

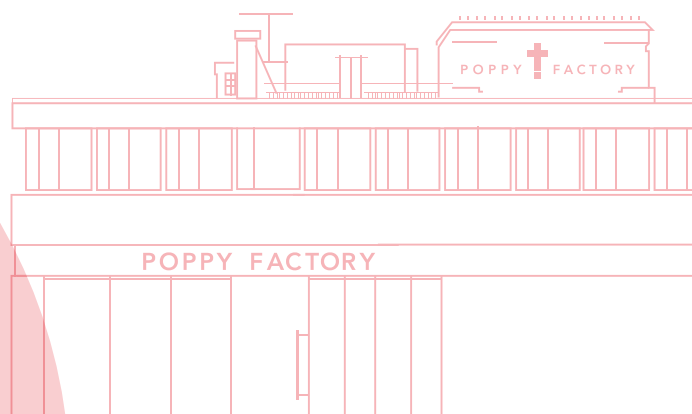
The Poppy Factory

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

— TRUSTEES' REPORT

- 2-4** | INTRODUCTION
- 6-7** | OBJECTIVES
- 8-9** | HIGHLIGHTS OF THE YEAR
- 10-11** | VETERAN SERVICES
- 12** | OUR IMPACT
- 13** | PAUL'S STORY
- 14-15** | WORKING WITH THE NHS
- 16-19** | A CENTURY OF COMMUNITY
- 20-25** | REMEMBRANCE 2022
- 26-27** | ZOE'S STORY
- 28-29** | FUNDING OUR WORK
- 30-31** | KEITH'S STORY
- 32-35** | FINANCIAL REVIEW
- 36-39** | STATEMENT OF RESPONSIBILITIES OF THE COUNCIL
- 40-45** | **AUDITOR'S REPORT**
- 46-63** | **FINANCIAL STATEMENTS**
- 64** | **ADMINISTRATION**

20
22

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

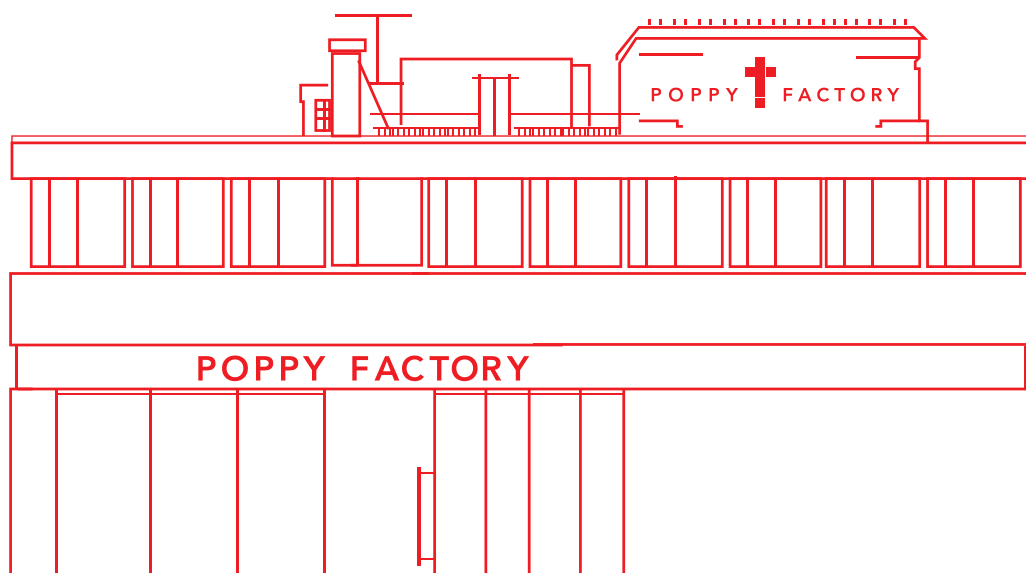
- To continue developing our monitoring and evaluation programme so that we understand our impact, adjust to meet veteran need and identify areas for service development.
- To ensure veterans' voices and lived experience are at the heart of our service development and delivery.

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

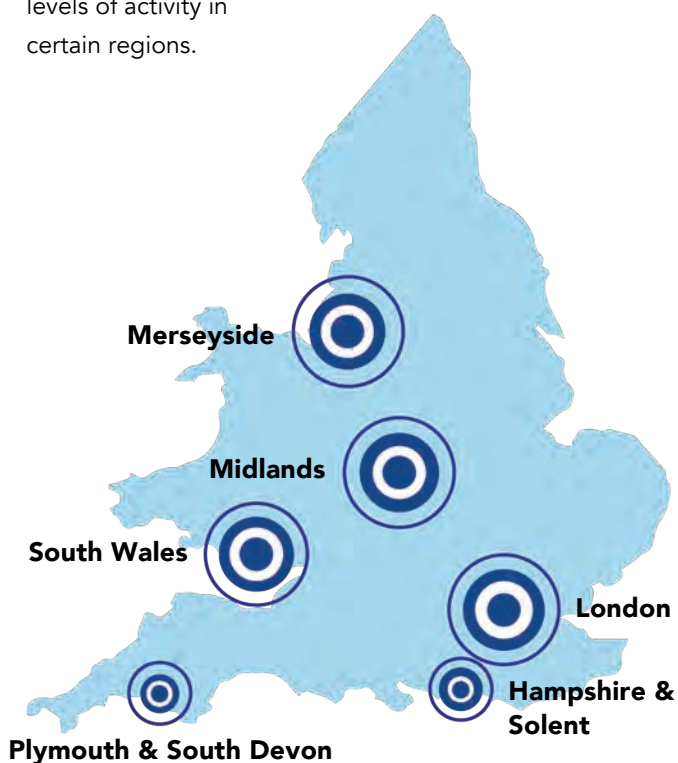
Caring for a partner or family member who is unwell, or whose activity is significantly reduced, affects the entire family. For partners of those who have served or are currently serving, this can be an added challenge alongside the regular relocations that are part of military life.

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

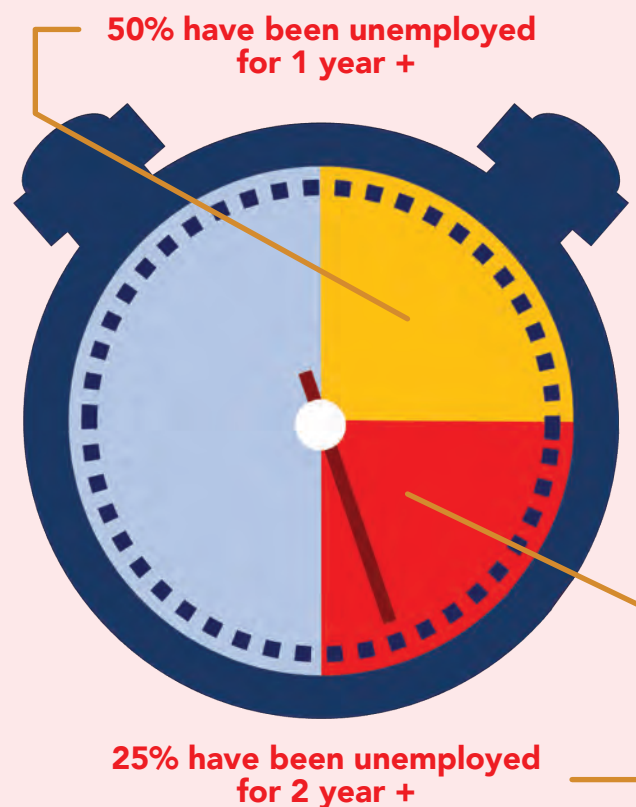
1 in 3 is over the age of 50

80% served in the Army

14% served in the Royal Navy or Royal Marines

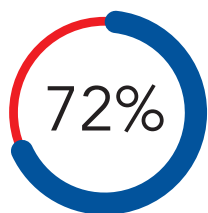
6% served in the Royal Air Force

Based on responses given by veterans at the start of employment support.



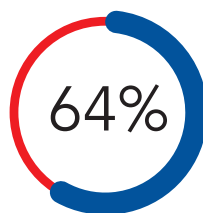
On average, it takes **103 days** to support a veteran into employment.

OUR IMPACT



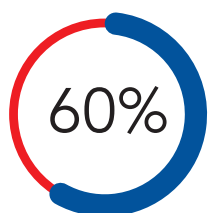
72% of veterans report improved job search skills

Based on Outcomes Star assessment of 269 veterans every 3-4 months



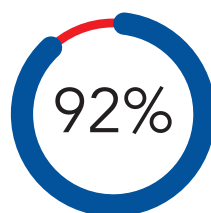
64% report increased health and wellbeing

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

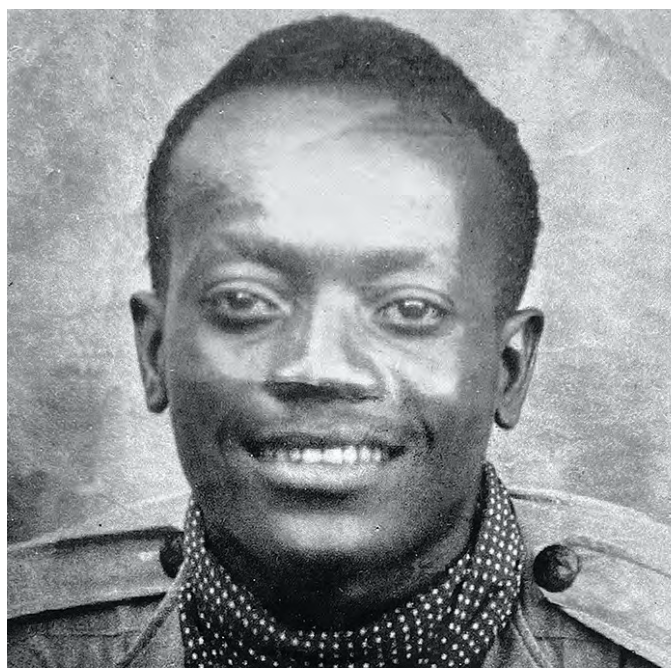
First World War Veteran,
Founder Of The Poppy Factory

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.



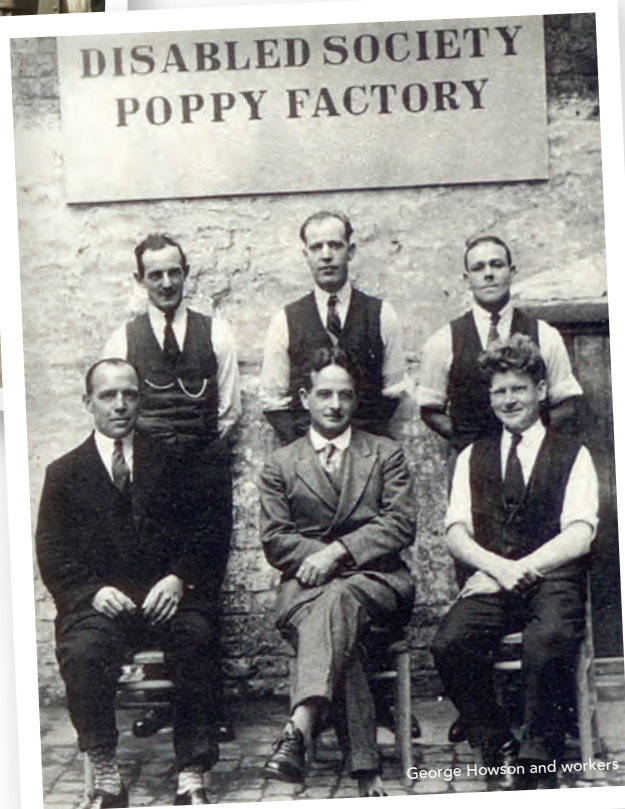
Christmas party



George Howson



Bowls contest



George Howson and workers



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 & LIVERY 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. **//**



"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	17	-	-	-	-
Restricted funds		-	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