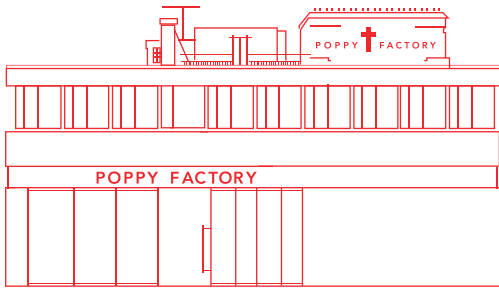


The Poppy Factory



ANNUAL REPORT AND ACCOUNTS

**SUPPORTING VETERANS WITH
HEALTH CONDITIONS ON THEIR
JOURNEY INTO EMPLOYMENT**

20
21

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INTRODUCTION

THE POPPY FACTORY'S PRESIDENT, SURGEON REAR ADMIRAL LIONEL JARVIS, HIGHLIGHTS THE IMPORTANCE OF OUR TRADITION AS WE FIND NEW WAYS TO ADAPT TO TODAY'S CHALLENGES.

Amid times of hardship and uncertainty, it is often helpful to reflect upon the sacrifices made by those who came before us. Remembrance time, in particular, creates a structure to our year, context to current difficulties and a moment for collective and individual reflection.

In November 2020, the Covid-19 pandemic threatened our Field of Remembrance, which we have held at Westminster Abbey every year since it began in 1928. Nevertheless, we were determined to mark the occasion. A team of volunteers, all socially distanced and adhering to public health restrictions, laid out the Field with crosses and symbols. The opening ceremony, albeit much reduced in size, was able to take place after all and my thanks go to all who provided support at this very challenging time.

In 2020, The Field was opened by our Patron, Her Royal Highness, The Duchess of Cornwall and it was an honour to welcome Her Royal Highness back to open both the Field of Remembrance in 2021, and to formally open our refurbished buildings in Richmond upon Thames. Our Richmond event, which brought together veterans, staff and supporters, helped to build a renewed sense of community around our charity and set the stage for our centenary celebrations in 2022.

Throughout 100 years of service, The Poppy Factory can be rightfully proud of all that it has achieved. Throughout the ages we have helped veterans with health conditions back into employment and we shall continue to do so despite all the challenges of the modern world.



Surgeon Rear Admiral Lionel Jarvis
President

ALISTAIR KETT, CHAIRMAN OF THE POPPY FACTORY, **REFLECTS ON ACHIEVEMENT IN THE FACE OF** **ADVERSITY AND HOW THE POPPY FACTORY HAS** **BUILT A STRONG FOUNDATION FOR THE YEARS AHEAD.**

Planning for the unexpected can only go so far and, when faced with the challenge of the Covid pandemic, our team at The Poppy Factory had to tackle something entirely new.

Nevertheless, it has been humbling to see just how well The Poppy Factory has pulled together, continuing to support our veterans working in the factory and providing a fulsome and uninterrupted service for veterans with health conditions all across the country.

Strong executive leadership, combined with determination and true professionalism from the wider team, have delivered outcomes that should make us all proud. The work of the production team, despite several factory shutdowns, has been phenomenal and we have been able to deliver the full Royal British Legion order without delay. Our refurbishment project in Richmond-upon-Thames was completed on time and under budget and now provides a vastly improved and flexible working space which can support the immediate team and generate income by hosting all sorts of visitors and corporate groups.

Perhaps the greatest accomplishment however is that we have continued to help veterans with health challenges into work. I am especially proud that we have achieved over 1200 progressive outcomes in this most testing of times, making sure individuals are supported into training, education and volunteering as well as part-time, temporary and full-time permanent jobs. Indeed, despite the lockdowns of the last year, The Poppy Factory has been able to support more than 275 veterans into employment, a remarkable statistic given the disruption within our society and the health challenges and complex needs of our clientele. We have continued our in-work support programme too, providing assistance so that those who have found work can continue to live well and thrive.

The Poppy Factory is poised to build upon a really solid foundation. We are developing fresh partnerships, running new pilot programmes and we have diversified our income streams. All of this will help us create greater impact for the veterans that we serve. Having achieved so much in such a difficult year, we are optimistic about the future and the role we can play.



Alistair Kett
Chairman

INTRODUCTION

DEIRDRE MILLS, THE POPPY FACTORY'S CHIEF EXECUTIVE, LOOKS AT HOW NEW PARTNERSHIPS AND PROCESSES ARE YIELDING POSITIVE OUTCOMES FOR VETERANS.

Every veteran's journey into employment is different. For some, it is a matter of building self-confidence and highlighting transferrable skills. For others it is more complex and The Poppy Factory must work with a myriad of specialist service providers in order to provide holistic rehabilitation and care.

This year, in addition to our community-based employment support service, we have focused on two new areas. Firstly, cognisant of the link between employment and health and wellbeing, we have built a new relationship with the NHS, running three pilot projects in Portsmouth, in Plymouth and on the Wirral. Embedded within NHS settings, our staff are now working alongside health practitioners and all of our pilot projects are yielding positive results. Moreover and in similar fashion, regular contact with the Department for Work and Pensions has led to new referrals and a more joined-up service for veterans. Secondly, we have partnered with the veterans' housing charity Stoll, providing pre-employment support for veteran residents and working collaboratively to improve overall health and wellbeing. We call this our Navigator programme.

Real progress is being made in both our NHS and Stoll settings and we have put in place a process to capture and track the full range of outcomes experienced throughout each veteran's journey. These include training outcomes, educational progress and volunteering experiences; in doing so we help build confidence as well as capability.

Our results speak for themselves but I remain immensely grateful to all those who continue to help fund our employment support services, and who place their trust in our charity to deliver the best outcomes for those veterans with health conditions who find themselves in need.



Deirdre Mills
Chief Executive



OBJECTIVES

Even during the height of the Covid-19 pandemic at the end of 2020 and start of 2021, we remained true to our strategic aim of supporting veterans with health conditions into meaningful and sustainable work. Despite many challenges in the employment landscape, we are proud to have helped hundreds more veterans make a fresh start. As we now look to create new opportunities for the ex-Forces community in the future, monitoring the progress of each individual in more detail than ever before, here are our objectives for the coming year and beyond.

SUPPORTING VETERANS

- To continue to deliver our employment service, ensuring a veteran-centred approach which supports veterans with health conditions into employment and provides in-work support for 12 months.
- To continue to employ and support veterans with health conditions and veteran dependents at our Richmond factory, making wreaths and Remembrance products for the Royal British Legion and the Royal Family.

PARTNERSHIPS

- To strengthen existing networks in order to improve the range and accessibility of support for all veterans.
- To continue delivering our NHS pilots to see how we can best integrate our services within primary care and NHS veteran services (including Op Courage in England).
- To continue building referral pathways and relationships at all levels of the Department for Work and Pensions.
- To share effectively with partners and funders the impact of our evidence-based services and encourage continued support and funding of our work.

MONITORING, EVALUATING AND IMPROVING

- To continue developing our monitoring and evaluation programme so that we can understand our impact within the post-pandemic labour market and identify areas for service development.
- To ensure veterans' voices and lived experience are at the heart of our service development and delivery.

SERVICE DEVELOPMENT

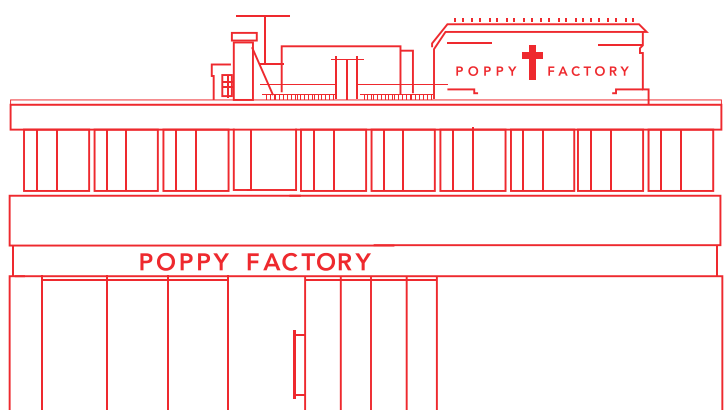
- To design and pilot the 'Navigator' service in partnership with Stoll so that veterans can find meaningful activity that supports positive mental health and wellbeing and increases independence and employability.
- To incorporate new initiatives into our longer term strategic plan, including the Veterans Places, Pathways and People programme in London.

INCOME GENERATION

- To develop and deliver a diverse and sustainable income base to support our service delivery and veteran support.
- To invest in the planned maintenance of the estate to maximise income through rental.
- To explore the income generation options for the refurbished factory, office and visitor centre space.

THOUGHT LEADERSHIP

- To share our knowledge and insight and positively influence government, veterans, veterans' organisations, employers and wider funders and partners to improve services for veterans.



HIGHLIGHTS

of the year

In spite of the challenges facing us all in 2020-21, our charity managed to support many more veterans into employment, delivered several key events and transformed our working environment to fit within a digital, data-led world.

ROYAL OPENING

In the build-up to our centenary year, we were honoured to have our Patron, Her Royal Highness, The Duchess of Cornwall, visit Richmond-upon-Thames in November 2021 to meet veterans, staff and supporters and to formally open the redeveloped office, factory and visitor centre.

See page 16-19.



WORKING WITH THE NHS

Stable employment is an important factor in good mental health. Our three new NHS England-backed pilot projects have helped us reach more ex-Forces patients and improve their employment and health outcomes. We do this by integrating their care and employment plans, and by embedding our consultants within local health networks.

See page 24-27.

DIGITAL AGM

With Covid-19 restrictions making it impossible to bring people together in person in March, our organisation took a digital leap forward by hosting its first ever virtual AGM. The live online event went without a hitch and was well attended, with more than 40 people taking part.



BIG DATA

This year proved a breakthrough year in the way that we capture and interpret data about the veterans we support. Through careful data collection and analysis, our approach has become more and more evidence-based and we know that we are making the right decisions in how we develop our service and identify and respond to needs within the ex-Forces community.



THE GREAT MAY ESCAPE

Our month-long, wellbeing-focused sponsorship fundraiser encouraged supporters to take a break from the day-to-day and feel great while raising funds to help veterans rebuild their lives. The Great May Escape, a virtual challenge first for us, proved popular with our partners, raised significant funds and awareness of our work, whilst giving corporate partners a way to connect and support their staff in a second challenging year of Covid-19.

MINISTERIAL MEETING

The Minister for Defence People and Veterans, Leo Docherty MP, and the Director of the Office for Veterans Affairs, Jessie Owen, visited The Poppy Factory in September. They heard how specialist employment support can be truly life-changing, significantly improving the confidence of veterans as well as their financial security and health and wellbeing.



FIELD OF REMEMBRANCE

Following strictly limited numbers last year, over 1,000 guests gathered for the opening of our Field of Remembrance at Westminster Abbey in 2021. Our staff and volunteers worked tirelessly to plant more than more than 70,000 crosses and tributes ahead of the opening. See page 16-17.

ANTIQUES ROADSHOW

How much value is there in the story of The Poppy Factory? Plenty, according to the BBC's Antiques Roadshow. They sent a production team to Richmond to record inside the factory and filmed an interview between Fiona Bruce and one of our production team veterans, Steve, for one of their programmes from Ham House.



OVERCOMING BARRIERS

Every year, we help hundreds of veterans to overcome the barriers that stand in the way of a brighter future. Each faces a different set of personal challenges, ranging from their own mental health and wellbeing to meeting the cost of training and finding space to develop their existing skills. It's a journey that's rarely straightforward, taking a lot of hard work and determination. And tracking each person's progress is key to success.

Every one of our veterans is unique. No two experiences of life during and after service are identical. Yet the barriers that stand between these individuals and meaningful employment are often shared.

The ex-Forces job seekers we support may feel socially isolated. They may have been unemployed for years, having found it hard to adapt to the civilian working world. Issues such as age prejudice, homelessness, financial difficulties and alcohol and substance use may have dented their confidence and self-belief.

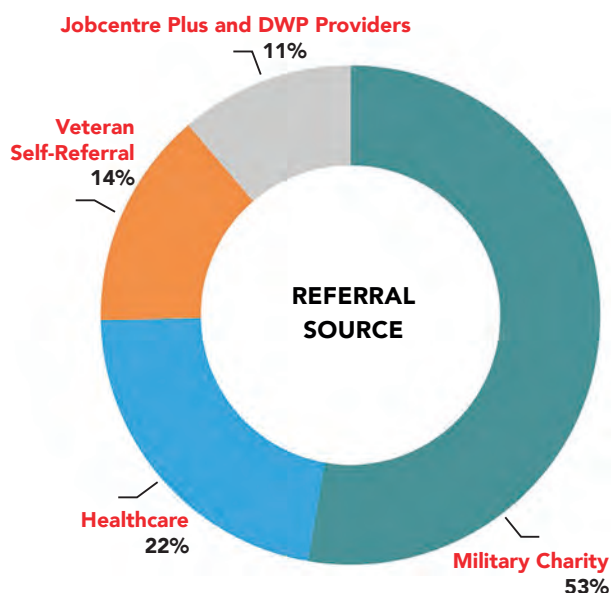
NEVER GIVE UP

It can take a lot of effort and determination by the veteran and their Employment Consultant before results start to show. And we expect there to be bumps along the way.

Our employment support team work with partner organisations across health and housing and with government agencies such as the NHS and Jobcentre Plus. This helps us reach veterans who have struggled to engage with the civilian jobs market and, in turn, we help them engage with mainstream services. Through perseverance and creative thinking, we can help veterans find the support they need.

Since our employment service began in 2010, referrals have often come from within the military charity sector. More recently however, the numbers of veterans referred to us from the NHS or from Jobcentre Plus have increased significantly. This has created more collaborative working opportunities and we are now embedded in several NHS trusts across the country.

Although Covid-19 slowed new registrations at the start of 2021, the subsequent easing of restrictions led to a consistent and significant increase in the last half of the year, with a record number of referrals in September.

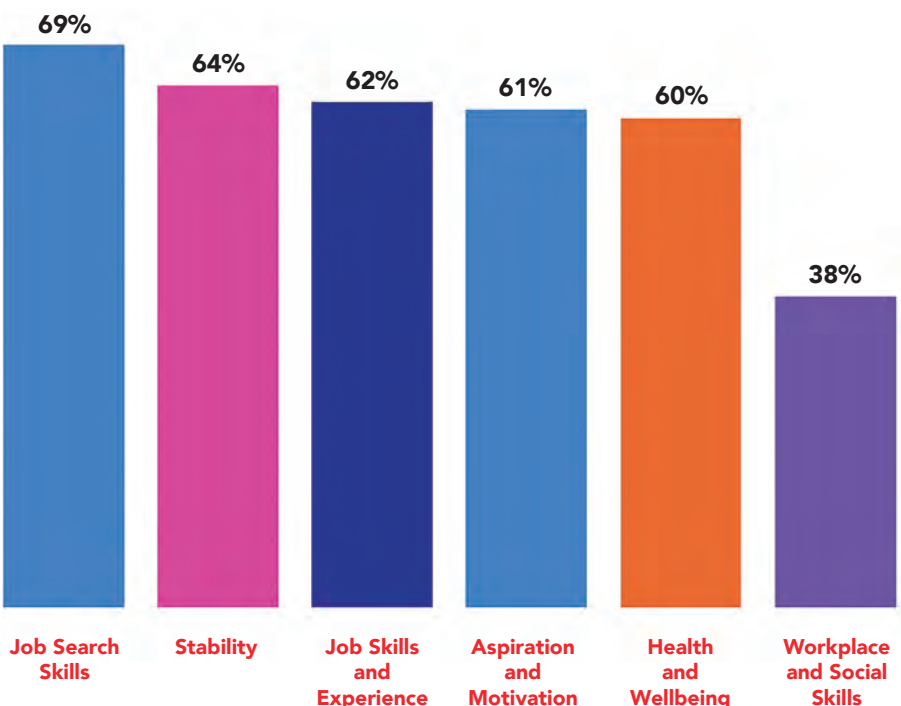
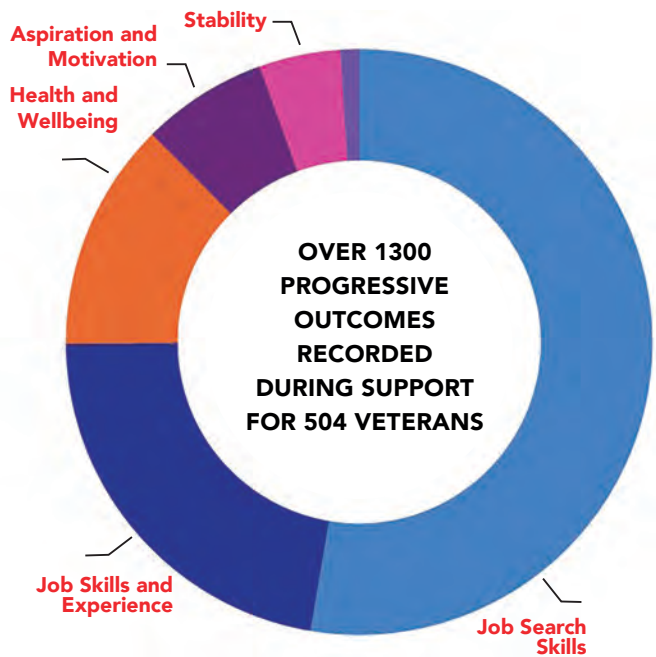


CHECKING IN

Meaningful employment support is about much more than simply securing a job. We measure 33 interventions that can move someone closer to employment, such as occupational health assessments, volunteering and training. And we check progress in each of these areas throughout each veteran’s journey into employment.

Alongside this monitoring, our employment consultants regularly complete a Work Star¹ evaluation for each of the veterans they support. This evidence-based tool measures positive change in six key areas and helps to identify difficulties and agree actions to overcome barriers.

Progress can be slow. But we know that over the long term, specialist support and meaningful employment can be truly life-changing, significantly improving veterans’ confidence, financial security and health and wellbeing. The veterans we work with are often motivated and eager to make a change, and with the right support, we know they’ll get there.



PROPORTION OF 504 VETERANS REPORTING PROGRESS IN KEY AREAS DURING EMPLOYMENT SUPPORT

¹ The Work Star is a tool designed for use with adults who are out of work or returning to employment. It was developed by Triangle Consulting Social Enterprise with service providers and commissioners from three London councils. It covers seven key outcome areas linked to employment: job skills and experience; aspiration and motivation; job-search skills; stability; basic skills; workplace and social skills; health and well-being. The Work Star is underpinned by a five-stage, ten-step journey of change: 1-2 stuck; 3-4 accepting help; 5-6 believing and trying; 7-8 learning; 9-10 self-reliance.

GARY'S STORY

USING MILITARY EXPERIENCE TO INSPIRE

Gary Hart, from West Sussex, experienced a lot during his time in the Armed Forces, first in the Royal Navy and then in the Army as a member of the Parachute Regiment. After he lost his way in the civilian world, Gary received employment support from The Poppy Factory and we helped Gary to access funding from ABF The Soldier's Charity and Greenwich Hospital. As a result, Gary has now qualified as a personal trainer. He has launched a gym in Littlehampton, where he's working to inspire and motivate young people in the community.

I feel absolutely reborn now,
compared to how things were before.

LAND, SEA AND AIR SERVICE

// I joined the Royal Navy when I was 17. I came from a naval family – my grandfather and my brother had both served and I felt obliged to do the same thing. I worked on two aircraft carriers, Invincible and Illustrious, and then I transferred to a minesweeper. I enjoyed it but I'd always wanted to be a soldier.

I left the Navy in 1997 and the next year I went into the Army with the Parachute Regiment. I'd grown up in Farnham so I would always see the Paras around. They'd been like Jedi knights to me. The training wasn't easy, but I'd been a boxer for the Fleet Air Arm, was a district champion sprinter and did martial arts from the age of nine, so I was very fit.

I went into 1 Para and it was very busy from the moment I joined. I served in Northern Ireland and then Afghanistan, and we were among the first wave of soldiers to go into Iraq in 2003. We were based for a time at the Alambra Olympic Stadium, where I would lead informal martial arts and physical fitness training. **//**



Gary Hart



UNDER PRESSURE

“ Serving in Helmand Province in Afghanistan with 3 Para was a completely different kettle of fish. It was full-on warfare and I don’t think any of us were quite ready for it. At one point I had to run through an ambush to rescue someone who had been shot through the neck. I was coming under heavy fire all the way and I thought I was going to die. Another time, I saw the horrific impact of landing a helicopter on top of a minefield.

I went back to Iraq in 2007 and by 2009, I was burnt out with post-traumatic stress disorder. When I started to question myself about my decisions under pressure, it was time to leave.

The civilian world was difficult. I didn’t look after myself and I became unfit. When I contacted The Poppy Factory in 2020, I really needed to find a new focus and get my life back together.

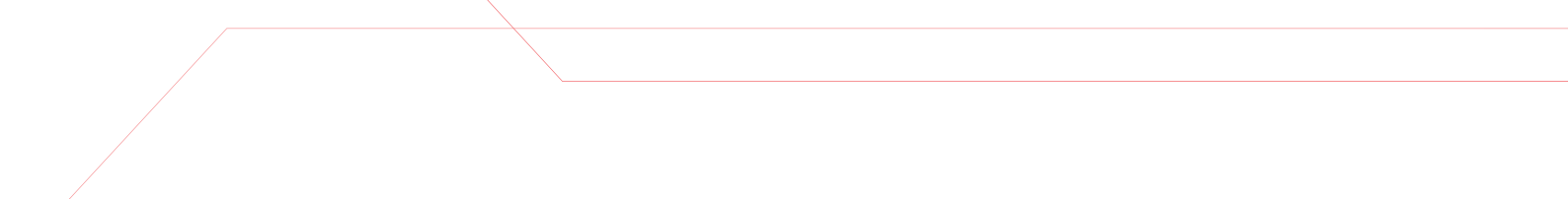
The support I had from my employment consultants Katy and then Farrah was brilliant - just having someone there saying you can get back on your horse and do something. With their support I worked really hard to make myself employable again. ”

ROLE MODEL

“ I’m now working with British Military Martial Arts at a new gym in Littlehampton, which I’ve opened with my business partner Lee Matthews. I’m hoping to be a positive influence in a lot of young people’s lives.

I had to train for the job, so Farrah helped me apply for funding for that through ABF and Greenwich Hospital. That enabled me to do an elite personal training course to level 4 through Storm Fitness Academy. It means I’m now able to train anyone.

I feel absolutely reborn now, compared to how things were before. I’m more motivated than I’ve ever been, and my confidence is back. It’s like switching on a light in a dark room and seeing good things all around you. ”



THE JOURNEY INTO WORK

1

REGISTRATION

You can register for employment support online, by email or phone, or through a referral from one of our partners. We'll help you to complete your registration and assign a dedicated Employment Consultant to start your journey.

2

GETTING TO KNOW YOU

Your Employment Consultant will meet you to find out about your work experience, health conditions, any barriers to employment, your career goals and aspirations. The Work Star™ tool will be used to support your progress.

3

MAKING PLANS

Together we'll develop an action plan which forms the basis for your ongoing support. The plan is owned by you and is designed to create manageable steps to break down barriers to employment and move you closer to work.

4

MOVING CLOSER TO WORK

We'll work with you to identify job and development opportunities and contact potential employers and providers. We'll connect you to organisations that can help you overcome employment barriers, collaborating with services you're already working with to ensure you receive joined-up support.

5

SECURING A JOB

We'll work with you to enhance your CV and job applications and will provide coaching to boost your skills and confidence for the interview process. You'll learn skills and techniques that will empower you now and into the future.

6

SETTLING IN

We'll offer advice and guidance to you and your new employer, helping to think about any workplace adjustments that will help you thrive in your new role.

7

SUPPORT CONTINUES

We'll stay in contact regularly over the next 12 months. We'll continue to offer support to you and your employer to help overcome any barriers, find solutions and keep making progress.

No-one's journey is straightforward. If your situation changes, we'll be there to help you pick things up and start again.

100 YEARS' WORK

Poppy Factory

As we mark our centenary in 2022, there has never been a better time to celebrate the story of our employment charity, as told through our new visitor centre in Richmond-upon-Thames. In November 2021 we were honoured to have our Patron, Her Royal Highness The Duchess of Cornwall, visit the centre to meet veterans, our staff and supporters and to formally open the building.

When Major George Howson MC set out to establish an enterprise that employed disabled veterans from the First World War, he had modest expectations.

In May 1922, after receiving £2,000 from the British Legion to open a poppy-making factory, Howson wrote to his parents: "If the experiment is successful it will be the start of an industry to employ 150 men. I do not think it can be a great success, but it is worth trying."

Howson's modesty was misplaced. The Poppy Factory as a charitable enterprise was an immediate success. By 1931, the factory was making nearly 30 million poppies a year and a community of 320 men, women and children lived on the estate in Richmond-upon-Thames.

ADAPTING AND THRIVING

The story of that community is brought vividly to life at our new visitor centre. It is the story of those first workers, how they lived and how their hard work helped build our shared Remembrance tradition. And it is the story of all those veterans we have supported since; veterans who have taken on diverse roles throughout society as our employment support service has grown.

From its very first days, The Poppy Factory has built a supportive environment for veterans with health conditions, harnessing their skills and experience and empowering them to build a brighter future. As we look to the challenges ahead, we will continue to stand beside the ex-Forces community and help its members adapt to a fast-changing world.

We were proud to bring together The Poppy Factory's staff, veterans, partners and supporters for the formal opening of our redeveloped building by our Patron, Her Royal Highness, The Duchess of Cornwall, on 9 November 2021. We are grateful for all those who contributed funding towards our building redevelopment, including the Chancellor of the Exchequer, The Garfield Weston Foundation and The Wolfson Foundation.





1932

THE BRITISH LEGION POPPY FACTORY, RICHMOND.
10th Anniversary. June 6th. 1932.





Remembrance 2021

Despite several factory lockdowns during the pandemic, our production team in Richmond-upon-Thames worked relentlessly to create Remembrance wreaths and tributes which were laid in services around the world. Following strictly limited attendance last year, we were delighted to welcome more than 1,000 guests for the formal opening of the Field of Remembrance at Westminster Abbey in 2021.

When the first group of wounded veterans began work at The Poppy Factory in 1922, the act of national Remembrance was still new.

Nevertheless, the British public embraced the idea of wearing a red poppy to remember those who had given their lives in conflict, and the annual demand for poppies and wreaths quickly soared.

In response to that demand, our production team quickly expanded and following the factory's move to new premises in Richmond-upon-Thames, a close-knit community was established. Since then, our production team of veterans and dependents of veterans has continued to thrive, each year making a substantial contribution in maintaining this important tradition.

The full story of how The Poppy Factory's community developed is told for the first time at our new visitor centre. Visitors to our factory today can see how the specialist craft that began 100 years ago is being kept alive by our production team, as they work year-round to create wreaths for many different organisations and special wreaths for the Royal Family.

Being here is a real benefit for my mental health and I feel pride in the work I do. For each wreath, petal or paper petal that I make, I know it's for someone who is going to be remembered.

Nicola Stokes
Afghanistan
Veteran and
Production
Team Worker



THE FIELD OF REMEMBRANCE

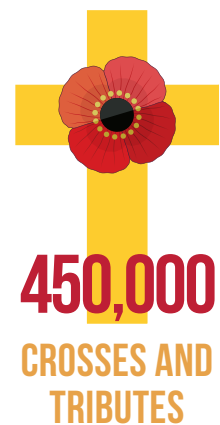
More than 1,000 guests gathered together in the grounds of Westminster Abbey on 11 November 2021, for the opening of the Field of Remembrance by our Patron, Her Royal Highness The Duchess of Cornwall.

We were honoured to continue this tradition that began in 1928 when our founder, Major George Howson MC, suggested using the land as a place where anyone could plant a poppy in memory of a loved one.

In that first year over 30,000 poppies were planted in the grass, to be replaced in later years by crosses and other tributes.

This year, more than 70,000 tributes were once again carefully plotted and planted ahead of the opening, and we would like to thank our team of workers and volunteers for their time and effort in continuing this tradition.

PRODUCTION WORK IN NUMBERS



Remembrance 2021





BETTER HEALTH Through EMPLOYMENT

Ex-Forces patients who are being treated by the NHS can also take advantage of one-to-one employment support through pilot projects launched by our charity in 2021. Our employment consultants are now embedded within local health networks, offering an alternative kind of support for health professionals and the veterans they treat.

When it comes to personal wellbeing, stable employment is vital. And when a veteran finds the right work-life balance, improvements to their health and wellbeing will often follow.

Working collaboratively with NHS services, we are reaching more ex-Forces patients and improving their employment and health prospects by bringing care and employment plans together.

WORKING TOGETHER TO CHANGE LIVES



Lisa Battersby
Employment
Consultant
in Portsmouth

Our two-year pilots, funded by NHS England, launched in Plymouth and Portsmouth early in 2021, with Employment Consultants embedded within local health services and networks. And employment support linked to health services on The Wirral, launched in 2019 and funded again this year by the Forces in Mind Trust, will be extended through further NHS England support. Already, this work is helping to change veterans' lives.

Veterans supported in these areas have started more than 30 jobs this year, with more moving into education or volunteering roles. An interim report by the University of Nottingham's Institute for Mental Health, who are evaluating our pilot on The Wirral, said that veterans have had "an overwhelmingly positive experience" and valued the face-to-face contact, knowledge and expertise on offer.

We continue to strengthen our relationships with NHS services and staff, learning how we can work together to better support the ex-Forces community.

"I am delighted to start our partnership with The Poppy Factory and enhance the support we offer our veterans. We know from our experience, that finding the right employment and supporting our veterans through the employment process, can have a major impact on their mental health wellbeing.

Our veteran communities have a wealth of knowledge and skills and can be a great asset to our businesses and organisations in the city. It is crucial we empower them and help them find their path and this project can help us move towards that goal."

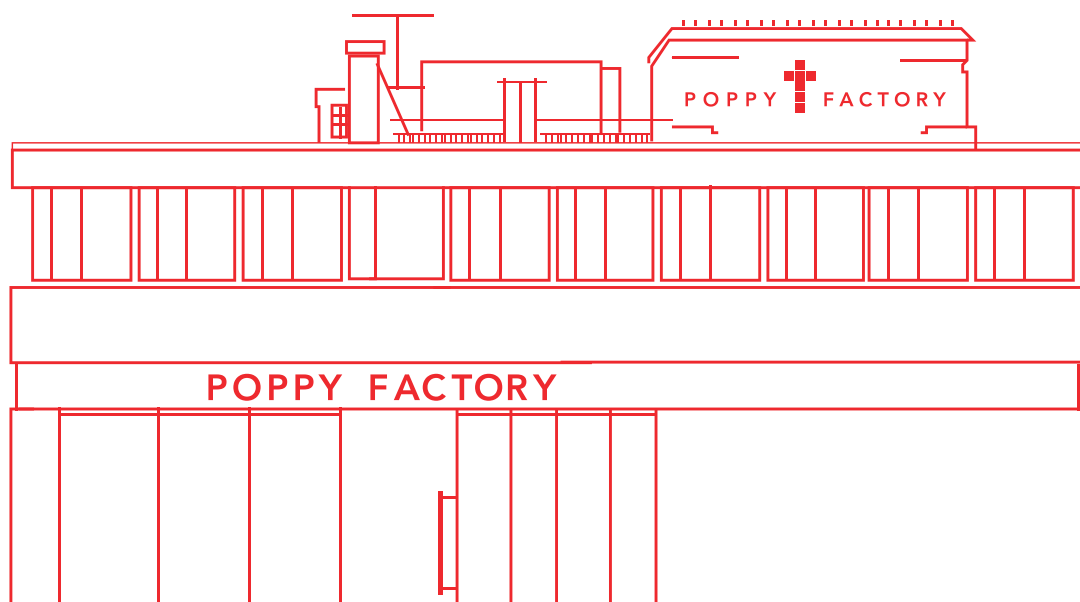
Dr Mahdi T. Ghomi

Clinical Director & Consultant Counselling Psychologist for IAPT & Veteran Services at Solent NHS Trust

"West Hoe Surgery are delighted to welcome The Poppy Factory to the practice. Through their work in supporting veterans with health conditions wanting help with finding employment, we can offer a much-needed additional service to our patients."

Jo Lloyd-Davies

Practice Manager for West Hoe Surgery in Plymouth



DAVID'S STORY

ADAPTING AND HELPING OTHERS

A combination of health conditions and low self-confidence left former soldier David struggling to see a way back into employment having reached his 50s. After his GP referred him for employment support, David now has a rewarding new job at Wirral Borough Council, fitting home adaptations for residents who – like him – need a little more support.

It's very rewarding to be able to make a difference to people's lives.

SEARCHING FOR THE RIGHT DIRECTION

“ When I left the Royal Anglian Regiment at 25, it just felt like I'd been dumped back into the civilian world. I had no idea what to do with my life and I just floated around for a while doing all sorts of jobs. A couple of years ago I was diagnosed with dyspraxia, which affects my physical coordination. I also found out I'm likely to be dyslexic.

I was being treated by the NHS for sleep apnoea, high blood pressure, mental health and other conditions, and I felt like I was on the verge of a breakdown. Then my GP told me about The Poppy Factory, so I got in touch. ”



David Jones

DEVELOPING NEW SKILLS

“ I went to see The Poppy Factory’s employment consultant, Andrew, a few times at The Stein Centre on The Wirral. He helped me to stop worrying. Then he applied for funding from Armed Forces Bikers to get me a laptop. I’m not very good with technology so Andrew set it up for me and made it easy for me to get online, read emails, and find my way around. It’s a good job he did, because I ended up having an interview online two days later.

When I had a phone call to say I’d got the job, I was surprised and really pleased. I’d had no income at all for two years, so it was a big relief. ”

MAKING A DIFFERENCE

“ Now I work for Wirral Borough Council as an Adaptation Technical Assistant, fitting handles and rails for people who have disabilities or have difficulty moving around. It’s very rewarding to be able to make a difference to people’s lives. I don’t feel under too much pressure, but there’s plenty for me to do and I just go out each day and get as much done as I can. ”

“David’s self-confidence and self-esteem were dramatically impacted by his previous experiences. Initially he wasn’t fully focused on returning to work and felt the barriers would be too great to overcome.

“I worked with David to identify all of the support he might need and obtained funding from the Armed Forces Bikers for a laptop to help with his dyspraxia and dyslexia. David and I spent time together overhauling his CV and covering letter, identifying key skills and exploring opportunities, then I coached him on using his laptop.

“David has had all the support he needs from his employer, and everything is going very well indeed.”

Andrew Pickersgill

Employment Consultant, The Poppy Factory

FUNDING OUR WORK

Against the continued Covid-19 pandemic and the wider challenges in the employment landscape, charities, organisations and individuals must work together to ensure veterans have the support network they need. We are grateful for all the funding, gifts in kind and other contributions from fellow charities, trusts, foundations, companies, groups and supporters. By joining forces, we can showcase just how much expertise and experience veterans can bring to the civilian workplace.

CORPORATE PARTNERS

Our centenary in 2022 will present an opportunity to celebrate the Poppy Factory community in all its breadth and diversity, including our many dedicated corporate partners and supporters. This year, the contribution of our corporate teams has been phenomenal, whether by volunteering their time and expertise, by helping to raise awareness of our employment support, or by engaging in vital fundraising activities. The most prominent of these was The Great May Escape, a month-long fundraising campaign focused on wellbeing, and our particular thanks go to HSBC UK for their energetic support. We were also grateful to receive generous contributions from our other partners throughout the year, including Salesforce, Bloomberg, SHOP TJC and Bank of New York Mellon.

We would like to thank our friends in the Richmond-upon-Thames community, particularly Visit Richmond for helping to promote our visitor centre. We are also grateful to Computer and Network Consultants Ltd for its generous technical and video conferencing support.

TRUST SUPPORTERS

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

The Anson Charitable Trust	Lest We Forget Association
Armed Forces Covenant Fund Trust	Moondance Foundation
The Childwick Trust	Queen Mary's Roehampton Trust
The Clare Milne Trust	State Street
Dr & Mrs J D Olav Kerr Charitable Trust No. 2	The Tallow Chandlers Company
The Drapers' Company	The Worshipful Company of Butchers
The G C Gibson Charitable Trust	Waterloo Foundation
The Holbeck Charitable Trust	

MILITARY CHARITIES

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



LEGACIES

A gift in a Will is a powerful way for a supporter to have a lasting impact on veterans' lives, and for the donor's kindness and compassion to live on. We are thankful for the funding received through legacy gifts last year.

FUNDRAISING CHAMPIONS

We are hugely grateful for the efforts of the individual men and women who chose to raise funds to help veterans change their lives through employment in 2020-21. Particular thanks go to the members of the 11 Elevens Remembrance Challenge team for their tireless support.

RESPONSIBLE FUNDRAISING

Those who give funds to support veterans with health conditions through The Poppy Factory can be assured that we comply with the regulatory standards for fundraising. Our charity is registered with the Fundraising Regulator and we are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice, which covers the requirements charities must follow as set out in the Charities Act 2016. All direct fundraising is done by our own team - we do not outsource any of our activity to third parties. Several of our in-house fundraising team are members of the Institute of Fundraising. We do not target individuals in the street or through direct marketing. Any public fundraising is limited to voluntary donations, such as through our website or through occasional bucket collections carried out by our own staff and volunteers. We encourage our corporate partners, and other organisations, groups and individuals, to organise their own fundraising events on behalf of The Poppy Factory. Our team provides resources, information and guidance to support these events as appropriate, to ensure that all activity falls within the Code of Fundraising Practice. There were no complaints about our fundraising activity in 2020/21.

SARAH'S STORY

FORMER NURSE DELIVERS A NEW KIND OF CARE

Following a successful Army nursing career, mum-of-one Sarah Groves encountered tough times but was determined to get back into work again. Although it has been a long journey, she is settling into a new job and using her skills in a new way, to engage with fellow veterans and their families and help them find the support they need.

I feel very settled and stable with my employer. It's been a long journey and I've learned a lot from my experiences. I now feel very positive for the future and excited about life.

ARMY NURSE TO OFFICER

// I joined Queen Alexandra's Royal Army Nursing Corps in 2005 and served as a nurse in Germany and in Iraq during Operation Telic. Then in 2009 I went to Sandhurst to train as an officer, graduating as a Captain and working as an Infection Control Nursing Officer. I had my son in 2011 and when we moved home, I lost my support network.

I left the Army three years later. Although I didn't work while I was bringing up my son, I was busy volunteering and serving as the leader of a Scout Beaver Scouts group, which felt like good preparation. **//**

Sarah Groves
Military Engagement Officer,
British Forces Resettlement Services.



FINDING SUPPORT TO HELP OTHERS

“ When I met Becks in 2017, she’d just joined The Poppy Factory’s employment team. I was a single parent and there were quite a few difficult things going on in my life, but I was determined to get back to work. Becks has always been so supportive. If I wasn’t quite ready, she would take a step back and give me the space I needed.

Although I was interested in getting back into nursing, I was open to other ideas and Becks helped me find a role with British Forces Resettlement Services as a Military Engagement Officer. I work as a kind of intermediary between the Armed Forces community, including veterans and their families, and forces-friendly employers and support agencies. There is so much support out there for veterans, but not everyone knows where to find it. ”

EX-FORCES FAMILY

“ I haven’t been in the job for long, but I’m really enjoying it. The directors are veterans, so they understand, and it’s a social enterprise, with any surplus funds going back into the Armed Forces community. They also understand that my son has to be my priority, and how important it is to have flexible working arrangements in place.

I feel very settled and stable with my employer. It’s been a long journey and I’ve learned a lot from my experiences. I now feel very positive for the future and excited about life. ”



FINANCIAL REVIEW

COMMENTARY ON THE BALANCE SHEET & RESULTS FOR THE PERIOD

Our total incoming resource was £4,129k compared to £4,322k in 2020 with a number of variations across our sources of income.

Our income is derived from a number of revenue streams:

- The Appeal Order income was £1,649k, compared to £1,715k in 2020. The Appeal Order income is used exclusively for the production of wreaths, crosses and poppies for The Royal British Legion for their annual Remembrance activities. The income from the Appeal Order matches the costs of production;
- Total voluntary income was £1,096k, including £132k of new NHS funding for two NHS pilot programs. Total 2020 voluntary income was £1,198k. 2021 income was £102k lower than 2020 mainly due to £108k legacy income and £100k COVID-Relief funding recorded as income in 2020. Unless otherwise restricted, voluntary income funds the development and expansion of the employment service;
- Property rental income from investment properties was £806k in 2021, an increase of £26k. This reflects the income from flats converted to commercial letting from beneficiary letting. Investment property income is used to enable us to deliver our strategy; and
- Revenue from the general estate (rental from surplus office space, car parking and beneficiary rents) was £570k (2020: £561k). Reduced general estate income was a result of reduced car parking rental due to COVID-related restrictions in the year. General estate income is used to finance the charity's objectives.

Our total outgoing resources were £4,658k, an increase of £634k compared to £4,022k in 2020, due to £398k increased spending on essential estate maintenance, and £348k of building refurbishment related depreciation costs in the year. The total cost of the building refurbishment project was £5.3m, the practical completion was in October 2020.

The annual Appeal Order from TRBL enabled The Poppy Factory to employ 26 people (2020: 26) who are either veterans or the dependents of ex-Service men and women who have a health barrier to employment.

The expenditure on the estate was £845k, £398k higher than in 2020 (£447k). The estate expenditure included the replacement of the main building boilers and the modernisation of the lift. Additionally, on the residential estate, 2 flats were refurbished in the year (2020: 3 flats were refurbished in the year).

Overall employment service expenditure was £1,706k, £91k higher than £1,615k in 2020. The overall expenditure includes £125k of depreciation charged to the employment service, in relation to the building refurbishment, which was completed in October 2020 with the full cost of £5.3m. In supporting veterans on their employment journey we source training courses, which are funded by partners including ABF The Soldiers' Charity and Greenwich Hospital.

A total of 278 veterans were supported into employment, education or volunteering placements in the year to 30 September 2021. At 30 September 2021, a further 504 veterans were seeking work with our support or were receiving in-work support after securing employment.

Net expenditure before other recognised gains and losses in the year was £-530k, which includes £348k depreciation charge in the year, and compares to £300k net income in 2020. Full details of movements on reserves are disclosed in note 17.

Cash and short-term deposits decreased by £488k to £1,866k at the year-end. This was impacted by the investments in the building project.

Creditors were £471k compared to £452k in 2020, an increase of £19k in creditors at the year end.

Debtors were £149k compared to £284k in 2020, a decrease of £135k in debtors at the year end.

INVESTMENT PROPERTY

The investment property comprises 46 of the 62 residential flats that are let commercially, with rents based on professional advice from the charity's letting agents and in line with market value. The objective is to ensure a sustainable income return on these properties in order to fund the employment service. The remaining 16 flats are let to beneficiary tenants.

A sample of properties in the investment property portfolio was valued by Nightingale Chancellors, Chartered Surveyors, as at 30 September 2021 which, extrapolated across the whole portfolio, valued the properties at £26.6m. This increases the investment property reserve by £695k.

OTHER INVESTMENTS

Funds not required in the short to medium term are invested partly in deposit accounts over a suitable period (or periods) with an institution with an investment grade 'A' credit rating. The carrying value of investments is adjusted to market value at year end.

During the year, other funds were invested with Close Brothers Asset Management and Newton Investment Management. The total funds increased by £170k to £1,488k. This included an unrealised gain of £148k. The return on investment objective is CPI plus 3% over the medium term, which was achieved with a total 12.9% gain in the year. During the year the decision was made to consolidate the investments with a single asset management company, Close Brothers Asset Management.

RESERVES

The Council approved the reserves policy, which is reviewed annually. The General Reserve is to enable The Poppy Factory to continue to deliver its services in the event of an unexpected fall in income. The General Reserve should be maintained to cover: budgeted beneficiary employment and indirect costs for the factory for 9 months following the balance sheet date; a sum to cover building emergencies on the estate, to ensure that it remains revenue producing; and 6 months planned costs for employment support, to ensure that commitments can be honoured in the event of a significant reduction in voluntary income. The current reserves target is £2m, and the general funds are £2.8m. With planned deficits and investments the general fund is expected to be brought into line with the reserves target within 2 years.

At 30 September 2021, the total funds of the charity were £34.9m (2020: £34.1m). After taking account of the revaluation of investment properties and investments, the charity had unrestricted funds of £34.6m. Of the £34.6m, £31.8m (2020: £31.2m) is revaluation reserve and designated funds. The revaluation reserve of £26.6m (2020: £25.9m) is related to that part of the residential estate classified as an investment property and described above. Designated funds relate to the fixed asset fund and voluntary income used for the employment service.

PRINCIPAL RISKS AND UNCERTAINTIES

The Council regularly reviews the charity's activities and considers the opportunities available to enable it to meet its objectives and the risks to which it is exposed.

The risks rated as high by the Council, and the actions taken to mitigate them are currently:

- COVID-19 related impacts on fundraising in the short and medium term have introduced additional uncertainty. The impacts are constantly monitored and there is engagement with all key stakeholders.
- COVID-19 related impacts on staff is a current risk. A thorough risk assessment has been conducted and all recommended practices implemented and all government guidance is being followed. The wellbeing of staff is given top priority.

- Not recognising and responding to a beneficiary who may be an adult at risk. Safeguarding policies have been introduced following the Care Act 2014 with expert training and guidance for all staff who may come into contact with our beneficiaries. A good relationship has been established with the London Borough of Richmond upon Thames Safeguarding Adults and DoLS team.
- Not keeping staff adequately protected when dealing with beneficiaries who may themselves represent a risk. Veteran engagement and meeting practices have been designed to avoid unnecessary risk and staff have been trained in dealing with challenging behaviour. Staff are further protected by “inappropriate behaviour” policies. There is an existing employee welfare programme and external supervision support is provided.
- Improper access to confidential records. Data protection policies are in place and constantly under review as are physical and electronic security, and we are compliant with the Fundraising Regulator’s standards.
- An inability to raise voluntary income. The reserves policy is designed to provide continuity in the event of an inability to raise voluntary income and The Poppy Factory provides regular reporting and maintains strong relationships with its donors.
- A failure to deliver good value and a quality outcome for our beneficiaries. We have conducted a rigorous social return on investment analysis demonstrating a social return of £4.80 for each £1 invested. The measurement of outcomes will continue to be reported to the Council.

As part of this process, we have implemented a risk management strategy which comprises:

An ongoing review of the risks which the charity may face;

The establishment of systems and procedures to manage those risks identified; and

The implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

Appropriate training and reporting to meet health and safety recommendations.

GUARANTEES

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of members at 30 September 2021 was 43. (2020: 44). The number of members is limited to 60. Council members are members of the charity, but this entitles them to voting rights only.

TRUSTEES' REPORT

INTRODUCTION AND STATEMENT OF COMPLIANCE

The Council (whose members are also trustees under charity law and directors under company law) presents its report and the audited financial statements for the year ended 30 September 2021.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal Constitution

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

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

Governance

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

New Council members are appointed as necessary, in order to give a wide breadth of experience to the organisation. They have been recruited through a formal recruitment and selection process which includes a review of their Curriculum Vitae and interview with the Chief Executive Officer (CEO) and members of the Council.

The Trustees would like to thank Major General Andrew Sharpe and Mr Andrew Truscott for their service as Trustees and their contribution to The Poppy Factory.

The Trustees welcome Major General Tim Hodgetts CBE as a Trustee of The Poppy Factory.

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

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

Training courses are attended/run on an as-required basis.

No benefits are received by members of the Council. Council member's expenses are referred to in note 19 to the accounts.

Public Benefit

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

Objects and Activities

Our Articles of Association set out that we "organise, establish and manage schemes for the purpose of assisting men and women who have been members of the Forces of the Crown and primarily those of them who have been disabled".

The Poppy Factory does this by providing an employment service to veterans with health conditions across England and Wales. We also provide paid work at our factory in Richmond, where men and women with health conditions who are connected to the Service have been making Remembrance products for 99 years.

Remuneration of Key Management Personnel

The Trustees consider that the members of the Council and the Senior Management Team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. All Council members give their time freely and no director received remuneration in the year. Details of directors' expenses are disclosed in note 7 and related party transactions are disclosed in note 7 of the accounts.

The pay of the Senior Management Team and all staff is reviewed annually and normally increased in accordance with average earnings to reflect a cost-of-living adjustment. In view of the nature of the charity, the Council members benchmark against pay levels in other charities. The remuneration benchmark is the mid-range for similar roles in similar sized charities.

Management

The Council meets five times a year or when required. The committee structures were reviewed during the year to ensure that the structures remains relevant. The following committee structure has been approved by the Council and has replaced the previous committees: The Finance and Estate Committee, Income Generation and Communications Committee, Programmes and People Committee. The committees and various working groups all report to the Council meetings as part of the governance structure.

The Council agrees the strategic aims of the charity, authorises the budget and approves the expenditure. The day-to-day running of the charity is delegated to the CEO, Mrs Deirdre Mills, who was appointed by the Council.

STATEMENT OF RESPONSIBILITIES OF THE COUNCIL

The Council is responsible for preparing the Report and the financial statements in accordance with applicable law and regulations. Company law requires the Council to prepare financial statements for each financial year. Under that law, the Council has elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the charitable company and of the surplus or deficit for that period.

In preparing these financial statements we are required to:

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

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

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

- there is no relevant audit information of which the Charity's auditors are unaware; and
- all steps have been taken by members of the Council to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.
- in approving this report, the Council members are also approving the Strategic Report in their capacity as company directors.

Approved by the Council on and signed on its behalf by:



A. Kett

AUDITOR'S REPORT

OPINION

We have audited the financial statements of The Royal British Legion Poppy Factory Limited for the year ended which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 30 September 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement set out on page 39, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

IDENTIFYING AND ASSESSING RISKS RELATED TO IRREGULARITIES

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

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

AUDIT RESPONSE TO RISKS IDENTIFIED

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

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



Claire Wills

(Senior Statutory Auditor)

for and on behalf of Saffery Champness LLP

Chartered Accountants 71 Queen Victoria Street London EC4V 4BE

Statutory Auditors

Date: Jan 28, 2022

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

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an income and expenditure account)

Year Ended 30 September 2021	Notes	Unrestricted £	Designated Building Fund £	Restricted £	2021 Total £	2020 Total £
INCOME FROM:						
Donations and legacies						
Voluntary income	2	642,889	-	453,371	1,096,260	1,198,138
Charitable activities						
Appeal Order	2	1,649,094	-	-	1,649,094	1,714,838
Beneficiary flats		129,909	-	-	129,909	143,652
Other trading activities						
Office rental and shop sales	3	440,704	-	-	440,704	465,730
Investments						
Investment income	4	812,663	-	-	812,663	799,451
Total income	17	3,675,259		453,371	4,128,630	4,321,809
EXPENDITURE ON:						
Raising funds						
Fundraising Costs	-	235,872	-	-	235,872	242,700
Costs of raising other income	5	786,438	77,036	-	863,474	405,525
Charitable activities						
Employment service	-	1,163,105	125,073	417,442	1,705,620	1,614,809
Appeal Order	-	1,649,094	145,438	-	1,794,532	1,714,838
Beneficiary flats	-	58,760	-	-	58,760	43,793
Total expenditure on charitable activities	-	2,870,959	270,511	417,442	3,558,912	3,373,440
Total expenditure	5	3,893,269	347,547	417,442	4,658,258	4,021,665
Net income/(expenditure) before gains and losses on investments	-	(218,010)	(347,547)	35,929	(529,628)	300,144
Other recognised gains/(losses)						
Revaluation of investment property	10	1,174,850	-	-	1,174,850	2,669,977
Gains/(losses) on investments	11	161,911	-	-	161,911	3,166
Net income/(expenditure)		1,118,751	(347,547)	35,929	807,133	2,973,287
Transfers between funds		(257,421)	257,421		-	-
		861,330	(90,126)	35,929	807,133	2,973,287
Net movement in funds	-	861,330	(90,126)	35,929	807,133	2,973,287
Total funds brought forward	17	28,541,811	5,323,988	232,625	34,098,424	31,125,137
Total funds carried forward	-	29,403,141	5,233,862	268,554	34,905,557	34,098,424

The notes on pages 49 to 63 form part of these accounts.

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

Details of income and expenditure by fund for 2020 is given in note 21.

BALANCE SHEET AT 30 SEPTEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Tangible fixed assets	9	-	5,233,862	-	4,703,654
Investment properties	10	-	26,590,000	-	24,665,000
Other investments	11	-	1,488,229	-	1,318,675
TOTAL FIXED ASSETS	-	-	33,312,091	-	30,687,329
CURRENT ASSETS					
Assets held for sale	10	-	-	1,230,000	-
Stock	12	113,253	-	87,533	-
Debtors	-	148,629	-	283,903	-
Short-term deposits	-	527,105	-	241,193	-
Cash at bank and in hand	-	1,275,225	-	2,020,617	-
TOTAL CURRENT ASSETS	-	2,064,212	-	3,863,246	-
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	14	(470,746)	-	(452,151)	-
NET CURRENT ASSETS	-	-	1,593,466	-	3,411,095
NET ASSETS	16	-	34,905,557	-	34,098,424
FUNDS OF THE CHARITY	17	-	-	-	-
Restricted funds	-	-	268,554	-	232,625
Unrestricted funds	-	-	-	-	-
Revaluation reserve	-	-	26,590,000	-	25,895,000
Designated funds	-	-	5,233,862	-	5,323,988
General funds	-	-	2,813,141	-	2,646,811
			34,637,003	-	33,865,799
TOTAL FUNDS			34,905,557	-	34,098,424

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



A Kett
Chairman

Date: Jan 28, 2022

CASH FLOW STATEMENT

	2021 Total £	2020 Total £
Cash flows from operating activities	(71,949)	331,161
Cash flows from investing activities		
Dividends and interests	6,395	4,516
Purchase of investments	(716,455)	(67,693)
Purchase of Fixed Assets	(877,755)	(3,740,401)
Proceeds from the sale of investments	1,171,960	1,842,958
Net cash provided by/(used in) investing activities	(415,855)	(1,960,620)
Change in cash and cash equivalents in the reporting period	(487,804)	(1,629,459)
Cash and cash equivalents at the beginning of the reporting period	2,353,443	3,982,902
Cash and cash equivalents at the end of the reporting period	1,865,639	2,353,443

ANALYSIS OF CHANGES IN NET DEBT

	1 October 2020 £	Cash flows £	30 September 2021 £
Cash and cash equivalents			
Cash	2,353,443	(487,804)	1,865,639
Total	2,353,443	(487,804)	1,865,639

NOTES TO THE CASH FLOW STATEMENT

	2021 Total £	2020 Total £
RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES		
Net (expenditure)/income for the reporting period	(529,628)	300,144
Decrease/(increase) in debtors	135,273	277,396
Decrease/(increase) in stock	(25,721)	23,586
(Decrease)/increase in creditors	6,975	(265,449)
Dividends and interests	(6,395)	(4,516)
Depreciation	347,547	-
Net cash provided by/(used in) operating activities	(71,949)	331,161
Analysis of cash and cash equivalents		
Short term deposits	527,105	241,193
Cash at bank and in hand	1,275,225	2,020,617
Cash held as part of the investment portfolio (note 11)	63,309	91,633
	1,865,639	2,353,443

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

General Information

The Charity is a private company, limited by guarantee, registered in England and Wales. The registered office and company details are shown on page 64.

Basis of Preparation

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

Going Concern

Following a review of our financial position, reserve policies and future plans, the Council considers that there are no material uncertainties about the charity's ability to continue as a going concern for the foreseeable future. The Council has given consideration to the impact of Covid-19 and consider it will not have a material impact on the going concern assumption.

Public Benefit

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

Income Recognition

Income from donations and legacies is included in full in the statement of financial activities when receivable. Volunteer time is not included in the financial statements. Unrestricted income for the Appeal Order matches the unrestricted expenditure for that activity.

Grants are included in the statement of financial activities in the year in which they meet the conditions of recognition. Grants for the purchase of fixed assets are credited to restricted income when receivable. Depreciation of fixed assets purchased with such grants is charged against the restricted fund. Where a fixed asset is donated to the charity for its own use, it is treated in a similar way to a restricted grant.

Expenditure

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

Support Costs

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

Costs Of Raising Funds

Expenditure on raising funds relate to the costs incurred by the charitable company in raising funds for the charitable work. This includes costs associated with investment properties, rented office space and raising voluntary income.

Fixed Assets

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

	Per annum
Furniture and equipment	15% - 34%
Plant and machinery	20%
Freehold buildings	3% - 10%

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

Operating Leases

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

Government Grants

Government grant income represents the total amount claimed from HMRC under the Coronavirus Job Retention Scheme (CJRS). The income is accounted for in the period in which the associated salary payments are made to furloughed staff.

Fund Accounting

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

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

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

Fixed asset Investments

Investment property is shown at the market value on a vacant possession basis. The value of investment property is reviewed every year with any gain/(loss) for the year being taken to the statement of financial activities. The split between commercial and beneficiary flats is reviewed annually. Beneficiary flats are valued at historical cost.

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

Stocks

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

Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

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

Financial Instruments

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

Pensions

The charity makes pension contributions to TRBL Pension Funds, comprising a Group Personal Pension and a defined benefit scheme, for those employees who have joined the schemes. The Poppy Factory's contributions to the defined benefit scheme are accounted for as and when they become payable in the year as they are fully recovered under the terms and conditions and continuation of the Appeal Order.

Critical Accounting Judgements and Estimates

In preparing these accounts, management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the accounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. One of the key estimates is the valuation of the investment properties. More detail is shown in note 10.

2. VOLUNTARY INCOME

	Restricted £	Unrestricted £	2021 Total £	2020 Total £
Government Grants	-	9,978	9,978	78,904
Other Grants and Donations	453,371	632,911	1,086,282	1,119,234
	453,371	642,889	1,096,260	1,198,138

The appeal order income of £1,649,094 is comprised of £1,508,071 of RBL grant income and £141,023 of government grants relating to the CJRC. (2020: £98,294).

The Other Grants and Donations restricted fund is made up of funding from a variety of sources including £65,953 of income from the Forces in Mind Trust, £32,976 of which was expended as at 30 Sept 2021. The income received in 2020 was £86,953, which has been fully expended.

COMPARATIVE NOTE FOR 2020

	Restricted £	Unrestricted £	2020 Total £
Government Grants	-	78,904	78,904
Other Grants and Donations	418,458	700,776	1,119,234
	418,458	779,680	1,198,138

3. OTHER TRADING ACTIVITIES

	2021 Total £	2020 Total £
Office rental income	440,264	461,069
Shop sales	440	4,661
	440,704	465,730

In the current year all other trading activities are unrestricted.

4. INVESTMENT INCOME

	2021 Total £	2020 Total £
Investment property	806,264	780,120
Bank interest	4	8,815
Investment portfolio distributions	6,395	10,516
	812,663	799,451

In the prior year £175 of Investment Income was restricted and £799k was unrestricted.
In the current year all investment income is unrestricted.

5. TOTAL EXPENDITURE

	Staff costs £	Other costs £	Depreciation £	Support Costs £	2021 Total £	2020 Total £
Raising funds						
Visitor Centre	-	183	77,036	-	77,219	2,722
Office rental costs	16,658	362,423	-	15,004	394,085	49,107
Investment property costs	16,658	359,209	-	16,303	392,170	353,696
Fundraising costs	233,019	2,853	-	-	235,872	242,700
	266,335	724,668	77,036	31,307	1,099,346	648,225
Charitable activities						
Employment service	1,410,797	42,806	125,073	126,944	1,705,620	1,614,809
Appeal Order	774,501	757,886	145,438	116,707	1,794,532	1,714,838
Beneficiary flats	-	43,756	-	15,004	58,760	43,793
	2,185,298	844,448	270,511	258,655	3,558,912	3,373,440
	2,451,633	1,569,116	347,547	289,962	4,658,258	4,021,665

The depreciation charge of £347,547 in the year relates to the building refurbishment.

COMPARATIVE NOTE FOR 2020

	Staff Costs £	Other Costs £	Support Costs £	2020 Total £
Raising funds				
Shop sales	-	2,722	-	2,722
Office rental costs	-	33,697	15,410	49,107
Investment property costs	-	333,630	20,066	353,696
Fundraising costs	239,758	2,942	-	242,700
	239,758	372,991	35,476	648,225
Charitable activities				
Employment Service	1,203,467	268,521	142,821	1,614,809
Appeal Order	1,031,967	538,828	144,043	1,714,838
Beneficiary flats	-	31,838	11,955	43,793
	2,235,434	839,187	298,819	3,373,440
	2,475,192	1,212,178	334,295	4,021,665

Support Costs

Included above are the following support costs, which have been allocated in accordance with the accounting policy (note 1).

	2021 Total £	2020 Total £
IT Hardware, Software and Services	83,982	79,350
Legal and Professional Services	43,513	59,829
Communications and Marketing	19,685	38,389
HR Support and Training	26,075	12,684
Other Support Costs	116,707	144,043
	£289,962	£334,295

6. NET INCOME FOR THE YEAR

	2021 Total £	2020 Total £
This is stated after:		
Depreciation	347,547	-
Rentals payable under operating leases	1,661	2,812

Auditors' remuneration:

- audit	15,437	16,115
- other services	-	-

7. STAFF COSTS AND NUMBERS

	2021 Total £	2020 Total £
Staff costs were as follows:		
Salaries and wages	2,073,691	2,112,142
Social security costs	188,614	193,572
Pension contributions	171,170	166,404
Redundancy payments	18,158	3,074
Other staff costs	69,445	58,869
	2,521,078	2,534,061

The total value of the redundancy payments in the year to 30 September 2021 was £18,158. All redundancy payments due were paid in full within the year.

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

	2021 No.	2020 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£90,001 - £100,000	1	1
£110,001 - £120,000	1	1

In connection with the higher paid employees the total employer contributions in the year to a TRBL Personal Pension plan was £27,897 (2020: £27,482).

The average number of staff employed was 73 (2020: 74) and the average number of employees (full-time equivalent) during the year was as follows:

	2021 No.	2020 No.
Estate	1.0	0.5
Appeal Order	26.1	25.8
Employment Service	25.8	26.0
Fundraising and Communications	5.9	8.8
CEO and Support	1.4	1.7
	60.2	62.8

The above staff numbers do not include home workers; their costs of £34,870 (2020: £37,037) are included above.

Key management personnel are considered to be the Senior Management Team listed on page 1. The total remuneration of key management personnel for the year to 30 September 2021 was £439,824 (2020: £442,818).

8. TAXATION

As a charity, The Royal British Legion Poppy Factory Limited is exempt from tax on income and gains falling within Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen on the charity.

9. TANGIBLE FIXED ASSETS

	Building refurbishment £	Freehold land and Property £	Plant £	Furniture and equipment £	Total £
Cost or valuation					
At 1 October 2020	4,448,653	1,601,619	439,684	32,916	6,522,872
Additions	762,868	-	-	193,978	877,754
Transfers	79,092	-	79,092	-	-
At 30 September 2021	5,132,429	1,601,619	439,684	226,894	7,400,626
Depreciation					
At 1 October 2020	-	1,346,618	439,684	32,916	1,819,218
Charge for the year	306,190	-	-	41,356	347,546
Disposals	-	-	-	-	-
At 30 September 2021	306,190	1,346,618	439,684	74,272	2,166,764
Net book value					
At 30 September 2021	4,826,239	255,001	-	152,622	5,233,862
At 30 September 2020	£4,448,653	255,001	-	-	4,703,654

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

10. INVESTMENT PROPERTY

	2021 £	2020 £
Market value at the start of the year	25,895,000	24,945,000
Revaluation	1,174,850	2,669,977
Realised value of flats sold in the year	(479,850)	(1,719,977)
Market value at end of year	26,590,000	25,895,000

Nightingale Chancellors, Chartered Surveyors, carried out a valuation on 30 September 2021 of 12 representative flats at market value on a vacant possession basis. From this, the Council arrived at an increased valuation including the other 34 flats of £1,174,850. The carrying value of the properties will be reviewed every year.

During the year, 1 flat was sold with net receipt of £479,850. In the prior year, 4 flats were sold with total net receipt of £1,719,977.

11. OTHER INVESTMENTS

	2021 £	2020 £
Market value at the start of the year	1,227,042	1,279,164
Additions at historic cost	735,625	67,774
Disposals at carrying value	(692,110)	(123,062)
Gains and losses	154,363	3,166
	1,424,920	1,227,042
Cash held as part of the portfolio	63,309	91,633
Market value at end of year	1,488,229	1,318,675
Historic cost at end of the year	1,174,664	1,034,017

	2021 £	2020 £
Investments comprise:		
Managed funds	-	625,025
Equities	954,697	438,268
Fixed interest	304,423	117,238
Alternatives	165,800	46,511
	1,424,920	1,227,042
Cash and settlements	63,309	91,633
Market value at the end of the year	1,488,229	1,318,675

During the year the decision was made to consolidate the investments with a single asset management company, Close Brothers Asset Management (CBAM).

12. STOCK

	2021 £	2020 £
Raw materials	113,253	87,533

13. DEBTORS

	2021 £	2020 £
Trade debtors	14,861	79,183
Prepayments and accrued income	133,768	204,720
	148,629	283,903

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	81,884	77,432
Accruals	58,800	69,345
Deferred income	173,789	131,887
Wages and holiday pay accrual	37,122	60,119
Taxation and social security	59,855	54,312
Pension	22,209	21,410
Amounts due to The Royal British Legion	230	-
Other	36,857	37,646
	470,746	452,151

DEFERRED INCOME

	2021 £	2020 £
As at 1 October 2019	131,887	166,777
Amounts deferred during the year	1,442,578	1,439,641
Amounts released during the year	(1,400,676)	(1,474,531)
Balances carried forward as at 30 September 2021	173,789	131,887

15. OPERATING LEASES

At 30 September 2021 there were total commitments under non-cancellable operating leases:

	2021 £	2020 £
Total commitments under non-cancellable operating leases expiring within:		
One year	1,661	2,812
Between one and five years	1,441	4,247
Total	3,102	7,059

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

	2021 £	2020 £
Total income due to The Poppy Factory as a lessor with its office tenants:		
One year	282,241	291,450
Between one and five years	615,733	135,730
Total	897,974	427,180

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds £	Revaluation reserve £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	5,233,862	-	5,233,862
Investment property	-	26,590,000	-	-	26,590,000
Other investments	-	-	-	1,488,229	1,488,229
Net current assets	268,554	-	-	1,324,912	1,593,466
Net assets at the end of the year	268,554	26,590,000	5,233,862	2,813,141	34,905,557

COMPARATIVE NOTE FOR 2020

	Restricted funds £	Revaluation reserve £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	4,703,654	-	4,703,654
Investment property	-	24,665,000	-	-	24,665,000
Other investments	-	-	-	1,318,675	1,318,675
Net current assets	232,625	1,230,000	620,334	1,328,136	3,411,095
Net assets at the end of the year	232,625	25,895,000	5,323,988	2,646,811	34,098,424

17. MOVEMENTS IN FUNDS

	1 October 2020 £	Income £	Expenditure £	Gains/(Losses) and transfers £	30 September 2021 £
Restricted funds					
Amenities and benevolent fund	78,019	-	-	-	78,019
Employment Service restricted fund	154,606	453,371	(417,442)	-	190,535
Total restricted funds	232,625	453,371	(417,442)	-	268,554
Unrestricted funds					
Investment property	25,895,000	-	-	695,000	26,590,000
Other Investments	-	-	-	-	-
Revaluation reserve	25,895,000	-	-	695,000	26,590,000
Designated funds					
Building fund	5,323,988	-	347,547	257,421	5,233,862
Employment Service fund	-	642,889	(642,889)	-	-
Total designated funds	5,323,988	642,889	(990,436)	257,421	5,233,862
General funds	2,646,811	3,032,370	(3,250,380)	384,340	2,813,141
Total unrestricted funds	33,865,799	3,675,259	(4,240,816)	1,336,761	34,637,003
Total funds	34,098,424	4,128,630	(4,658,258)	1,336,761	34,905,557

COMPARATIVE NOTE FOR 2020

	1 October 2019 £	Income £	Expenditure £	Gains/(Losses) and transfers £	30 September 2020 £
Restricted funds					
Amenities and benevolent fund	77,844	175	-	-	78,019
Capital fund	2,902,591	-	-	(2,902,591)	-
Employment Service restricted fund	79,204	418,458	(343,056)	-	154,606
Total restricted funds	3,059,639	418,633	(343,056)	(2,902,591)	232,625
Unrestricted funds					
Investment property	24,945,000	-	-	950,000	25,895,000
Other Investments	-	-	-	-	-
Revaluation reserve	25,895,000	-	-	695,000	26,590,000
Designated funds					
Fixed assets fund	963,254	-	-	4,360,734	5,323,988
Employment Service fund	-	779,680	(779,680)	-	-
Total designated funds	963,254	779,680	(779,680)	4,360,734	5,323,988
General funds	2,157,244	3,123,496	(2,898,929)	265,000	2,646,811
Total unrestricted funds	28,065,498	3,903,176	(3,678,609)	5,575,734	33,865,799
Total funds	31,125,137	4,321,809	(4,021,665)	2,673,143	34,098,424

Restricted funds

Amenities and benevolent fund	The net accumulation of the unspent donations received for the benefit of the beneficiaries of the charity.
Employment Service restricted fund	Restricted donations received specifically for employment support purposes and used for the employment service.

Revaluation reserve

Is made up of:

- The property revaluation being the difference between the investment property valuation and its historic cost; and
- The other investment revaluation being the difference between the market valuation and historical cost."

Designated funds

Fixed assets fund	The net book value of fixed assets held for charitable and investment purposes purchased through unrestricted funds. Outgoing resources comprise depreciation on these assets.
Employment Service fund	Funds designated by the Council specifically for employment support purposes and used for the employment service.

18. STAFF PENSION FUNDS

The charity made contributions of £168,679 (2020: £166,404) to a TRBL Personal Pension plan.

The assets and liabilities of the TRBL defined benefit pension scheme rest with The Royal British Legion, a separate charity registered in the UK. A number of The Poppy Factory staff were enrolled in this scheme. The Charity's contributions to this defined benefit scheme were accounted for as they fell due and all contributions were fully funded from the Appeal Order.

19. RELATED PARTY TRANSACTIONS

The Royal British Legion is the charity's major customer. They fund a contract with the charity against an agreed budget with any surplus/deficit adjusted at the end of the financial year following changes in volume or variance in costs. The total amount of income recognised during the year was £1,649,094 (2020: £1,714,838) in respect of the Appeal Order. At the year-end, £230 was payable to TRBL (2020: £35,756 payable by TRBL).

Total Donations made by Trustees to The Poppy Factory in the year was £0 (2020: £nil).

Council members do not receive any remuneration, but they are but are eligible for reimbursement of expenses. No expenses were reimbursed in 2021, or 2020.

There were no other related party transaction in the year, or 2020.

20. CAPITAL COMMITMENTS

At 30 September 2021, the charity had no capital commitments. (2020: £620,334 in relation to the building refurbishment project).

The project for the refurbishment of The Poppy Factory's premises in Richmond was approved in November 2019 and work started in January 2020. The Practical Completion date for the project was 26 October 2020.

21. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITY

	Restricted £	Unrestricted £	2020 Total £
INCOME FROM:			
Donations and legacies			
Voluntary income	418,458	779,680	1,198,138
Charitable activities			
Appeal Order	-	1,714,838	1,714,838
Beneficiary flats	-	143,652	143,652
Other trading activities			
Office rental and shop sales	-	465,730	465,730
Investments			
Investment income	175	799,276	799,451
Total income	418,633	3,903,176	4,321,809
EXPENDITURE ON:			
Raising funds			
Fundraising Costs	242,700	242,700	-
Costs of raising other income	-	405,525	405,525
Charitable activities			
Employment Service	343,056	1,271,753	1,614,809
Appeal Order	-	1,714,838	1,714,838
Beneficiary flats	-	43,793	43,793
Total expenditure on charitable activities	343,056	3,030,384	3,373,440
Total expenditure	343,056	3,678,609	4,021,665

ADMINISTRATION

NAME OF CHARITY	The Royal British Legion Poppy Factory Limited
CHARITY NUMBER	225348
COMPANY NUMBER	204405
REGISTERED OFFICE AND OPERATIONAL ADDRESS	20 Petersham Road, Richmond, Surrey, TW10 6UR

PATRON

Her Royal Highness, The Duchess of Cornwall

PRESIDENT

Surgeon Rear Admiral Lionel Jarvis, CBE DL FRCS

VICE PATRONS

Brigadier Marc A J McH Overton, TD

Dr Geraldine Strathdee, CBE MRCPsych

Holly Tucker, MBE

COUNCIL MEMBERS

Alistair Kett¹, appointed Chairman 5 November 2020

Cliff Dare MBE FRICS², appointed Vice Chairman 5 November 2020

Michael Bustard¹, JP FICPD

Linda Costello³

Krishna Dhanak³

Peter R Gill²

Major General Tim Hodgetts CBE, appointed 28 April 2021

Matthew Hubbard³

Dr Sridevi Kalidindi MBBS BSc (Hons) FRCPsych PhD CBE³

Simon Taylor²

Andrew Wishart

Julius P H S Wolff-Ingham¹

Major General Dr Andrew Sharpe CBE PhD, Chairman,
retired 5 November 2020

Andrew Truscott ACA, Vice Chairman, retired 5 November 2020

¹ Income Generation Committee

² Finance and Estate Committee

³ People and Programmes Committee

SENIOR MANAGEMENT TEAM

Deirdre Mills, Chief Executive Officer

Debbie Boughtflower, Director of Operations

Mark Louw, Finance Director

Keren Rowlands, Senior HR Business Partner

Amanda Shepard, Director of Fundraising and Communications

Jeff Short, Director of Production and The Estate

BANKERS

Barclays Bank Plc.

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Richmond TW9 1JU

Bank of Scotland

The Mound

Edinburgh EH1 1YZ

SOLICITORS

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2 Putney Hill

Putney

London SW15 6AB

INDEPENDENT AUDITOR

Saffery Champness LLP

71 Queen Victoria Street

London EC4V 4BE

INVESTMENT MANAGERS

Newton Investment Management Ltd.

160 Queen Victoria Street

London EC4V 4LA

(Until January 2021)

Close Brothers Asset Management

10 Exchange Square Primrose Street

London EC2A 2BY

The Poppy Factory

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