rd,
Richmond TW10 6UR, London
www.poppyfactory.org

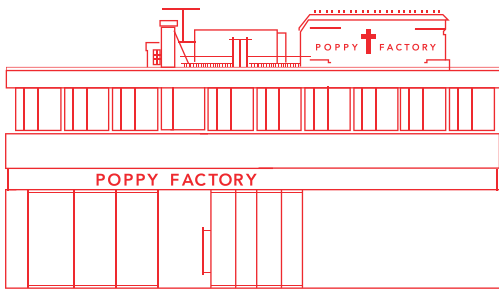


ROYAL BRITISH LEGION POPPY FACTORY LIMITED

England & Wales - Charity number 225348

Accounts

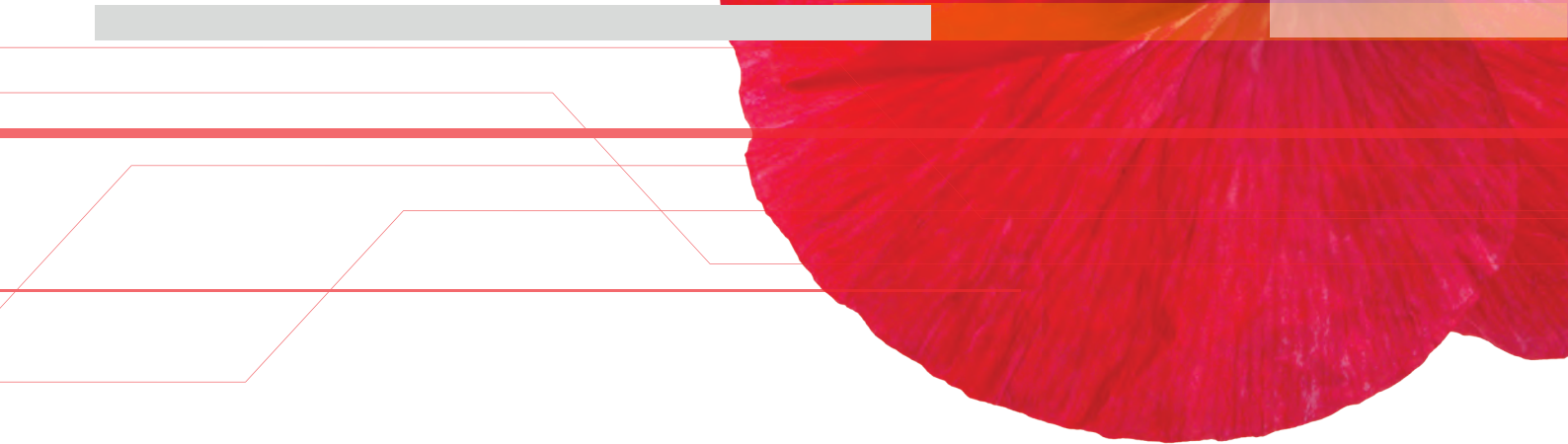
The Poppy Factory



ANNUAL REPORT AND ACCOUNTS

**SUPPORTING VETERANS WITH
HEALTH CONDITIONS ON THEIR
JOURNEY INTO EMPLOYMENT**

20
21



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INTRODUCTION

THE POPPY FACTORY'S PRESIDENT, SURGEON REAR ADMIRAL LIONEL JARVIS, HIGHLIGHTS THE IMPORTANCE OF OUR TRADITION AS WE FIND NEW WAYS TO ADAPT TO TODAY'S CHALLENGES.

Amid times of hardship and uncertainty, it is often helpful to reflect upon the sacrifices made by those who came before us. Remembrance time, in particular, creates a structure to our year, context to current difficulties and a moment for collective and individual reflection.

In November 2020, the Covid-19 pandemic threatened our Field of Remembrance, which we have held at Westminster Abbey every year since it began in 1928. Nevertheless, we were determined to mark the occasion. A team of volunteers, all socially distanced and adhering to public health restrictions, laid out the Field with crosses and symbols. The opening ceremony, albeit much reduced in size, was able to take place after all and my thanks go to all who provided support at this very challenging time.

In 2020, The Field was opened by our Patron, Her Royal Highness, The Duchess of Cornwall and it was an honour to welcome Her Royal Highness back to open both the Field of Remembrance in 2021, and to formally open our refurbished buildings in Richmond upon Thames. Our Richmond event, which brought together veterans, staff and supporters, helped to build a renewed sense of community around our charity and set the stage for our centenary celebrations in 2022.

Throughout 100 years of service, The Poppy Factory can be rightfully proud of all that it has achieved. Throughout the ages we have helped veterans with health conditions back into employment and we shall continue to do so despite all the challenges of the modern world.



Surgeon Rear Admiral Lionel Jarvis
President

ALISTAIR KETT, CHAIRMAN OF THE POPPY FACTORY, REFLECTS ON ACHIEVEMENT IN THE FACE OF ADVERSITY AND HOW THE POPPY FACTORY HAS BUILT A STRONG FOUNDATION FOR THE YEARS AHEAD.

Planning for the unexpected can only go so far and, when faced with the challenge of the Covid pandemic, our team at The Poppy Factory had to tackle something entirely new.

Nevertheless, it has been humbling to see just how well The Poppy Factory has pulled together, continuing to support our veterans working in the factory and providing a fulsome and uninterrupted service for veterans with health conditions all across the country.

Strong executive leadership, combined with determination and true professionalism from the wider team, have delivered outcomes that should make us all proud. The work of the production team, despite several factory shutdowns, has been phenomenal and we have been able to deliver the full Royal British Legion order without delay. Our refurbishment project in Richmond-upon-Thames was completed on time and under budget and now provides a vastly improved and flexible working space which can support the immediate team and generate income by hosting all sorts of visitors and corporate groups.

Perhaps the greatest accomplishment however is that we have continued to help veterans with health challenges into work. I am especially proud that we have achieved over 1200 progressive outcomes in this most testing of times, making sure individuals are supported into training, education and volunteering as well as part-time, temporary and full-time permanent jobs. Indeed, despite the lockdowns of the last year, The Poppy Factory has been able to support more than 275 veterans into employment, a remarkable statistic given the disruption within our society and the health challenges and complex needs of our clientele. We have continued our in-work support programme too, providing assistance so that those who have found work can continue to live well and thrive.

The Poppy Factory is poised to build upon a really solid foundation. We are developing fresh partnerships, running new pilot programmes and we have diversified our income streams. All of this will help us create greater impact for the veterans that we serve. Having achieved so much in such a difficult year, we are optimistic about the future and the role we can play.



Alistair Kett
Chairman

INTRODUCTION

DEIRDRE MILLS, THE POPPY FACTORY'S CHIEF EXECUTIVE, LOOKS AT HOW NEW PARTNERSHIPS AND PROCESSES ARE YIELDING POSITIVE OUTCOMES FOR VETERANS.

Every veteran's journey into employment is different. For some, it is a matter of building self-confidence and highlighting transferrable skills. For others it is more complex and The Poppy Factory must work with a myriad of specialist service providers in order to provide holistic rehabilitation and care.

This year, in addition to our community-based employment support service, we have focused on two new areas. Firstly, cognisant of the link between employment and health and wellbeing, we have built a new relationship with the NHS, running three pilot projects in Portsmouth, in Plymouth and on the Wirral. Embedded within NHS settings, our staff are now working alongside health practitioners and all of our pilot projects are yielding positive results. Moreover and in similar fashion, regular contact with the Department for Work and Pensions has led to new referrals and a more joined-up service for veterans. Secondly, we have partnered with the veterans' housing charity Stoll, providing pre-employment support for veteran residents and working collaboratively to improve overall health and wellbeing. We call this our Navigator programme.

Real progress is being made in both our NHS and Stoll settings and we have put in place a process to capture and track the full range of outcomes experienced throughout each veteran's journey. These include training outcomes, educational progress and volunteering experiences; in doing so we help build confidence as well as capability.

Our results speak for themselves but I remain immensely grateful to all those who continue to help fund our employment support services, and who place their trust in our charity to deliver the best outcomes for those veterans with health conditions who find themselves in need.



Deirdre Mills
Chief Executive



OBJECTIVES

Even during the height of the Covid-19 pandemic at the end of 2020 and start of 2021, we remained true to our strategic aim of supporting veterans with health conditions into meaningful and sustainable work. Despite many challenges in the employment landscape, we are proud to have helped hundreds more veterans make a fresh start. As we now look to create new opportunities for the ex-Forces community in the future, monitoring the progress of each individual in more detail than ever before, here are our objectives for the coming year and beyond.

SUPPORTING VETERANS

- To continue to deliver our employment service, ensuring a veteran-centred approach which supports veterans with health conditions into employment and provides in-work support for 12 months.
- To continue to employ and support veterans with health conditions and veteran dependents at our Richmond factory, making wreaths and Remembrance products for the Royal British Legion and the Royal Family.

PARTNERSHIPS

- To strengthen existing networks in order to improve the range and accessibility of support for all veterans.
- To continue delivering our NHS pilots to see how we can best integrate our services within primary care and NHS veteran services (including Op Courage in England).
- To continue building referral pathways and relationships at all levels of the Department for Work and Pensions.
- To share effectively with partners and funders the impact of our evidence-based services and encourage continued support and funding of our work.

MONITORING, EVALUATING AND IMPROVING

- To continue developing our monitoring and evaluation programme so that we can understand our impact within the post-pandemic labour market and identify areas for service development.
- To ensure veterans' voices and lived experience are at the heart of our service development and delivery.

SERVICE DEVELOPMENT

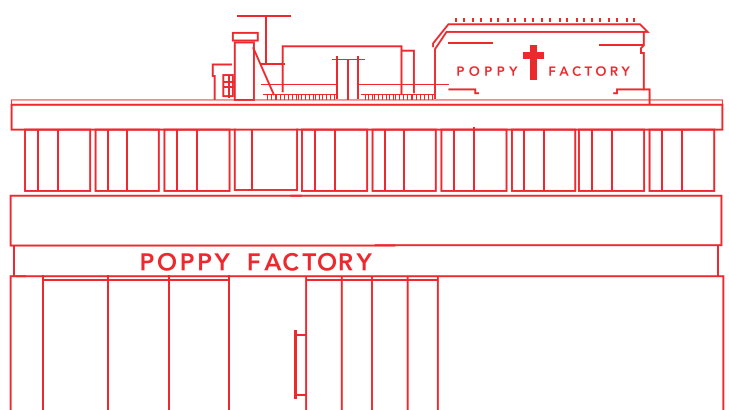
- To design and pilot the 'Navigator' service in partnership with Stoll so that veterans can find meaningful activity that supports positive mental health and wellbeing and increases independence and employability.
- To incorporate new initiatives into our longer term strategic plan, including the Veterans Places, Pathways and People programme in London.

INCOME GENERATION

- To develop and deliver a diverse and sustainable income base to support our service delivery and veteran support.
- To invest in the planned maintenance of the estate to maximise income through rental.
- To explore the income generation options for the refurbished factory, office and visitor centre space.

THOUGHT LEADERSHIP

- To share our knowledge and insight and positively influence government, veterans, veterans' organisations, employers and wider funders and partners to improve services for veterans.



HIGHLIGHTS

of the year

In spite of the challenges facing us all in 2020-21, our charity managed to support many more veterans into employment, delivered several key events and transformed our working environment to fit within a digital, data-led world.

ROYAL OPENING

In the build-up to our centenary year, we were honoured to have our Patron, Her Royal Highness, The Duchess of Cornwall, visit Richmond-upon-Thames in November 2021 to meet veterans, staff and supporters and to formally open the redeveloped office, factory and visitor centre.

See page 16-19.



WORKING WITH THE NHS

Stable employment is an important factor in good mental health. Our three new NHS England-backed pilot projects have helped us reach more ex-Forces patients and improve their employment and health outcomes. We do this by integrating their care and employment plans, and by embedding our consultants within local health networks.

See page 24-27.

DIGITAL AGM

With Covid-19 restrictions making it impossible to bring people together in person in March, our organisation took a digital leap forward by hosting its first ever virtual AGM. The live online event went without a hitch and was well attended, with more than 40 people taking part.



BIG DATA

This year proved a breakthrough year in the way that we capture and interpret data about the veterans we support. Through careful data collection and analysis, our approach has become more and more evidence-based and we know that we are making the right decisions in how we develop our service and identify and respond to needs within the ex-Forces community.



THE GREAT MAY ESCAPE

Our month-long, wellbeing-focused sponsorship fundraiser encouraged supporters to take a break from the day-to-day and feel great while raising funds to help veterans rebuild their lives. The Great May Escape, a virtual challenge first for us, proved popular with our partners, raised significant funds and awareness of our work, whilst giving corporate partners a way to connect and support their staff in a second challenging year of Covid-19.

MINISTERIAL MEETING

The Minister for Defence People and Veterans, Leo Docherty MP, and the Director of the Office for Veterans Affairs, Jessie Owen, visited The Poppy Factory in September. They heard how specialist employment support can be truly life-changing, significantly improving the confidence of veterans as well as their financial security and health and wellbeing.



FIELD OF REMEMBRANCE

Following strictly limited numbers last year, over 1,000 guests gathered for the opening of our Field of Remembrance at Westminster Abbey in 2021. Our staff and volunteers worked tirelessly to plant more than more than 70,000 crosses and tributes ahead of the opening. See page 16-17.

ANTIQUES ROADSHOW

How much value is there in the story of The Poppy Factory? Plenty, according to the BBC's Antiques Roadshow. They sent a production team to Richmond to record inside the factory and filmed an interview between Fiona Bruce and one of our production team veterans, Steve, for one of their programmes from Ham House.



OVERCOMING BARRIERS

OVERCOMING

Every year, we help hundreds of veterans to overcome the barriers that stand in the way of a brighter future. Each faces a different set of personal challenges, ranging from their own mental health and wellbeing to meeting the cost of training and finding space to develop their existing skills. It's a journey that's rarely straightforward, taking a lot of hard work and determination. And tracking each person's progress is key to success.

Every one of our veterans is unique. No two experiences of life during and after service are identical. Yet the barriers that stand between these individuals and meaningful employment are often shared.

The ex-Forces job seekers we support may feel socially isolated. They may have been unemployed for years, having found it hard to adapt to the civilian working world. Issues such as age prejudice, homelessness, financial difficulties and alcohol and substance use may have dented their confidence and self-belief.

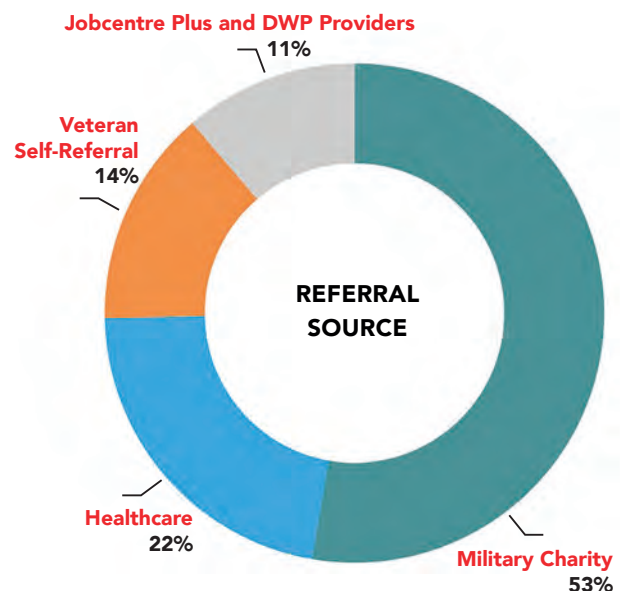
NEVER GIVE UP

It can take a lot of effort and determination by the veteran and their Employment Consultant before results start to show. And we expect there to be bumps along the way.

Our employment support team work with partner organisations across health and housing and with government agencies such as the NHS and Jobcentre Plus. This helps us reach veterans who have struggled to engage with the civilian jobs market and, in turn, we help them engage with mainstream services. Through perseverance and creative thinking, we can help veterans find the support they need.

Since our employment service began in 2010, referrals have often come from within the military charity sector. More recently however, the numbers of veterans referred to us from the NHS or from Jobcentre Plus have increased significantly. This has created more collaborative working opportunities and we are now embedded in several NHS trusts across the country.

Although Covid-19 slowed new registrations at the start of 2021, the subsequent easing of restrictions led to a consistent and significant increase in the last half of the year, with a record number of referrals in September.

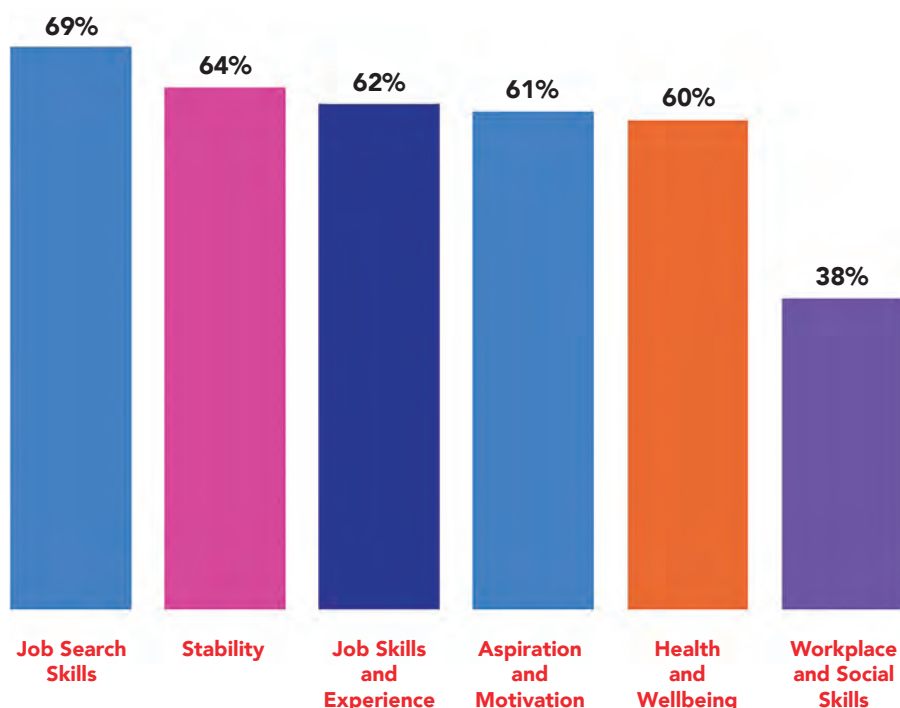
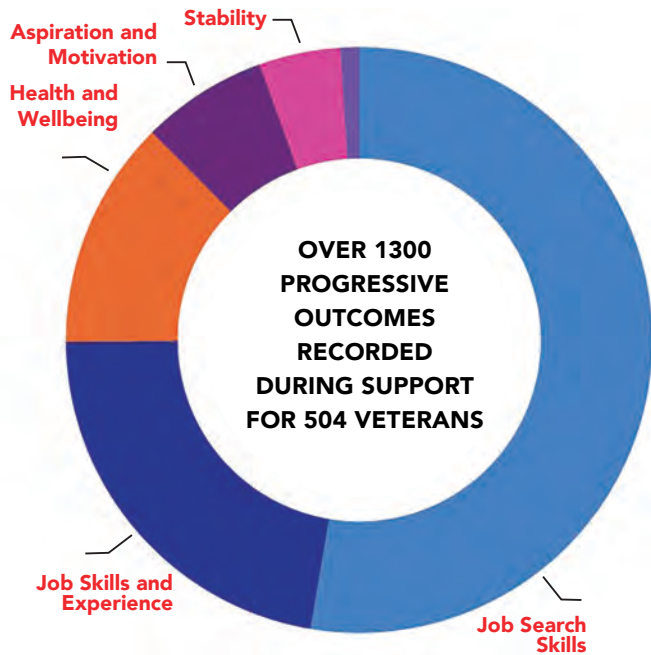


CHECKING IN

Meaningful employment support is about much more than simply securing a job. We measure 33 interventions that can move someone closer to employment, such as occupational health assessments, volunteering and training. And we check progress in each of these areas throughout each veteran's journey into employment.

Alongside this monitoring, our employment consultants regularly complete a Work Star¹ evaluation for each of the veterans they support. This evidence-based tool measures positive change in six key areas and helps to identify difficulties and agree actions to overcome barriers.

Progress can be slow. But we know that over the long term, specialist support and meaningful employment can be truly life-changing, significantly improving veterans' confidence, financial security and health and wellbeing. The veterans we work with are often motivated and eager to make a change, and with the right support, we know they'll get there.



PROPORTION OF 504 VETERANS REPORTING PROGRESS IN KEY AREAS DURING EMPLOYMENT SUPPORT

¹ The Work Star is a tool designed for use with adults who are out of work or returning to employment. It was developed by Triangle Consulting Social Enterprise with service providers and commissioners from three London councils. It covers seven key outcome areas linked to employment: job skills and experience; aspiration and motivation; job-search skills; stability; basic skills; workplace and social skills; health and well-being. The Work Star is underpinned by a five-stage, ten-step journey of change: 1-2 stuck; 3-4 accepting help; 5-6 believing and trying; 7-8 learning; 9-10 self-reliance.

GARY'S STORY

USING MILITARY EXPERIENCE TO INSPIRE

Gary Hart, from West Sussex, experienced a lot during his time in the Armed Forces, first in the Royal Navy and then in the Army as a member of the Parachute Regiment. After he lost his way in the civilian world, Gary received employment support from The Poppy Factory and we helped Gary to access funding from ABF The Soldier's Charity and Greenwich Hospital. As a result, Gary has now qualified as a personal trainer. He has launched a gym in Littlehampton, where he's working to inspire and motivate young people in the community.

I feel absolutely reborn now,
compared to how things were before.

LAND, SEA AND AIR SERVICE

// I joined the Royal Navy when I was 17. I came from a naval family – my grandfather and my brother had both served and I felt obliged to do the same thing. I worked on two aircraft carriers, Invincible and Illustrious, and then I transferred to a minesweeper. I enjoyed it but I'd always wanted to be a soldier.

I left the Navy in 1997 and the next year I went into the Army with the Parachute Regiment. I'd grown up in Farnham so I would always see the Paras around. They'd been like Jedi knights to me. The training wasn't easy, but I'd been a boxer for the Fleet Air Arm, was a district champion sprinter and did martial arts from the age of nine, so I was very fit.

I went into 1 Para and it was very busy from the moment I joined. I served in Northern Ireland and then Afghanistan, and we were among the first wave of soldiers to go into Iraq in 2003. We were based for a time at the Alambra Olympic Stadium, where I would lead informal martial arts and physical fitness training. **//**



Gary Hart



UNDER PRESSURE

“ Serving in Helmand Province in Afghanistan with 3 Para was a completely different kettle of fish. It was full-on warfare and I don't think any of us were quite ready for it. At one point I had to run through an ambush to rescue someone who had been shot through the neck. I was coming under heavy fire all the way and I thought I was going to die. Another time, I saw the horrific impact of landing a helicopter on top of a minefield.

I went back to Iraq in 2007 and by 2009, I was burnt out with post-traumatic stress disorder. When I started to question myself about my decisions under pressure, it was time to leave.

The civilian world was difficult. I didn't look after myself and I became unfit. When I contacted The Poppy Factory in 2020, I really needed to find a new focus and get my life back together.

The support I had from my employment consultants Katy and then Farrah was brilliant - just having someone there saying you can get back on your horse and do something. With their support I worked really hard to make myself employable again. “

ROLE MODEL

“ I'm now working with British Military Martial Arts at a new gym in Littlehampton, which I've opened with my business partner Lee Matthews. I'm hoping to be a positive influence in a lot of young people's lives.

I had to train for the job, so Farrah helped me apply for funding for that through ABF and Greenwich Hospital. That enabled me to do an elite personal training course to level 4 through Storm Fitness Academy. It means I'm now able to train anyone.

I feel absolutely reborn now, compared to how things were before. I'm more motivated than I've ever been, and my confidence is back. It's like switching on a light in a dark room and seeing good things all around you. “



THE JOURNEY
INTO WORK

1

REGISTRATION

You can register for employment support online, by email or phone, or through a referral from one of our partners. We'll help you to complete your registration and assign a dedicated Employment Consultant to start your journey.

2

GETTING TO KNOW YOU

Your Employment Consultant will meet you to find out about your work experience, health conditions, any barriers to employment, your career goals and aspirations. The Work Star™ tool will be used to support your progress.

3

MAKING PLANS

Together we'll develop an action plan which forms the basis for your ongoing support. The plan is owned by you and is designed to create manageable steps to break down barriers to employment and move you closer to work.

4

MOVING CLOSER TO WORK

We'll work with you to identify job and development opportunities and contact potential employers and providers. We'll connect you to organisations that can help you overcome employment barriers, collaborating with services you're already working with to ensure you receive joined-up support.

5

SECURING A JOB

We'll work with you to enhance your CV and job applications and will provide coaching to boost your skills and confidence for the interview process. You'll learn skills and techniques that will empower you now and into the future.

6

SETTLING IN

We'll offer advice and guidance to you and your new employer, helping to think about any workplace adjustments that will help you thrive in your new role.

7

SUPPORT CONTINUES

We'll stay in contact regularly over the next 12 months. We'll continue to offer support to you and your employer to help overcome any barriers, find solutions and keep making progress.

No-one's journey is straightforward. If your situation changes, we'll be there to help you pick things up and start again.

100 YEARS' WORK **Poppy Factory**

As we mark our centenary in 2022, there has never been a better time to celebrate the story of our employment charity, as told through our new visitor centre in Richmond-upon-Thames. In November 2021 we were honoured to have our Patron, Her Royal Highness The Duchess of Cornwall, visit the centre to meet veterans, our staff and supporters and to formally open the building.

When Major George Howson MC set out to establish an enterprise that employed disabled veterans from the First World War, he had modest expectations.

In May 1922, after receiving £2,000 from the British Legion to open a poppy-making factory, Howson wrote to his parents: "If the experiment is successful it will be the start of an industry to employ 150 men. I do not think it can be a great success, but it is worth trying."

Howson's modesty was misplaced. The Poppy Factory as a charitable enterprise was an immediate success. By 1931, the factory was making nearly 30 million poppies a year and a community of 320 men, women and children lived on the estate in Richmond-upon-Thames.

ADAPTING AND THRIVING

The story of that community is brought vividly to life at our new visitor centre. It is the story of those first workers, how they lived and how their hard work helped build our shared Remembrance tradition. And it is the story of all those veterans we have supported since; veterans who have taken on diverse roles throughout society as our employment support service has grown.

From its very first days, The Poppy Factory has built a supportive environment for veterans with health conditions, harnessing their skills and experience and empowering them to build a brighter future. As we look to the challenges ahead, we will continue to stand beside the ex-Forces community and help its members adapt to a fast-changing world.

We were proud to bring together The Poppy Factory's staff, veterans, partners and supporters for the formal opening of our redeveloped building by our Patron, Her Royal Highness, The Duchess of Cornwall, on 9 November 2021. We are grateful for all those who contributed funding towards our building redevelopment, including the Chancellor of the Exchequer, The Garfield Weston Foundation and The Wolfson Foundation.





1932



THE BRITISH LEGION POPPY FACTORY, RICHMOND.
10th Anniversary. June 6th. 1932.





Remembrance 2021

Despite several factory lockdowns during the pandemic, our production team in Richmond-upon-Thames worked relentlessly to create Remembrance wreaths and tributes which were laid in services around the world. Following strictly limited attendance last year, we were delighted to welcome more than 1,000 guests for the formal opening of the Field of Remembrance at Westminster Abbey in 2021.

When the first group of wounded veterans began work at The Poppy Factory in 1922, the act of national Remembrance was still new.

Nevertheless, the British public embraced the idea of wearing a red poppy to remember those who had given their lives in conflict, and the annual demand for poppies and wreaths quickly soared.

In response to that demand, our production team quickly expanded and following the factory's move to new premises in Richmond-upon-Thames, a close-knit community was established. Since then, our production team of veterans and dependents of veterans has continued to thrive, each year making a substantial contribution in maintaining this important tradition.

The full story of how The Poppy Factory's community developed is told for the first time at our new visitor centre. Visitors to our factory today can see how the specialist craft that began 100 years ago is being kept alive by our production team, as they work year-round to create wreaths for many different organisations and special wreaths for the Royal Family.

Being here is a real benefit for my mental health and I feel pride in the work I do. For each wreath, petal or paper petal that I make, I know it's for someone who is going to be remembered.



Nicola Stokes
Afghanistan
Veteran and
Production
Team Worker

THE FIELD OF REMEMBRANCE

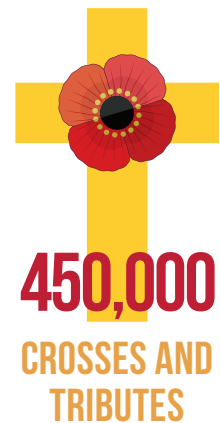
More than 1,000 guests gathered together in the grounds of Westminster Abbey on 11 November 2021, for the opening of the Field of Remembrance by our Patron, Her Royal Highness The Duchess of Cornwall.

We were honoured to continue this tradition that began in 1928 when our founder, Major George Howson MC, suggested using the land as a place where anyone could plant a poppy in memory of a loved one.

In that first year over 30,000 poppies were planted in the grass, to be replaced in later years by crosses and other tributes.

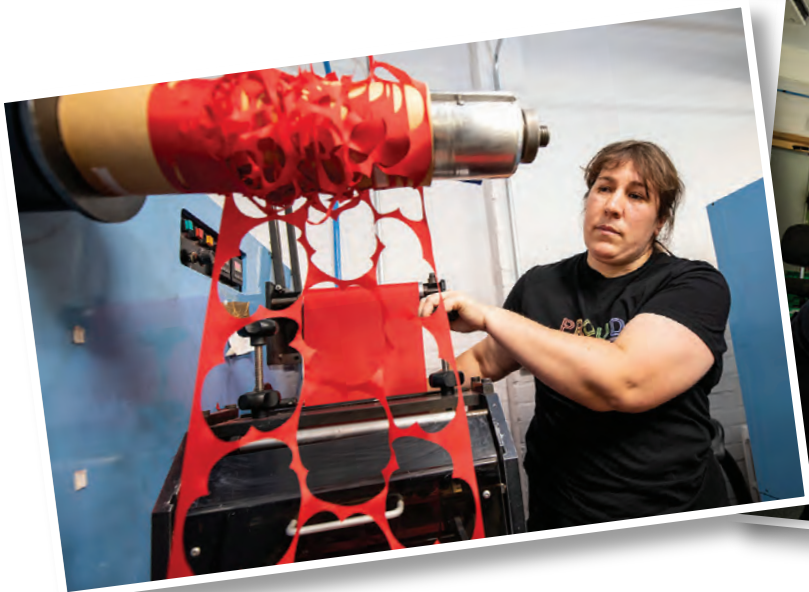
This year, more than 70,000 tributes were once again carefully plotted and planted ahead of the opening, and we would like to thank our team of workers and volunteers for their time and effort in continuing this tradition.

PRODUCTION WORK IN NUMBERS



Remembrance 2021





BETTER HEALTH Through EMPLOYMENT

Ex-Forces patients who are being treated by the NHS can also take advantage of one-to-one employment support through pilot projects launched by our charity in 2021. Our employment consultants are now embedded within local health networks, offering an alternative kind of support for health professionals and the veterans they treat.

When it comes to personal wellbeing, stable employment is vital. And when a veteran finds the right work-life balance, improvements to their health and wellbeing will often follow.

Working collaboratively with NHS services, we are reaching more ex-Forces patients and improving their employment and health prospects by bringing care and employment plans together.

WORKING TOGETHER TO CHANGE LIVES



Lisa Battersby
Employment
Consultant
in Portsmouth

Our two-year pilots, funded by NHS England, launched in Plymouth and Portsmouth early in 2021, with Employment Consultants embedded within local health services and networks. And employment support linked to health services on The Wirral, launched in 2019 and funded again this year by the Forces in Mind Trust, will be extended through further NHS England support. Already, this work is helping to change veterans' lives.

Veterans supported in these areas have started more than 30 jobs this year, with more moving into education or volunteering roles. An interim report by the University of Nottingham's Institute for Mental Health, who are evaluating our pilot on The Wirral, said that veterans have had "an overwhelmingly positive experience" and valued the face-to-face contact, knowledge and expertise on offer.

We continue to strengthen our relationships with NHS services and staff, learning how we can work together to better support the ex-Forces community.

"I am delighted to start our partnership with The Poppy Factory and enhance the support we offer our veterans. We know from our experience, that finding the right employment and supporting our veterans through the employment process, can have a major impact on their mental health wellbeing.

Our veteran communities have a wealth of knowledge and skills and can be a great asset to our businesses and organisations in the city. It is crucial we empower them and help them find their path and this project can help us move towards that goal."

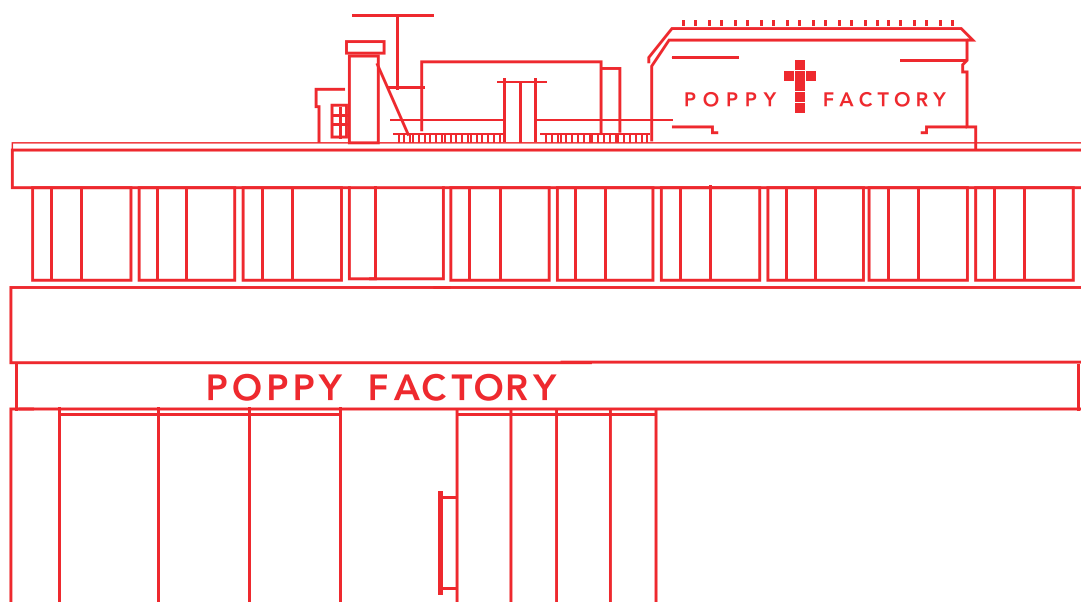
Dr Mahdi T. Ghomi

Clinical Director & Consultant Counselling Psychologist for IAPT & Veteran Services at Solent NHS Trust

"West Hoe Surgery are delighted to welcome The Poppy Factory to the practice. Through their work in supporting veterans with health conditions wanting help with finding employment, we can offer a much-needed additional service to our patients."

Jo Lloyd-Davies

Practice Manager for West Hoe Surgery in Plymouth



DAVID'S STORY

ADAPTING AND HELPING OTHERS

A combination of health conditions and low self-confidence left former soldier David struggling to see a way back into employment having reached his 50s. After his GP referred him for employment support, David now has a rewarding new job at Wirral Borough Council, fitting home adaptations for residents who – like him – need a little more support.

It's very rewarding to be able to make a difference to people's lives.

SEARCHING FOR THE RIGHT DIRECTION

// When I left the Royal Anglian Regiment at 25, it just felt like I'd been dumped back into the civilian world. I had no idea what to do with my life and I just floated around for a while doing all sorts of jobs. A couple of years ago I was diagnosed with dyspraxia, which affects my physical coordination. I also found out I'm likely to be dyslexic.

I was being treated by the NHS for sleep apnoea, high blood pressure, mental health and other conditions, and I felt like I was on the verge of a breakdown. Then my GP told me about The Poppy Factory, so I got in touch. //



David Jones

DEVELOPING NEW SKILLS

“ I went to see The Poppy Factory’s employment consultant, Andrew, a few times at The Stein Centre on The Wirral. He helped me to stop worrying. Then he applied for funding from Armed Forces Bikers to get me a laptop. I’m not very good with technology so Andrew set it up for me and made it easy for me to get online, read emails, and find my way around. It’s a good job he did, because I ended up having an interview online two days later.

When I had a phone call to say I’d got the job, I was surprised and really pleased. I’d had no income at all for two years, so it was a big relief. ”

MAKING A DIFFERENCE

“ Now I work for Wirral Borough Council as an Adaptation Technical Assistant, fitting handles and rails for people who have disabilities or have difficulty moving around. It’s very rewarding to be able to make a difference to people’s lives. I don’t feel under too much pressure, but there’s plenty for me to do and I just go out each day and get as much done as I can. ”

“David’s self-confidence and self-esteem were dramatically impacted by his previous experiences. Initially he wasn’t fully focused on returning to work and felt the barriers would be too great to overcome.

“I worked with David to identify all of the support he might need and obtained funding from the Armed Forces Bikers for a laptop to help with his dyspraxia and dyslexia. David and I spent time together overhauling his CV and covering letter, identifying key skills and exploring opportunities, then I coached him on using his laptop.

“David has had all the support he needs from his employer, and everything is going very well indeed.”

Andrew Pickersgill

Employment Consultant, The Poppy Factory

FUNDING OUR WORK

Against the continued Covid-19 pandemic and the wider challenges in the employment landscape, charities, organisations and individuals must work together to ensure veterans have the support network they need. We are grateful for all the funding, gifts in kind and other contributions from fellow charities, trusts, foundations, companies, groups and supporters. By joining forces, we can showcase just how much expertise and experience veterans can bring to the civilian workplace.

CORPORATE PARTNERS

Our centenary in 2022 will present an opportunity to celebrate the Poppy Factory community in all its breadth and diversity, including our many dedicated corporate partners and supporters. This year, the contribution of our corporate teams has been phenomenal, whether by volunteering their time and expertise, by helping to raise awareness of our employment support, or by engaging in vital fundraising activities. The most prominent of these was The Great May Escape, a month-long fundraising campaign focused on wellbeing, and our particular thanks go to HSBC UK for their energetic support. We were also grateful to receive generous contributions from our other partners throughout the year, including Salesforce, Bloomberg, SHOP TJC and Bank of New York Mellon.

We would like to thank our friends in the Richmond-upon-Thames community, particularly Visit Richmond for helping to promote our visitor centre. We are also grateful to Computer and Network Consultants Ltd for its generous technical and video conferencing support.

TRUST SUPPORTERS

We'd like to thank all of our supporters, with special thanks to the following:

The Anson Charitable Trust	Lest We Forget Association
Armed Forces Covenant Fund Trust	Moondance Foundation
The Childwick Trust	Queen Mary's Roehampton Trust
The Clare Milne Trust	State Street
Dr & Mrs J D Olav Kerr Charitable Trust No. 2	The Tallow Chandlers Company
The Drapers' Company	The Worshipful Company of Butchers
The G C Gibson Charitable Trust	Waterloo Foundation
The Holbeck Charitable Trust	

MILITARY CHARITIES

We are proud to work closely and effectively with other military charities and grateful for the vital funding they provide. Thanks to the contributions of major funding partners like The Royal British Legion, the Royal Navy and Royal Marines Charity and ABF The Soldiers' Charity, we continue to offer employment support to help veterans overcome any barriers.



LEGACIES

A gift in a Will is a powerful way for a supporter to have a lasting impact on veterans' lives, and for the donor's kindness and compassion to live on. We are thankful for the funding received through legacy gifts last year.

FUNDRAISING CHAMPIONS

We are hugely grateful for the efforts of the individual men and women who chose to raise funds to help veterans change their lives through employment in 2020-21. Particular thanks go to the members of the 11 Elevens Remembrance Challenge team for their tireless support.

RESPONSIBLE FUNDRAISING

Those who give funds to support veterans with health conditions through The Poppy Factory can be assured that we comply with the regulatory standards for fundraising. Our charity is registered with the Fundraising Regulator and we are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice, which covers the requirements charities must follow as set out in the Charities Act 2016. All direct fundraising is done by our own team - we do not outsource any of our activity to third parties. Several of our in-house fundraising team are members of the Institute of Fundraising. We do not target individuals in the street or through direct marketing. Any public fundraising is limited to voluntary donations, such as through our website or through occasional bucket collections carried out by our own staff and volunteers. We encourage our corporate partners, and other organisations, groups and individuals, to organise their own fundraising events on behalf of The Poppy Factory. Our team provides resources, information and guidance to support these events as appropriate, to ensure that all activity falls within the Code of Fundraising Practice. There were no complaints about our fundraising activity in 2020/21.

SARAH'S STORY

FORMER NURSE DELIVERS A NEW KIND OF CARE

Following a successful Army nursing career, mum-of-one Sarah Groves encountered tough times but was determined to get back into work again. Although it has been a long journey, she is settling into a new job and using her skills in a new way, to engage with fellow veterans and their families and help them find the support they need.

I feel very settled and stable with my employer. It's been a long journey and I've learned a lot from my experiences. I now feel very positive for the future and excited about life.

ARMY NURSE TO OFFICER

“ I joined Queen Alexandra's Royal Army Nursing Corps in 2005 and served as a nurse in Germany and in Iraq during Operation Telic. Then in 2009 I went to Sandhurst to train as an officer, graduating as a Captain and working as an Infection Control Nursing Officer. I had my son in 2011 and when we moved home, I lost my support network.

I left the Army three years later. Although I didn't work while I was bringing up my son, I was busy volunteering and serving as the leader of a Scout Beaver Scouts group, which felt like good preparation. ”

Sarah Groves
Military Engagement Officer,
British Forces Resettlement Services.



FINDING SUPPORT TO HELP OTHERS

“ When I met Becks in 2017, she’d just joined The Poppy Factory’s employment team. I was a single parent and there were quite a few difficult things going on in my life, but I was determined to get back to work. Becks has always been so supportive. If I wasn’t quite ready, she would take a step back and give me the space I needed.

Although I was interested in getting back into nursing, I was open to other ideas and Becks helped me find a role with British Forces Resettlement Services as a Military Engagement Officer. I work as a kind of intermediary between the Armed Forces community, including veterans and their families, and forces-friendly employers and support agencies. There is so much support out there for veterans, but not everyone knows where to find it. ”

EX-FORCES FAMILY

“ I haven’t been in the job for long, but I’m really enjoying it. The directors are veterans, so they understand, and it’s a social enterprise, with any surplus funds going back into the Armed Forces community. They also understand that my son has to be my priority, and how important it is to have flexible working arrangements in place.

I feel very settled and stable with my employer. It’s been a long journey and I’ve learned a lot from my experiences. I now feel very positive for the future and excited about life. ”



FINANCIAL REVIEW

COMMENTARY ON THE BALANCE SHEET & RESULTS FOR THE PERIOD

Our total incoming resource was £4,129k compared to £4,322k in 2020 with a number of variations across our sources of income.

Our income is derived from a number of revenue streams:

- The Appeal Order income was £1,649k, compared to £1,715k in 2020. The Appeal Order income is used exclusively for the production of wreaths, crosses and poppies for The Royal British Legion for their annual Remembrance activities. The income from the Appeal Order matches the costs of production;
- Total voluntary income was £1,096k, including £132k of new NHS funding for two NHS pilot programs. Total 2020 voluntary income was £1,198k. 2021 income was £102k lower than 2020 mainly due to £108k legacy income and £100k COVID-Relief funding recorded as income in 2020. Unless otherwise restricted, voluntary income funds the development and expansion of the employment service;
- Property rental income from investment properties was £806k in 2021, an increase of £26k. This reflects the income from flats converted to commercial letting from beneficiary letting. Investment property income is used to enable us to deliver our strategy; and
- Revenue from the general estate (rental from surplus office space, car parking and beneficiary rents) was £570k (2020: £561k). Reduced general estate income was a result of reduced car parking rental due to COVID-related restrictions in the year. General estate income is used to finance the charity's objectives.

Our total outgoing resources were £4,658k, an increase of £634k compared to £4,022k in 2020, due to £398k increased spending on essential estate maintenance, and £348k of building refurbishment related depreciation costs in the year. The total cost of the building refurbishment project was £5.3m, the practical completion was in October 2020.

The annual Appeal Order from TRBL enabled The Poppy Factory to employ 26 people (2020: 26) who are either veterans or the dependents of ex-Service men and women who have a health barrier to employment.

The expenditure on the estate was £845k, £398k higher than in 2020 (£447k). The estate expenditure included the replacement of the main building boilers and the modernisation of the lift. Additionally, on the residential estate, 2 flats were refurbished in the year (2020: 3 flats were refurbished in the year).

Overall employment service expenditure was £1,706k, £91k higher than £1,615k in 2020. The overall expenditure includes £125k of depreciation charged to the employment service, in relation to the building refurbishment, which was completed in October 2020 with the full cost of £5.3m. In supporting veterans on their employment journey we source training courses, which are funded by partners including ABF The Soldiers' Charity and Greenwich Hospital.

A total of 278 veterans were supported into employment, education or volunteering placements in the year to 30 September 2021. At 30 September 2021, a further 504 veterans were seeking work with our support or were receiving in-work support after securing employment.

Net expenditure before other recognised gains and losses in the year was £-530k, which includes £348k depreciation charge in the year, and compares to £300k net income in 2020. Full details of movements on reserves are disclosed in note 17.

Cash and short-term deposits decreased by £488k to £1,866k at the year-end. This was impacted by the investments in the building project.

Creditors were £471k compared to £452k in 2020, an increase of £19k in creditors at the year end.

Debtors were £149k compared to £284k in 2020, a decrease of £135k in debtors at the year end.

INVESTMENT PROPERTY

The investment property comprises 46 of the 62 residential flats that are let commercially, with rents based on professional advice from the charity's letting agents and in line with market value. The objective is to ensure a sustainable income return on these properties in order to fund the employment service. The remaining 16 flats are let to beneficiary tenants.

A sample of properties in the investment property portfolio was valued by Nightingale Chancellors, Chartered Surveyors, as at 30 September 2021 which, extrapolated across the whole portfolio, valued the properties at £26.6m. This increases the investment property reserve by £695k.

OTHER INVESTMENTS

Funds not required in the short to medium term are invested partly in deposit accounts over a suitable period (or periods) with an institution with an investment grade 'A' credit rating. The carrying value of investments is adjusted to market value at year end.

During the year, other funds were invested with Close Brothers Asset Management and Newton Investment Management. The total funds increased by £170k to £1,488k. This included an unrealised gain of £148k. The return on investment objective is CPI plus 3% over the medium term, which was achieved with a total 12.9% gain in the year. During the year the decision was made to consolidate the investments with a single asset management company, Close Brothers Asset Management.

RESERVES

The Council approved the reserves policy, which is reviewed annually. The General Reserve is to enable The Poppy Factory to continue to deliver its services in the event of an unexpected fall in income. The General Reserve should be maintained to cover: budgeted beneficiary employment and indirect costs for the factory for 9 months following the balance sheet date; a sum to cover building emergencies on the estate, to ensure that it remains revenue producing; and 6 months planned costs for employment support, to ensure that commitments can be honoured in the event of a significant reduction in voluntary income. The current reserves target is £2m, and the general funds are £2.8m. With planned deficits and investments the general fund is expected to be brought into line with the reserves target within 2 years.

At 30 September 2021, the total funds of the charity were £34.9m (2020: £34.1m). After taking account of the revaluation of investment properties and investments, the charity had unrestricted funds of £34.6m. Of the £34.6m, £31.8m (2020: £31.2m) is revaluation reserve and designated funds. The revaluation reserve of £26.6m (2020: £25.9m) is related to that part of the residential estate classified as an investment property and described above. Designated funds relate to the fixed asset fund and voluntary income used for the employment service.

PRINCIPAL RISKS AND UNCERTAINTIES

The Council regularly reviews the charity's activities and considers the opportunities available to enable it to meet its objectives and the risks to which it is exposed.

The risks rated as high by the Council, and the actions taken to mitigate them are currently:

- COVID-19 related impacts on fundraising in the short and medium term have introduced additional uncertainty. The impacts are constantly monitored and there is engagement with all key stakeholders.
- COVID-19 related impacts on staff is a current risk. A thorough risk assessment has been conducted and all recommended practices implemented and all government guidance is being followed. The wellbeing of staff is given top priority.

- Not recognising and responding to a beneficiary who may be an adult at risk. Safeguarding policies have been introduced following the Care Act 2014 with expert training and guidance for all staff who may come into contact with our beneficiaries. A good relationship has been established with the London Borough of Richmond upon Thames Safeguarding Adults and DoLS team.
- Not keeping staff adequately protected when dealing with beneficiaries who may themselves represent a risk. Veteran engagement and meeting practices have been designed to avoid unnecessary risk and staff have been trained in dealing with challenging behaviour. Staff are further protected by “inappropriate behaviour” policies. There is an existing employee welfare programme and external supervision support is provided.
- Improper access to confidential records. Data protection policies are in place and constantly under review as are physical and electronic security, and we are compliant with the Fundraising Regulator’s standards.
- An inability to raise voluntary income. The reserves policy is designed to provide continuity in the event of an inability to raise voluntary income and The Poppy Factory provides regular reporting and maintains strong relationships with its donors.
- A failure to deliver good value and a quality outcome for our beneficiaries. We have conducted a rigorous social return on investment analysis demonstrating a social return of £4.80 for each £1 invested. The measurement of outcomes will continue to be reported to the Council.

As part of this process, we have implemented a risk management strategy which comprises:

An ongoing review of the risks which the charity may face;

The establishment of systems and procedures to manage those risks identified; and

The implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

Appropriate training and reporting to meet health and safety recommendations.

GUARANTEES

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of members at 30 September 2021 was 43. (2020: 44). The number of members is limited to 60. Council members are members of the charity, but this entitles them to voting rights only.

TRUSTEES' REPORT

INTRODUCTION AND STATEMENT OF COMPLIANCE

The Council (whose members are also trustees under charity law and directors under company law) presents its report and the audited financial statements for the year ended 30 September 2021.

Reference and administrative information, set out on the inside back cover, forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal Constitution

The Royal British Legion Poppy Factory Limited (The Poppy Factory) is a charitable company limited by guarantee, incorporated on 11 March 1925 and registered as a charity on 11 May 1964.

The company was established under a Memorandum of Association. New Articles of Association were adopted on 13 April 2012 and amended by special resolution on 23 March 2017.

Governance

The members of the Council during the year are shown on the inside back cover. Council members equates to directors in companies act terms and trustees in charities act terms.

New Council members are appointed as necessary, in order to give a wide breadth of experience to the organisation. They have been recruited through a formal recruitment and selection process which includes a review of their Curriculum Vitae and interview with the Chief Executive Officer (CEO) and members of the Council.

The Trustees would like to thank Major General Andrew Sharpe and Mr Andrew Truscott for their service as Trustees and their contribution to The Poppy Factory.

The Trustees welcome Major General Tim Hodgetts CBE as a Trustee of The Poppy Factory.

Induction of Council members is carried out by the CEO prior to the new member's first Council meeting. This encompasses:

- governing documents;
- Council members' responsibilities;
- mission statement;
- health and safety policy;
- operational and committee structures;
- audited and management accounts;
- strategic plan; and
- key projects.

Training courses are attended/run on an as-required basis.

No benefits are received by members of the Council. Council member's expenses are referred to in note 19 to the accounts.

Public Benefit

The Council confirms that it has due regard to the provisions of section 17 of the Charities Act 2011 and has referred to the guidance contained in the Charity Commission's general guidance on public benefit, both when reviewing The Poppy Factory's aims and objectives and also in planning activities.

Objects and Activities

Our Articles of Association set out that we "organise, establish and manage schemes for the purpose of assisting men and women who have been members of the Forces of the Crown and primarily those of them who have been disabled".

The Poppy Factory does this by providing an employment service to veterans with health conditions across England and Wales. We also provide paid work at our factory in Richmond, where men and women with health conditions who are connected to the Service have been making Remembrance products for 99 years.

Remuneration of Key Management Personnel

The Trustees consider that the members of the Council and the Senior Management Team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. All Council members give their time freely and no director received remuneration in the year. Details of directors' expenses are disclosed in note 7 and related party transactions are disclosed in note 7 of the accounts.

The pay of the Senior Management Team and all staff is reviewed annually and normally increased in accordance with average earnings to reflect a cost-of-living adjustment. In view of the nature of the charity, the Council members benchmark against pay levels in other charities. The remuneration benchmark is the mid-range for similar roles in similar sized charities.

Management

The Council meets five times a year or when required. The committee structures were reviewed during the year to ensure that the structures remains relevant. The following committee structure has been approved by the Council and has replaced the previous committees: The Finance and Estate Committee, Income Generation and Communications Committee, Programmes and People Committee. The committees and various working groups all report to the Council meetings as part of the governance structure.

The Council agrees the strategic aims of the charity, authorises the budget and approves the expenditure. The day-to-day running of the charity is delegated to the CEO, Mrs Deirdre Mills, who was appointed by the Council.

STATEMENT OF RESPONSIBILITIES OF THE COUNCIL

The Council is responsible for preparing the Report and the financial statements in accordance with applicable law and regulations. Company law requires the Council to prepare financial statements for each financial year. Under that law, the Council has elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the charitable company and of the surplus or deficit for that period.

In preparing these financial statements we are required to:

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

We are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable it to ensure that the financial statements comply with the Companies Act 2006. We are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the members of Council is aware at the time the report is approved:

- there is no relevant audit information of which the Charity's auditors are unaware; and
- all steps have been taken by members of the Council to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.
- in approving this report, the Council members are also approving the Strategic Report in their capacity as company directors.

Approved by the Council on and signed on its behalf by:



A. Kett

AUDITOR'S REPORT

OPINION

We have audited the financial statements of The Royal British Legion Poppy Factory Limited for the year ended which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including 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 charitable company's state of affairs as at 30 September 2021 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

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 charitable company 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 charitable company'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.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement set out on page 39, the trustees (who are also directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 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 auditor's 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 charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

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 charitable company'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 charitable company'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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Claire Wills

(Senior Statutory Auditor)

for and on behalf of Saffery Champness LLP

Chartered Accountants 71 Queen Victoria Street London EC4V 4BE

Statutory Auditors

Date: Jan 28, 2022

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

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an income and expenditure account)

Year Ended 30 September 2021	Notes	Unrestricted £	Designated Building Fund £	Restricted £	2021 Total £	2020 Total £
INCOME FROM:						
Donations and legacies						
Voluntary income	2	642,889	-	453,371	1,096,260	1,198,138
Charitable activities						
Appeal Order	2	1,649,094	-	-	1,649,094	1,714,838
Beneficiary flats		129,909	-	-	129,909	143,652
Other trading activities						
Office rental and shop sales	3	440,704	-	-	440,704	465,730
Investments						
Investment income	4	812,663	-	-	812,663	799,451
Total income	17	3,675,259		453,371	4,128,630	4,321,809
EXPENDITURE ON:						
Raising funds						
Fundraising Costs	-	235,872	-	-	235,872	242,700
Costs of raising other income	5	786,438	77,036	-	863,474	405,525
Charitable activities						
Employment service	-	1,163,105	125,073	417,442	1,705,620	1,614,809
Appeal Order	-	1,649,094	145,438	-	1,794,532	1,714,838
Beneficiary flats	-	58,760	-	-	58,760	43,793
Total expenditure on charitable activities	-	2,870,959	270,511	417,442	3,558,912	3,373,440
Total expenditure	5	3,893,269	347,547	417,442	4,658,258	4,021,665
Net income/(expenditure) before gains and losses on investments	-	(218,010)	(347,547)	35,929	(529,628)	300,144
Other recognised gains/(losses)						
Revaluation of investment property	10	1,174,850	-	-	1,174,850	2,669,977
Gains/(losses) on investments	11	161,911	-	-	161,911	3,166
Net income/(expenditure)		1,118,751	(347,547)	35,929	807,133	2,973,287
Transfers between funds		(257,421)	257,421	-	-	-
		861,330	(90,126)	35,929	807,133	2,973,287
Net movement in funds	-	861,330	(90,126)	35,929	807,133	2,973,287
Total funds brought forward	17	28,541,811	5,323,988	232,625	34,098,424	31,125,137
Total funds carried forward	-	29,403,141	5,233,862	268,554	34,905,557	34,098,424

The notes on pages 49 to 63 form part of these accounts.

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

Details of income and expenditure by fund for 2020 is given in note 21.

BALANCE SHEET AT 30 SEPTEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Tangible fixed assets	9	-	5,233,862	-	4,703,654
Investment properties	10	-	26,590,000	-	24,665,000
Other investments	11	-	1,488,229	-	1,318,675
TOTAL FIXED ASSETS	-	-	33,312,091	-	30,687,329
CURRENT ASSETS					
Assets held for sale	10	-	-	1,230,000	-
Stock	12	113,253	-	87,533	-
Debtors	-	148,629	-	283,903	-
Short-term deposits	-	527,105	-	241,193	-
Cash at bank and in hand	-	1,275,225	-	2,020,617	-
TOTAL CURRENT ASSETS	-	2,064,212	-	3,863,246	-
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	14	(470,746)	-	(452,151)	-
NET CURRENT ASSETS	-	-	1,593,466	-	3,411,095
NET ASSETS	16	-	34,905,557	-	34,098,424
FUNDS OF THE CHARITY					
Restricted funds	-	-	268,554	-	232,625
Unrestricted funds	-	-	-	-	-
Revaluation reserve	-	-	26,590,000	-	25,895,000
Designated funds	-	-	5,233,862	-	5,323,988
General funds	-	-	2,813,141	-	2,646,811
			34,637,003	-	33,865,799
TOTAL FUNDS			34,905,557	-	34,098,424

Approved by the Council of The Royal British Legion Poppy Factory Limited, Company Number 00204405 (England and Wales) and signed on its behalf by:



A Kett
Chairman

Date: Jan 28, 2022

CASH FLOW STATEMENT

	2021 Total £	2020 Total £
Cash flows from operating activities	(71,949)	331,161
Cash flows from investing activities		
Dividends and interests	6,395	4,516
Purchase of investments	(716,455)	(67,693)
Purchase of Fixed Assets	(877,755)	(3,740,401)
Proceeds from the sale of investments	1,171,960	1,842,958
Net cash provided by/(used in) investing activities	(415,855)	(1,960,620)
Change in cash and cash equivalents in the reporting period	(487,804)	(1,629,459)
Cash and cash equivalents at the beginning of the reporting period	2,353,443	3,982,902
Cash and cash equivalents at the end of the reporting period	1,865,639	2,353,443

ANALYSIS OF CHANGES IN NET DEBT

	1 October 2020 £	Cash flows £	30 September 2021 £
Cash and cash equivalents			
Cash	2,353,443	(487,804)	1,865,639
Total	2,353,443	(487,804)	1,865,639

NOTES TO THE CASH FLOW STATEMENT

	2021 Total £	2020 Total £
RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES		
Net (expenditure)/income for the reporting period	(529,628)	300,144
Decrease/(increase) in debtors	135,273	277,396
Decrease/(increase) in stock	(25,721)	23,586
(Decrease)/increase in creditors	6,975	(265,449)
Dividends and interests	(6,395)	(4,516)
Depreciation	347,547	-
Net cash provided by/(used in) operating activities	(71,949)	331,161
Analysis of cash and cash equivalents		
Short term deposits	527,105	241,193
Cash at bank and in hand	1,275,225	2,020,617
Cash held as part of the investment portfolio (note 11)	63,309	91,633
	1,865,639	2,353,443

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

General Information

The Charity is a private company, limited by guarantee, registered in England and Wales. The registered office and company details are shown on page 64.

Basis of Preparation

The accounts 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) (Second edition) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Going Concern

Following a review of our financial position, reserve policies and future plans, the Council considers that there are no material uncertainties about the charity's ability to continue as a going concern for the foreseeable future. The Council has given consideration to the impact of Covid-19 and consider it will not have a material impact on the going concern assumption.

Public Benefit

The charity meets the definition of a public benefit entity under FRS 102.

Income Recognition

Income from donations and legacies is included in full in the statement of financial activities when receivable. Volunteer time is not included in the financial statements. Unrestricted income for the Appeal Order matches the unrestricted expenditure for that activity.

Grants are included in the statement of financial activities in the year in which they meet the conditions of recognition. Grants for the purchase of fixed assets are credited to restricted income when receivable. Depreciation of fixed assets purchased with such grants is charged against the restricted fund. Where a fixed asset is donated to the charity for its own use, it is treated in a similar way to a restricted grant.

Expenditure

Expenditure is recognised in the period to which it relates. Expenditure includes attributable VAT which cannot be recovered. Expenditure is allocated to the particular activity where the cost relates directly to that activity.

Support Costs

Support costs are administrative costs, including the provision of services for the benefit of Appeal Order staff and are charged as incurred based on the specific usage; where an allocation is necessary, an appropriate basis such as staff cost, staff numbers or floor space has been used depending on the nature of the expenditure.

Costs Of Raising Funds

Expenditure on raising funds relate to the costs incurred by the charitable company in raising funds for the charitable work. This includes costs associated with investment properties, rented office space and raising voluntary income.

Fixed Assets

Depreciation is provided at rates calculated to write down the cost or revalued amount of tangible fixed assets other than land to their estimated residual value evenly over their expected useful lives. The depreciation rates in use are as follows:

	Per annum
Furniture and equipment	15% - 34%
Plant and machinery	20%
Freehold buildings	3% - 10%

Items of equipment are capitalised where the purchase price exceeds £5,000 except in the case of computer equipment which is expensed in the year. Expenditure related to the maintenance of the estate is expensed as incurred. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Operating Leases

Rentals for assets held under operating leases are charged to the Statement of Financial Activities as they become payable.

Government Grants

Government grant income represents the total amount claimed from HMRC under the Coronavirus Job Retention Scheme (CJRS). The income is accounted for in the period in which the associated salary payments are made to furloughed staff.

Fund Accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity.

Designated funds are unrestricted funds allocated by the Council for particular purposes.

Fixed asset Investments

Investment property is shown at the market value on a vacant possession basis. The value of investment property is reviewed every year with any gain/(loss) for the year being taken to the statement of financial activities. The split between commercial and beneficiary flats is reviewed annually. Beneficiary flats are valued at historical cost.

Other investments are shown at market value at the balance sheet date, with any gain or loss for the year being disclosed in the notes and taken to the statement of financial activities.

Stocks

Stock is stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stock can be sold in the normal course of business after allowing for the costs of realisation.

Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

Pensions

The charity makes pension contributions to TRBL Pension Funds, comprising a Group Personal Pension and a defined benefit scheme, for those employees who have joined the schemes. The Poppy Factory's contributions to the defined benefit scheme are accounted for as and when they become payable in the year as they are fully recovered under the terms and conditions and continuation of the Appeal Order.

Critical Accounting Judgements and Estimates

In preparing these accounts, management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the accounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. One of the key estimates is the valuation of the investment properties. More detail is shown in note 10.

2. VOLUNTARY INCOME

	Restricted £	Unrestricted £	2021 Total £	2020 Total £
Government Grants	-	9,978	9,978	78,904
Other Grants and Donations	453,371	632,911	1,086,282	1,119,234
	453,371	642,889	1,096,260	1,198,138

The appeal order income of £1,649,094 is comprised of £1,508,071 of RBL grant income and £141,023 of government grants relating to the CJRC. (2020: £98,294).

The Other Grants and Donations restricted fund is made up of funding from a variety of sources including £65,953 of income from the Forces in Mind Trust, £32,976 of which was expended as at 30 Sept 2021. The income received in 2020 was £86,953, which has been fully expended.

COMPARATIVE NOTE FOR 2020

	Restricted £	Unrestricted £	2020 Total £
Government Grants	-	78,904	78,904
Other Grants and Donations	418,458	700,776	1,119,234
	418,458	779,680	1,198,138

3. OTHER TRADING ACTIVITIES

	2021 Total £	2020 Total £
Office rental income	440,264	461,069
Shop sales	440	4,661
	440,704	465,730

In the current year all other trading activities are unrestricted.

4. INVESTMENT INCOME

	2021 Total £	2020 Total £
Investment property	806,264	780,120
Bank interest	4	8,815
Investment portfolio distributions	6,395	10,516
	812,663	799,451

In the prior year £175 of Investment Income was restricted and £799k was unrestricted. In the current year all investment income is unrestricted.

5. TOTAL EXPENDITURE

	Staff costs £	Other costs £	Depreciation £	Support Costs £	2021 Total £	2020 Total £
Raising funds						
Visitor Centre	-	183	77,036	-	77,219	2,722
Office rental costs	16,658	362,423	-	15,004	394,085	49,107
Investment property costs	16,658	359,209	-	16,303	392,170	353,696
Fundraising costs	233,019	2,853	-	-	235,872	242,700
	266,335	724,668	77,036	31,307	1,099,346	648,225
Charitable activities						
Employment service	1,410,797	42,806	125,073	126,944	1,705,620	1,614,809
Appeal Order	774,501	757,886	145,438	116,707	1,794,532	1,714,838
Beneficiary flats	-	43,756	-	15,004	58,760	43,793
	2,185,298	844,448	270,511	258,655	3,558,912	3,373,440
	2,451,633	1,569,116	347,547	289,962	4,658,258	4,021,665

The depreciation charge of £347,547 in the year relates to the building refurbishment.

COMPARATIVE NOTE FOR 2020

	Staff Costs £	Other Costs £	Support Costs £	2020 Total £
Raising funds				
Shop sales	-	2,722	-	2,722
Office rental costs	-	33,697	15,410	49,107
Investment property costs	-	333,630	20,066	353,696
Fundraising costs	239,758	2,942	-	242,700
	239,758	372,991	35,476	648,225
Charitable activities				
Employment Service	1,203,467	268,521	142,821	1,614,809
Appeal Order	1,031,967	538,828	144,043	1,714,838
Beneficiary flats	-	31,838	11,955	43,793
	2,235,434	839,187	298,819	3,373,440
	2,475,192	1,212,178	334,295	4,021,665

Support Costs

Included above are the following support costs, which have been allocated in accordance with the accounting policy (note 1).

	2021 Total £	2020 Total £
IT Hardware, Software and Services	83,982	79,350
Legal and Professional Services	43,513	59,829
Communications and Marketing	19,685	38,389
HR Support and Training	26,075	12,684
Other Support Costs	116,707	144,043
	£289,962	£334,295

6. NET INCOME FOR THE YEAR

	2021 Total £	2020 Total £
This is stated after:		
Depreciation	347,547	-
Rentals payable under operating leases	1,661	2,812

Auditors' remuneration:

- audit	15,437	16,115
- other services	-	-

7. STAFF COSTS AND NUMBERS

	2021 Total £	2020 Total £
Staff costs were as follows:		
Salaries and wages	2,073,691	2,112,142
Social security costs	188,614	193,572
Pension contributions	171,170	166,404
Redundancy payments	18,158	3,074
Other staff costs	69,445	58,869
	2,521,078	2,534,061

The total value of the redundancy payments in the year to 30 September 2021 was £18,158. All redundancy payments due were paid in full within the year.

The number of employees whose emoluments during the year exceeded £60,000 were:

	2021 No.	2020 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£90,001 - £100,000	1	1
£110,001 - £120,000	1	1

In connection with the higher paid employees the total employer contributions in the year to a TRBL Personal Pension plan was £27,897 (2020: £27,482).

The average number of staff employed was 73 (2020: 74) and the average number of employees (full-time equivalent) during the year was as follows:

	2021 No.	2020 No.
Estate	1.0	0.5
Appeal Order	26.1	25.8
Employment Service	25.8	26.0
Fundraising and Communications	5.9	8.8
CEO and Support	1.4	1.7
	60.2	62.8

The above staff numbers do not include home workers; their costs of £34,870 (2020: £37,037) are included above.

Key management personnel are considered to be the Senior Management Team listed on page 1. The total remuneration of key management personnel for the year to 30 September 2021 was £439,824 (2020: £442,818).

8. TAXATION

As a charity, The Royal British Legion Poppy Factory Limited is exempt from tax on income and gains falling within Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen on the charity.

9. TANGIBLE FIXED ASSETS

	Building refurbishment £	Freehold land and Property £	Plant £	Furniture and equipment £	Total £
Cost or valuation					
At 1 October 2020	4,448,653	1,601,619	439,684	32,916	6,522,872
Additions	762,868	-	-	193,978	877,754
Transfers	79,092	-	79,092	-	-
At 30 September 2021	5,132,429	1,601,619	439,684	226,894	7,400,626
Depreciation					
At 1 October 2020	-	1,346,618	439,684	32,916	1,819,218
Charge for the year	306,190	-	-	41,356	347,546
Disposals	-	-	-	-	-
At 30 September 2021	306,190	1,346,618	439,684	74,272	2,166,764
Net book value					
At 30 September 2021	4,826,239	255,001	-	152,622	5,233,862
At 30 September 2020	£4,448,653	255,001	-	-	4,703,654

The net book value of freehold property relates to land value and is not subject to further depreciation.

10. INVESTMENT PROPERTY

	2021 £	2020 £
Market value at the start of the year	25,895,000	24,945,000
Revaluation	1,174,850	2,669,977
Realised value of flats sold in the year	(479,850)	(1,719,977)
Market value at end of year	26,590,000	25,895,000

Nightingale Chancellors, Chartered Surveyors, carried out a valuation on 30 September 2021 of 12 representative flats at market value on a vacant possession basis. From this, the Council arrived at an increased valuation including the other 34 flats of £1,174,850. The carrying value of the properties will be reviewed every year.

During the year, 1 flat was sold with net receipt of £479,850. In the prior year, 4 flats were sold with total net receipt of £1,719,977.

11. OTHER INVESTMENTS

	2021 £	2020 £
Market value at the start of the year	1,227,042	1,279,164
Additions at historic cost	735,625	67,774
Disposals at carrying value	(692,110)	(123,062)
Gains and losses	154,363	3,166
	1,424,920	1,227,042
Cash held as part of the portfolio	63,309	91,633
Market value at end of year	1,488,229	1,318,675
Historic cost at end of the year	1,174,664	1,034,017

	2021 £	2020 £
Investments comprise:		
Managed funds	-	625,025
Equities	954,697	438,268
Fixed interest	304,423	117,238
Alternatives	165,800	46,511
	1,424,920	1,227,042
Cash and settlements	63,309	91,633
Market value at the end of the year	1,488,229	1,318,675

During the year the decision was made to consolidate the investments with a single asset management company, Close Brothers Asset Management (CBAM).

12. STOCK

	2021 £	2020 £
Raw materials	113,253	87,533

13. DEBTORS

	2021 £	2020 £
Trade debtors	14,861	79,183
Prepayments and accrued income	133,768	204,720
	148,629	283,903

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	81,884	77,432
Accruals	58,800	69,345
Deferred income	173,789	131,887
Wages and holiday pay accrual	37,122	60,119
Taxation and social security	59,855	54,312
Pension	22,209	21,410
Amounts due to The Royal British Legion	230	-
Other	36,857	37,646
	470,746	452,151

DEFERRED INCOME

	2021 £	2020 £
As at 1 October 2019	131,887	166,777
Amounts deferred during the year	1,442,578	1,439,641
Amounts released during the year	(1,400,676)	(1,474,531)
Balances carried forward as at 30 September 2021	173,789	131,887

15. OPERATING LEASES

At 30 September 2021 there were total commitments under non-cancellable operating leases:

	2021 £	2020 £
Total commitments under non-cancellable operating leases expiring within:		
One year	1,661	2,812
Between one and five years	1,441	4,247
Total	3,102	7,059

The Poppy Factory acts as a lessor with its office tenants.

	2021 £	2020 £
Total income due to The Poppy Factory as a lessor with its office tenants:		
One year	282,241	291,450
Between one and five years	615,733	135,730
Total	897,974	427,180

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds £	Revaluation reserve £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	5,233,862	-	5,233,862
Investment property	-	26,590,000	-	-	26,590,000
Other investments	-	-	-	1,488,229	1,488,229
Net current assets	268,554	-	-	1,324,912	1,593,466
Net assets at the end of the year	268,554	26,590,000	5,233,862	2,813,141	34,905,557

COMPARATIVE NOTE FOR 2020

	Restricted funds £	Revaluation reserve £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	4,703,654	-	4,703,654
Investment property	-	24,665,000	-	-	24,665,000
Other investments	-	-	-	1,318,675	1,318,675
Net current assets	232,625	1,230,000	620,334	1,328,136	3,411,095
Net assets at the end of the year	232,625	25,895,000	5,323,988	2,646,811	34,098,424

17. MOVEMENTS IN FUNDS

	1 October 2020 £	Income £	Expenditure £	Gains/(Losses) and transfers £	30 September 2021 £
Restricted funds					
Amenities and benevolent fund	78,019	-	-	-	78,019
Employment Service restricted fund	154,606	453,371	(417,442)	-	190,535
Total restricted funds	232,625	453,371	(417,442)	-	268,554
Unrestricted funds					
Investment property	25,895,000	-	-	695,000	26,590,000
Other Investments	-	-	-	-	-
Revaluation reserve	25,895,000	-	-	695,000	26,590,000
Designated funds					
Building fund	5,323,988	-	347,547	257,421	5,233,862
Employment Service fund	-	642,889	(642,889)	-	-
Total designated funds	5,323,988	642,889	(990,436)	257,421	5,233,862
General funds	2,646,811	3,032,370	(3,250,380)	384,340	2,813,141
Total unrestricted funds	33,865,799	3,675,259	(4,240,816)	1,336,761	34,637,003
Total funds	34,098,424	4,128,630	(4,658,258)	1,336,761	34,905,557

COMPARATIVE NOTE FOR 2020

	1 October 2019 £	Income £	Expenditure £	Gains/(Losses) and transfers £	30 September 2020 £
Restricted funds					
Amenities and benevolent fund	77,844	175	-	-	78,019
Capital fund	2,902,591	-	-	(2,902,591)	-
Employment Service restricted fund	79,204	418,458	(343,056)	-	154,606
Total restricted funds	3,059,639	418,633	(343,056)	(2,902,591)	232,625
Unrestricted funds					
Investment property	24,945,000	-	-	950,000	25,895,000
Other Investments	-	-	-	-	-
Revaluation reserve	25,895,000	-	-	695,000	26,590,000
Designated funds					
Fixed assets fund	963,254	-	-	4,360,734	5,323,988
Employment Service fund	-	779,680	(779,680)	-	-
Total designated funds	963,254	779,680	(779,680)	4,360,734	5,323,988
General funds	2,157,244	3,123,496	(2,898,929)	265,000	2,646,811
Total unrestricted funds	28,065,498	3,903,176	(3,678,609)	5,575,734	33,865,799
Total funds	31,125,137	4,321,809	(4,021,665)	2,673,143	34,098,424

Restricted funds

Amenities and benevolent fund	The net accumulation of the unspent donations received for the benefit of the beneficiaries of the charity.
Employment Service restricted fund	Restricted donations received specifically for employment support purposes and used for the employment service.

Revaluation reserve

Is made up of:

- The property revaluation being the difference between the investment property valuation and its historic cost; and
- The other investment revaluation being the difference between the market valuation and historical cost."

Designated funds

Fixed assets fund	The net book value of fixed assets held for charitable and investment purposes purchased through unrestricted funds. Outgoing resources comprise depreciation on these assets.
Employment Service fund	Funds designated by the Council specifically for employment support purposes and used for the employment service.

18. STAFF PENSION FUNDS

The charity made contributions of £168,679 (2020: £166,404) to a TRBL Personal Pension plan.

The assets and liabilities of the TRBL defined benefit pension scheme rest with The Royal British Legion, a separate charity registered in the UK. A number of The Poppy Factory staff were enrolled in this scheme. The Charity's contributions to this defined benefit scheme were accounted for as they fell due and all contributions were fully funded from the Appeal Order.

19. RELATED PARTY TRANSACTIONS

The Royal British Legion is the charity's major customer. They fund a contract with the charity against an agreed budget with any surplus/deficit adjusted at the end of the financial year following changes in volume or variance in costs. The total amount of income recognised during the year was £1,649,094 (2020: £1,714,838) in respect of the Appeal Order. At the year-end, £230 was payable to TRBL (2020: £35,756 payable by TRBL).

Total Donations made by Trustees to The Poppy Factory in the year was £0 (2020: £nil).

Council members do not receive any remuneration, but they are but are eligible for reimbursement of expenses. No expenses were reimbursed in 2021, or 2020.

There were no other related party transaction in the year, or 2020.

20. CAPITAL COMMITMENTS

At 30 September 2021, the charity had no capital commitments. (2020: £620,334 in relation to the building refurbishment project).

The project for the refurbishment of The Poppy Factory's premises in Richmond was approved in November 2019 and work started in January 2020. The Practical Completion date for the project was 26 October 2020.

21. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITY

	Restricted £	Unrestricted £	2020 Total £
INCOME FROM:			
Donations and legacies			
Voluntary income	418,458	779,680	1,198,138
Charitable activities			
Appeal Order	-	1,714,838	1,714,838
Beneficiary flats	-	143,652	143,652
Other trading activities			
Office rental and shop sales	-	465,730	465,730
Investments			
Investment income	175	799,276	799,451
Total income	418,633	3,903,176	4,321,809
EXPENDITURE ON:			
Raising funds			
Fundraising Costs	242,700	242,700	-
Costs of raising other income	-	405,525	405,525
Charitable activities			
Employment Service	343,056	1,271,753	1,614,809
Appeal Order	-	1,714,838	1,714,838
Beneficiary flats	-	43,793	43,793
Total expenditure on charitable activities	343,056	3,030,384	3,373,440
Total expenditure	343,056	3,678,609	4,021,665

ADMINISTRATION

NAME OF CHARITY	The Royal British Legion Poppy Factory Limited
CHARITY NUMBER	225348
COMPANY NUMBER	204405
REGISTERED OFFICE AND OPERATIONAL ADDRESS	20 Petersham Road, Richmond, Surrey, TW10 6UR

PATRON

Her Royal Highness, The Duchess of Cornwall

PRESIDENT

Surgeon Rear Admiral Lionel Jarvis, CBE DL FRCS

VICE PATRONS

Brigadier Marc A J McH Overton, TD

Dr Geraldine Strathdee, CBE MRCPsych

Holly Tucker, MBE

COUNCIL MEMBERS

Alistair Kett¹, appointed Chairman 5 November 2020

Cliff Dare MBE FRICS², appointed Vice Chairman 5 November 2020

Michael Bustard¹, JP FICPD

Linda Costello³

Krishna Dhanak³

Peter R Gill²

Major General Tim Hodgetts CBE, appointed 28 April 2021

Matthew Hubbard³

Dr Sridevi Kalidindi MBBS BSc (Hons) FRCPsych PhD CBE³

Simon Taylor²

Andrew Wishart

Julius P H S Wolff-Ingham¹

Major General Dr Andrew Sharpe CBE PhD, Chairman,
retired 5 November 2020

Andrew Truscott ACA, Vice Chairman, retired 5 November 2020

¹ Income Generation Committee

² Finance and Estate Committee

³ People and Programmes Committee

SENIOR MANAGEMENT TEAM

Deirdre Mills, Chief Executive Officer

Debbie Boughtflower, Director of Operations

Mark Louw, Finance Director

Keren Rowlands, Senior HR Business Partner

Amanda Shepard, Director of Fundraising and Communications

Jeff Short, Director of Production and The Estate

BANKERS

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Bank of Scotland

The Mound

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INDEPENDENT AUDITOR

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INVESTMENT MANAGERS

Newton Investment Management Ltd.

160 Queen Victoria Street

London EC4V 4LA

(Until January 2021)

Close Brothers Asset Management

10 Exchange Square Primrose Street

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