

POSTAL HERITAGE TRUST

England & Wales · Charity number 1102360

Details

Other names THE BRITISH POSTAL MUSEUM AND ARCHIVE

Status Registered

Legal form Charitable company

Company number [04896056](#)

Registered 2004-02-26

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

Contact

Address The Postal Museum
Calthorpe House
15-20 Phoenix Place
London
WC1X 0DA

Phone 03000300700

Email info@postalmuseum.org

Website <https://www.postalmuseum.org/>

Activities

Objects: THE OBJECTS OF THE CHARITY (THE "OBJECTS") ARE:-3.1.1 TO ADVANCE THE EDUCATION OF THE PUBLIC PARTICULARLY IN THE HISTORY OF POSTAL COMMUNICATION AND RELATED SERVICES AND OF THE ACTIVITIES OF THE BRITISH POST OFFICE AND ITS SUCCESSORS AND THE POSTAL AND COMMUNICATIONS SYSTEMS WORLDWIDE;3.1.2 TO ESTABLISH AND MAINTAIN MUSEUM(S) AND/OR ARCHIVE(S) FOR THE BENEFIT OF THE PUBLIC, AND IN PURSUIT OF THAT OBJECT;(A) COLLECT ARTEFACTS AND ARCHIVES INCLUDING POSTAL ARTEFACTS AND ARCHIVES WHICH MAY BE BRITISH OR INTERNATIONAL TO A PUBLISHED POLICY AGREED BY THE CHARITY;(B) MANAGE, DOCUMENT, CONSERVE AND SAFEGUARD THE NATIONAL POSTAL COLLECTIONS AND OTHER COLLECTIONS AND HOLDINGS TO THE HIGHEST APPROPRIATE PROFESSIONAL STANDARDS;(C) EXHIBIT, INTERPRET AND PROVIDE ACCESS TO THE COLLECTIONS.3.1.3 RESTORE, EXHIBIT AND PRESERVE OBJECTS, (INCLUDING VEHICLES AND WHERE APPROPRIATE BUILDINGS AND OTHER STRUCTURES) PARTICULARLY THOSE OBJECTS ASSOCIATED WITH THE HISTORY OF POSTAL AND RELATED SERVICES AND THE ACTIVITIES OF THE BRITISH POST OFFICE AND ITS SUCCESSORS;3.1.4 TO UNDERTAKE ANY OTHER CHARITABLE PURPOSE.

Activities: Educational Charity working to make the Royal Mail Archive and the Postal Heritage Trust collection accessible as widely as possible

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** General Charitable Purposes, Education/training, Arts/culture/heritage/science, Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** NATIONAL
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£6,299,757	£6,567,459	£12,656,311	97
2024-03-31	£5,022,870	£6,217,433	£12,924,013	88
2023-03-31	£5,194,570	£7,016,108	£14,118,577	82
2021-12-31	£4,213,530	£5,002,964	£15,940,115	78
2020-12-31	£4,659,794	£5,000,040	£16,729,549	92

Trustees

Name	Role	Appointed
Susan Jane Wilkinson	Chair	2023-12-14
Ailbhe Mary McNabola		2025-01-28
Alix Langley		2025-09-25
Andrew Adegbemi		2025-06-12
Courtney Jones		2025-06-12
Daniel Richard Wolfe		2025-01-28
Hamza Jahanzeb		2025-06-12
Jacqueline Neville		2025-09-25
Laura Anne Wright		2018-06-25
Mark Rowan Amsden		2024-06-27
Nicola Jane Koppelman		2025-01-28
Rachel Georgina Kuhn		2025-01-28

POSTAL HERITAGE TRUST

England & Wales - Charity number 1102360

Accounts

POSTAL HERITAGE TRUST
(A company limited by guarantee)
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

Charity Number: 1102360
Company Number: 4896056

POSTAL HERITAGE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

Contents	Page
Legal and administrative information	1
Trustees' Report (including Strategic Report)	2 - 16
Auditors' Report	16 - 18
Consolidated Statement of Financial Activities	19 - 20
Consolidated Balance Sheet	21
Charitable Company Balance Sheet	22
Consolidated Cash Flow Statement	23
Notes to the financial statements	24 - 40

POSTAL HERITAGE TRUST

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

Trustees

Susan Wilkinson OBE	Chair
Andrew Adegbemi	(appointed 12 June 2025)
Mark Amsden	(appointed 27 June 2024)
Paola Barbarino	(retired 27 March 2025)
Julian Barker	(retired 12 June 2025)
David Gold	(retired 25 September 2025)
Hamza Jahanzeb	(appointed 12 June 2025)
Courtney Jones	(appointed 12 June 2025)
Nicola Kopplemann	(appointed 28 January 2025)
Rachel Kuhn	(appointed 28 January 2025)
Alix Langley	(appointed 25 September 2025)
Ailbhe McNabola	(appointed 28 January 2025)
Jacqueline Neville	(appointed 25 September 2025)
Susan Raikes	(retired 12 June 2025)
Mike Russell	
Peter Walls	(retired 11 December 2025)
Daniel Wolfe	(appointed 28 January 2025)
Laura Wright	

Chief Executive Laura Wright

Secretary Lawrence Melinek

Bankers NatWest Bank
Strand
London
WC2N 5JB

Auditors Haysmac LLP
10 Queen Street Place
London
EC4R 1AG

Solicitors Bates Wells
10 Queen Street Place
London
EC4R 1BE

Registered office Calthorpe House
15-20 Phoenix Place
London
WC1X 0DA

Organisation Postal Heritage Trust is a registered charity (number: 1102360) and company limited by guarantee (number: 4896056). The charity is governed by its articles of association.

Website www.postalmuseum.org

POSTAL HERITAGE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

The trustees, who are also directors for the purposes of charity law present the annual report and the audited financial statements of the company for the year ended 31 March 2025. The Trustees' Annual Report includes both the Directors' Report and the Strategic Report for the purposes of company law.

STRUCTURE, GOVERNANCE & MANAGEMENT

NAME AND REGISTERED OFFICE OF THE CHARITY

Postal Heritage Trust (PHT) is a company limited by guarantee, company number 04896056 and a registered charity in England & Wales charity number 1102360. Its registered address is 15-20 Phoenix Place, London WC1X 0DL. The purposes and business of the company and charity are governed by the memorandum and articles of association.

ORGANISATIONAL STRUCTURE

Postal Heritage Trust (PHT) heads the group of companies which collectively are known, and trade, as The Postal Museum (TPM). Postal Heritage Collection Trust, the other charity in the group, owns the collection of historic material known as The Postal Museum Collection but otherwise, it is not engaged in any trading activities. PHT and PHCT share the same Board members. PHT manages the collection held by PHCT. PHT also owns the entire share capital of two trading subsidiaries, Postal Heritage Services Limited (PHSL), which is engaged in archive services, and Postal Heritage Trading Limited (PHTL), which engages in commercial trading. These financial statements are the accounts of PHT and the consolidated financial statements for the group. This trustees' report therefore refers to both the work of PHT and to the other constituent members of the group.

The group workforce is conventionally organised through a line management structure, set up by the Board of Trustees. The Chief Executive has an Executive Team that meets weekly. There are regular full staff meetings and team meetings for each of TPM's departments.

The Board of Trustees sets the remuneration of the Chief Executive, who in turn sets the remuneration of the senior staff in consultation with the Trustee Board's Audit and Finance subcommittee.

DIRECTORS/TRUSTEES

The Board of Trustees (the Board) is composed of up to fifteen members: ten selected by the Trust via an open selection policy, up to three nominated by Royal Mail Group (RMG), and up to two nominated by Post Office Limited (POL), both following their own internal selection policies. At present, there are nine trustees.

The Board can be added to by co-option, but at present there are no co-opted trustees. Trustees joining the Board receive a full introduction to PHT's purpose and premises. In addition to a personal briefing, they receive the trustees' handbook which includes links to the Charities Commission best practice documentation.

In 2024/25, the Board met four times, with other meetings, including conference calls, taking place as and when necessary. The following committees report to the Board: An Audit and Finance sub-committee, reporting on internal and external audit factors and risk, which meets at least four times per year; a Collections sub-committee which meets to consider issues related to the management of TPM's heritage material; a Nominations sub-committee which meets as and when required.

At the beginning of 2023-24, a decision was made to begin the process of refreshing the Board of Trustees. Many members had served longer than normal terms in order to give continuity to the museum during and after the Covid pandemic and through ongoing loan negotiations. A plan was developed, the first phase of which was the recruitment of a new Chair to replace Rick Wills, the long-standing leader of the Board. This search took place throughout the summer and autumn of 2023 with the nominations committee finally recommending, and the Board appointing, Sue Wilkinson OBE. She took up the role in the March of 2024.

Her appointment will enable the roll out of the next phase of Board recruitment, to find suitably qualified Board members proposed and inducted over a planned period of time. The Board should be refreshed in its entirety by the end of the financial year 2025-2026.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2025

The PHSL and PHTL boards of directors comprise some PHT trustees together with TPM's Head of Collections (PHSL) and Head of Commercial (PHTL). The PHTL board also includes other directors who are not trustees of PHT. There is a professional advisory board for Archive supplying external expertise in this area.

ACTIVITIES AND PUBLIC BENEFIT- MEETING THE CHARITABLE OBJECTS

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity. The public benefit delivered by the group is set out in more detail in the review below.

OUR PURPOSE

WHO WE ARE – OUR MISSION

The Postal Museum tells the story of postal communication and its impact on a global society.

WHAT WE DO – OUR VISION

We use our collection to explore stories around communication, and to inspire everyone to make richer and more meaningful connections in their lives.

OUR VALUES

- Openness
- Generosity
- Innovation
- Curiosity
- Playfulness

We will:

- Be open and generous in spirit and action
- Deliver innovation
- Communicate our stories with clarity and playfulness
- Be curious about people's stories and experiences

OUR STRATEGIC OBJECTIVES

1. We will create welcoming experiences for anybody to connect with the museum and each other
2. We will collaborate creatively to deliver content that meets our audience's needs
3. We will look after, develop and be curious about our collection to ensure the story of postal communication is relevant, inspiring and inclusive
4. We will minimize the environmental impact of our activities and communicate effectively about our environmental responsibility
5. We will develop a sustainable and dynamic business model to enable our work as a charity

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2025

REVIEW OF THE YEAR APRIL 2024 TO MARCH 2025

1. We will create welcoming experiences for anybody to connect with the museum and each other

Audience Development Strategy

Throughout 2024–25, The Postal Museum focused on delivering its Audience Development Strategy and Plan. Rooted in comprehensive research into the needs and motivations of current and potential audiences, the strategy defines our goals for deeper engagement with the public and local communities. It prioritises market development and penetration – leveraging our existing offer to attract targeted audience segments and strengthening relationships with our existing visitors. The plan outlines how we will maintain the successful elements of our current offer while improving or introducing new ones to address key barriers for non-visitors: awareness, price, and relevance.

Visitor surveys conducted onsite and online during 2024–25 indicate we are making strong progress toward these goals. 'Memory Makers with Children' has emerged as our largest visitor segment, suggesting The Postal Museum is becoming a "tried and tested" family attraction, bolstered by positive reviews and word-of-mouth. Our Net Promoter Score has remained consistently high, and satisfaction ratings are strong across nearly all areas.

Schools Programme

In 2024–25, 7,299 students and teachers visited the museum. We hosted 235 school classes, with 193 participating in a facilitated, interactive session. Demand for school visits remains high, with most term-time slots fully booked. Notably, visits from Special Educational Needs and Disabilities (SEND) schools increased to 4% of total visits.

Most school visits came from state-maintained primary schools, with 24% from independent schools. Bookings included 29 classes from Camden and Islington, and 33 from London boroughs designated as NPO Priority Places: Barking and Dagenham, Brent, Croydon, Enfield, and Newham. Our Visitor Experience Hosts support each visit, offering staff valuable experience in school engagement.

In September, we successfully renewed our Sandford Award, an independent recognition of educational excellence. The assessor praised our "excellent and enthralling learning experiences for pupils of all ages."

Teacher feedback has been overwhelmingly positive, with an average rating of 9.5/10 and strong agreement on recommending the museum. Data collected on visit financing shows an average parental/carer contribution of £11.60, which will inform the development of a schools' bursary scheme.

Highlighted teacher comments include:

"A truly wonderful visit. I was impressed with the inclusivity and all of the support and resources that were available to the children."

- *"The children absolutely loved it... led by the museum in a wonderfully charismatic and helpful way."*

We completed delivery of the Sorting Office Maths Challenge, funded by The Postal Trust, engaging 1,285 students (ages 4–7) through 26 museum sessions and 18 in-school outreach sessions, including visits to schools in Newham and Brent.

We also received £28,215 from A New Direction to deliver The Jolly Postman show to 10 London primary schools. The programme reached 459 students and 87 staff, with 100% of participating schools visiting TPM for the first time. Feedback was highly positive, with many schools incorporating postal themes into their term plans.

An additional £9,800 from Royal Mail Group enabled free virtual Jolly Postman sessions for 60 schools, reaching 1,693 students across the UK, including in Brent, Somerset, Tyne & Wear, and the West Midlands.

Our Home Educators Programme engaged 787 adults and children across 10 themed days. A new maths-themed day received particularly good feedback.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2025

Family Programme

In 2024–25, our family programming—including school holiday events, off-site workshops, and activities—reached 11,625 participants. Feedback was especially positive regarding the support provided by staff and volunteers, with many families highlighting the quality, inclusivity, and intergenerational appeal of the activities. The programme earned a nomination for the Kids in Museums Best Family Museum Award.

Highlights include:

"The assistants were incredible with the kids, and the activities were brilliant!"

- *"Really appreciate the adaption of activities for different ages."*
- *"It was impressive to see the intergenerational connections created by these mindful, shared experiences."*

New engagement methods were trialled in the Mail Rail depot, creating a flexible and playful environment. Families enjoyed both open-ended and structured activities, with some staying for over an hour:

"My grandson doesn't normally do arts and crafts, but he's stayed here for two hours and made five pieces of artwork."

Highlights included:

February half-term: Reached 2,365 visitors in one week.

- October half-term: Piloted a new delivery model inspired by our Black-owned greetings card display case, deepening collaboration and co-production.
- Sustainability: Most activities used recycled or reusable materials.

Our summer 2024 programme was delivered in partnership with OKIDO, a STEAM magazine and CBeebies series. Featuring a themed trail and facilitated activities inspired by the museum collection, the programme reached 4,152 participants, with ~4,000 engaging in the trail. Feedback from visitors and OKIDO was excellent.

Early Years Programme

2024–25 marked the final year of Post and Play, our early years initiative funded by John Lyon's Charity. We delivered 72 sessions attended by 2,294 children and carers – 670 of whom were Camden residents. Families frequently praised the quality of resources and staff engagement.

We also piloted 'Post and Play Out and About' sessions in three Camden Children's Centres, reaching 176 people. These low-cost, postal-themed activities were designed for replication at home and reached families who were largely unaware of the museum.

Ahead of funding completion, we are collaborating with University of East London academics to evaluate the project and shape the future of early years programming.

Staff Support

Back in 2021/22, with the help of the external facilitators, the museum worked out our key definitions of Equity, Equality, Diversity and Inclusion (EEDI). To progress this work and to embed these definitions further a series of workshops for non-managers was arranged following the sessions delivered to all managers the year before. The highlight was the new EEDI policy, which was promoted by the EEDI group. Several sessions were also arranged with Prospectus on LGBT+ allyship. The group supported the survey on inclusive language and supported other teams with their work. Some of the members took part in several events arranged through the Inclusive Business Network Camden and shared information with others.

Organisational Learning has been a focus for the People and Culture Team, combining efforts in different areas of work, such as aligning HR practices/policies with the museum's strategic direction and our values, establishing close cooperation and a dialogue with staff and managers, and planning a more strategic and budget conscious training approach.

The management training programme is ongoing, and we are looking for the ways to bring some new elements to the course. Managers are also consulted on various subjects and thematic discussions have been arranged.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2025

We were proactive and efficient in responding to the legislative changes regarding preventing sexual harassment in October 2024.

The next focus is on creating a Flexible Working Policy to provide an inclusive and fair framework for everyone, building on our existing hybrid working arrangements. The staff number is stable after recovering following the pandemic.

2. We will collaborate creatively to deliver content that meets our audience's needs

Community Engagement and Participation

In 2024, we welcomed two new Community Programme Producers, who began building strong partnerships with underrepresented groups in Camden and Islington. Our Community Open Days engaged 1,094 local residents, and five Postal Worker Open Days reached 1,525 participants.

The Community Access Scheme enabled 23 local groups to join as members, reducing financial barriers and broadening access to learning opportunities.

We have developed trusted relationships with postal workers across departments, enabling future engagement through outreach, meetings, and event participation.

The Voices of Resistance exhibition allowed us to pilot collaborative approaches involving academics, community researchers, and groups with cultural ties to the Caribbean. Through co-produced outputs, participants deeply shaped the exhibition content:

- *"The workshops made me reflect on the resilience and strength of women during the slave trade period."*
- *"The project brought diverse cultures together to explore themes of food, resistance, and freedom."*
- *"Preserving culture gives me a sense of belonging and purpose."*

Access Programme

Our Post Early relaxed events reached 1,070 people in 2024–25. Shaped by consultation, observation, and benchmarking, the events received highly positive feedback:

"I was so impressed by how accommodating and supportive the staff were. It felt like a celebration of neurodiversity!"

New permanent sensory resource trolleys, co-produced with our Access Champion, have removed barriers and empowered visitors to tailor their own experience. Improvements to the Mail Rail depot tested in family programmes were successfully adapted for autistic and neurodivergent visitors.

We also delivered:

Audio-described tours for 12 blind/visually impaired visitors.

- BSL tours for 54 D/deaf visitors.
- BSL storytelling at outreach events, reaching 80 D/deaf and hearing families.

These initiatives contributed to a Kids in Museums Best Accessible Museum Award nomination.

Projects and partnerships

In May 2024 we marked the culmination of a major research and engagement project developed in partnership with King's College London and partners from other UK Universities. Addressing Health looked at health and mortality in the Victorian Post Office and was developed over several years. A celebration event took place where all partners presented their findings.

A new partnership was developed with the University of Huddersfield to explore postal connections with India, and this will be explored more fully during the coming year. An initial conversation also took place with the Open University to consider a project celebrating the letter in literature and possibly culminating on a joint conference.

The team supported the annual Post Office Art Club exhibition, attending their exhibition launch for the first time.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2025

Work in partnership with other museums included support given to the Porthcurno Museum of Global Communications for a funding application they were making and hosting to a visit by the Director of the US National Postal Museum.

3. We will look after, develop and be curious about our collection to ensure the story of postal communication is relevant, inspiring and inclusive

Exhibitions

The Dressed to Deliver exhibition ran from October 2023 to February 2025, exploring postal uniforms across 200 years. It featured original garments, dressing-up stations, crafts, and interviews with Royal Mail staff. The exhibition received extensive media coverage and excellent visitor feedback:

- 95% rated it 'Excellent' or 'Good' overall.
- 94% rated its design and quality of experience as 'Excellent' or 'Good'.
- 9% of visitors were aware of the exhibition before attending; for 1%, it was the main reason for visiting.

Collections

A major area of focus in 2024-25 continued to centre on research linked to the Royal Mail Steam Packet Ship Company and their links to the Caribbean. This has been a long-term research project led by the Curatorial team and feeding into the new exhibition opening at the end of this reporting period. In November 2024 a second visit was made to the Caribbean Island of St Thomas to develop the relationship with the community partners and undertake filming that would be used in the exhibition. Approaches have been made to lenders to borrow material from several institutions to enrich the display and fill gaps in the story from the Museum's own collection. Material for the exhibition was signed into the conservation and digitisation studios to prepare this in readiness for display and to support the exhibition design process.

In June two members of the team attended the opening of a refurbished memorial garden to the fallen of the postal service from the two world wars. The museum's collection was used to provide images to be incorporated into the memorial.

Significant milestones were reached in the year with digital collecting. The new digital preservation system was configured and in June the first material was preserved in the system. Through the year more material was added, with the aim of transferring all digitally born collection material into the system by the end of 2025.

The Collections team worked during the year with the Post Office IT Public Inquiry team, both in ongoing support to the Inquiry though access to archival documents and with the Public Engagement team. The Museum agreed to work with the engagement team on a Horizon Scandal legacy project and committed to supporting the telling of this story through the collections.

In October a full conservation survey and condition report was completed on the Travelling Post Office which is on display in Norfolk. Plans were made to change the exhibition associated with this during the following year.

The conservation team began a project to undertake a more detailed study on the registration sheets of the Penny Black, held within the Archive. Conversations took place with the Victoria and Albert Museum and the National Archives to work with their conservation science teams to undertake the first ever detailed conservation science assessment of these items.

Following changes to the curatorial team we re-prioritised collections care work at the Museum's off-site store. A dedicated collections care day was planned and work identified to form a series of collections management and collections care days to be diarised over the coming months.

In March the Museum was represented at the unveiling of the first new letter box to bear the cypher of King Charles III in Wales. The team also supported the ongoing management of Royal Mail's letter box estate via the working group that helps to safeguard historically significant letter boxes around the UK.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2025

The team supported other parts of the organisation with events and programmes including delivering audio described tours, Royal Mail open days and relaxed openings for a neurodiverse audience.

The oral history collection was added to in the year with investment in new equipment and new recordings being undertaken. Amongst the interview to be carried out were some with former staff on the Post Office Railway. These interviews are key to the Museum's Enhancing Mail Rail project which will be delivered in the following year.

Online engagement

Online engagement continued to grow, with sessions on the museum's website reaching over 1,335,000, up from just over a million the previous year. As ever most of these visits were to the homepage and Visit pages, driven by rising awareness of the museum amongst our target audiences. However, interest in our online content also grew with almost 235,000 visits to the blog, an increase of around 30,000 compared to 2023-4. Our digital content, developed through cross-departmental collaboration, covered a wide range of topics, with the bulk of content centred around:

- Postal uniforms, supporting the Dressed to Deliver exhibition, which ran until February 2025.
- The Meet the Maker series of interviews exploring diverse representation in postal design, from greetings cards to stamps.
- Stories from the collection, such as WWII letters between sweethearts, queer letters from Victorian Britain or how our curators care for and identify objects.

Additionally, a continued focus on video content has driven further growth in social media reach and engagement. We took the decision to move away from X (formerly Twitter) and refocus our efforts on TikTok, Instagram and Meta, developing platform-specific content for each and responding to trends. The pneumatic tube, a popular interactive at the museum, continued to drive high views on TikTok, along with rare and unusual treasures from our archives – a number of which went viral. All of this led to remarkable year-on-year increases of over 300% in both reach and engagement metrics on Instagram, and over 350% in TikTok engagement (with a 200% increase in reach). Meanwhile Facebook reach also more than doubled, with engagement increasing by 40%.

4. We will minimize the environmental impact of our activities and communicate effectively about our environmental responsibility

Framework Progress – 2024 Carbon Emissions and Carbon Reduction

On 22nd April 2025, Earth Day, the museum published its carbon footprint results for 2024 – <https://www.postalmuseum.org/news/environmental-sustainability-2024/>. The work to undertake the calculations took place January to March 2025.

The results, calculated by consultants Eight Versa and audited by Natural Carbon Solutions, showed an overall reduction in the museum's carbon footprint by 190 tCO₂ emissions. The reductions across scopes one, two and three were:

- Scope 1 (gas consumption) by 40 tCO₂ emissions.
- Scope 2 (electricity consumption) by 96 tCO₂ emissions.
- Scope 3 (purchased goods & services) by 54 tCO₂ emissions.

Overall, the museum is ahead of its 2024 carbon reduction pathway target by 130 tCO₂e. The reductions can be attributed, but not limited, to:

- 100% of the energy generated via solar panels going back in to running the museum.
- The changes to the museum's operational model compared to 2019.
- 100% of the electricity supply is via renewable sources.
- Purchasing items from the UK, e.g. guidebooks, no longer shipped from Europe or Asia.
- Improved recycling, especially that waste generated is not sent to landfill but recycled.
- Improved controls and updating the BMS.
- Revised packaging designs for retail products and increased volumes of wooden products in the children's ranges.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2025

Working Group (ESW)

The group's Chair continued to meet with teams and departments across the museum to support the process of reviewing the sustainability action plan.

All members completed the Carbon Literacy Training in March (delivered in partnership with The London Transport Museum and Museum Development London). As part of the certification process, each attendee has committed to group and individual actions. These were collated and will be on the agenda during each ESW group meeting.

To support future Carbon Literacy training for museum staff, a member of the working group who represents Education, Access & Learning will be attending a 'train the trainer' session.

The Collections team are currently experimenting with timings on the building management system (BMS) to reduce the use of plant to control collection spaces, whilst maintaining good collection care standards. This is being trialled and will be fully studied over the coming months to be reported on via the ESW group and Collections Subcommittee. A more detailed report will be provided to the Board in future.

The Senior Visitor Experience Manager and Visitor Experience Hosts developed a 'Green Calendar' to highlight national dates of significance that aim to raise awareness of environmental sustainability initiatives. The group filter relevant dates and share with these with museum staff via the staff memo and SharePoint site.

5. We will develop a sustainable and dynamic business model to enable our work as a charity

- We continued the roll-out of our 3-year Marketing and Communications Strategy, underpinned by the Audience Development Strategy, focussed on driving visitors and increasing online engagement.
- We continued to roll out and evolve a new brand campaign for the museum's advertising, to target growth and core audiences.
- We exceeded targets for visitor numbers and income.

Marketing and Communications Strategy

The strategy for 2023-26 delivers against the objectives of the museum's Forward Plan and incorporates audience aims and insights from the Audience Development Strategy and Plan, to transition to a sustainable long-term visitor model. It recognises and capitalises on our position as a new museum with ample opportunity to improve recognition within existing audiences and centres relevance to audiences to position the museum as knowable, welcoming, and accessible. The strategy takes a digital-first approach to campaigns with joined up Marketing and PR. Digital-first means we will prioritise digital activity supported by traditional marketing and PR, which plays an important part in the campaign mix.

We continued to roll out the brand campaign creative, 'A ride for their imagination,' which was developed the previous year. This creative can be adapted for both family and adult targeted ads and includes digital and video, offering a versatile suite of advertising assets with broad appeal and longevity.

Operations and Ticketing

At the end of 2024-25, visitor numbers were 6% greater than forecast and this can be attributed to increasing capacities across timeslots, greater understanding of audiences needs and continuing to open seven days per week during holidays. The museum's net promoter score of 67.2 is considered excellent (score above 50).

The Visitor Experience and Booking Support teams continue to improve existing procedures to provide excellent visitor experience and satisfaction. This includes ongoing recruitment and training to upskill the team to undertake various tasks such as ticketing, delivering talks and tours, driving the trains and provide queue engagement during peak periods when queuing times increase. The teams also contributed to the development of Customer Behaviour Guidelines to improve confidence in professionally managing difficult situations; this included participating in workshops and follow-up training. The team worked towards re-introducing cash to the operation.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2025

The Estates Team has overseen the successful completion of several major projects. This included roof repairs to the museum building, the replacement and remedial works to the Mail Rail sliding door, return to service of the upper fire fighter lift, battery replacement to the trains, implantation of health and safety software and reporting, and a major update to the building management system. Additionally, all planned preventative maintenance to the trains, tracks, heating and ventilation systems was completed for the year. A Health & Safety audit took place in March, and the team developed an action plan to commence the work from April 2025 onwards. addressing the high-priority items.

2024-25 was another successful year for the Retail Team. Revenue for the year increased over 11% compared to the previous year. Except for April and October 2025, every month outperformed the same month in 2023, and in December the highest average transactional value was achieved since opening the museum in 2017. The team, in partnership with an eco-fashion brand, launched an exclusive range of bespoke bags that were created using recycled Royal Mail trolley sleeves, improving online and onsite sales. Additionally, to support the Voices of Resistance exhibition, a new range was developed that represents the exhibition's content – the range is carefully considerate to the sensitivities of the exhibition.

The Venue Hire and Sales team generated circa 27% more revenue than in 2023 - notably the Christmas period's sales increased by 100%. Data collection improved greatly and has helped us to understand the profile of the year and the types of clients and events that took place – this supported budget and business planning for 2025-26. Operational and procedural standards were also improved to ensure that clients received an excellent service, whilst supporting staff to plan and deliver events more effectively.

Following the appointment of a new caterer in May 2024, revenue increased approximately 5% compared to the previous year and exceeded the forecasted budget by £10k. This resulted in a 20% increase in the commission received by the museum compared to 2023. The service continues to be good; however, improvements are required to the speed of service, and the café furniture.

Fundraising

The museum secured significant grants and donations in 2024-25 alongside our continued support from Royal Mail Group and Post Office Ltd.

- In March 2024, £400,000 of support from Arts Council England Capital Investment Fund was secured subject to meeting specified criteria, towards the Enhancing Mail Rail project. The project commenced in 2024, and by the year-end, the museum was able to claim £295,239 of this grant.
- It was reported last year that the museum had been awarded a grant of £600,000 from the Post Office Remembrance Fellowship. By the year-end the museum had met the criteria and received £450,000.
- The second year of the museum's three-year support, totalling £150,000 as an Arts Council England National Portfolio Organisation was received.
- Over £7,000 was raised through the museum's ongoing Support a Sleeper fundraiser for individuals.
- £13,700 received from two unexpected legacy donations.
- Over £16,000 from generous individuals who have supported our work.

We thank all our supporters, named and anonymous, for their generosity to the museum.
No complaints have been received in respect of fundraising.

FINANCIAL REVIEW

Reserves

Postal Heritage Trust's reserves position is under constant monitoring and management. The general policy of the Trustees is to maintain on average, around five months' worth of unrestricted operating expenditure plus foreseeable capital commitments as working capital in the form of unrestricted cash, to safeguard The Postal Museum's efficient running and its ability to meet current commitments and to provide stakeholders with assurance about its financial resilience. The nature of the timing of voluntary funding receipts based on agreements with Royal Mail Group and Post Office Ltd, means that this is not always the case but the agreements themselves provide comfort that the museum can

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2025

continue its normal operations. The reserves policy will be kept under regular review to ensure the museum has sufficient resources to continue to meet its strategic aims and objectives.

At the period end, the unrestricted cash balance of £1,929k (2024: £1,780k) represented about 4 months of budgeted operating expenditure and planned capital commitments for financial year 2025/26. The restricted fund cash balance was £345k (2024: £40k). The cash balance at the end of March is always a low point in the museum's funding cycle, and large receipts from both Royal Mail and Post Office for donations and the archive services agreement are due in April. The reported cash balance at year-end is not considered by trustees to be a cause for concern.

Of the total funds of £12,656k (2024: £12,924k) at the year end, £864k (2024: £121k) were restricted and £11,792k (2024: £12,803k) were unrestricted, £11,497 of which was designated, as detailed below. The designated funds represent the net asset valuation following completion of the capital project.

Overall, the museum made a deficit of £268k (2024: £1,195k deficit) for the 12-month period after the depreciation provision of £1,033k (2024: £1,040k). Excluding depreciation there was a surplus of £766k (2024: £155k deficit).

Restricted funds

- Funds represented by the book value of the Collection held by PHCT: £81k (2024: £81k).
- Funds held for the digitisation of Post Office records which was £6k at year end (2024: £6k).
- The Post and Play programme ended the period with a net balance of £13k (2024: £16k).
- Jolly Postman virtual sessions ended the year with a balance of £11k (2024: £5k).
- The new Jolly Postman Show holds a balance of £3k.
- A gift of £5k was received from a patron for the purpose of renovating museum interactives.
- Capital funds of £745k were received towards the Enhancing Mail rail project.

Unrestricted funds

Designated funds

- Funds designated related to fixed assets and The Postal Museum capital project: £11,497k (2024: £12,511k).

General funds

- General unrestricted funds: £295k (2024: £292k). As the museum in effect, is still a relatively new start-up, we are in the process of experimenting and developing services and processes. The stated aim is to build on the successful launch and generate reserves to establish long term sustainability. This involves the development of strong partnerships with key stakeholders including Royal Mail Group and Post Office Limited.

Analysis of the funds detailed above in terms of their representation is as follows:

	General £	Designated £	Restricted £	Total £
Fixed Assets	2,369,250	16,493,123	519,098	19,381,471
Net Current Assets/(Liabilities)	(2,074,234)	876	345,254	(1,728,104)
Long term liabilities - loans	-	(4,997,056)	-	(4,997,056)
	295,016	11,496,943	864,352	12,656,311

Cash flow

As can be seen on the cash flow statement on page 23 the cash balance at the financial year end had increased by almost £455k to £2,274k. This net cash inflow was expected.

Related parties

Postal Heritage Trust (PHT) was formed from the Heritage Services department of Royal Mail in 2004, from whom it received fixed assets and staff.

Royal Mail Group (RMG) originally nominated two members on the Trust's board upon foundation, and, like Post Office Ltd., (POL) retains the right to nominate at least one board member.

Both RMG and POL have Funding Agreements to 2040 which provide the charity with funds for the general purpose of meeting its charitable objectives. This amounted to £1.56m in the 12 months to 31 March 2024 (2024: £1.53m). They have also transferred some of their intellectual property rights to the group.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2025

POL and RMG have an Archive Services Agreement with PHT via its trading subsidiary, Postal Heritage Services Ltd (PHSL), which provided the latter with £1,077k of income over the 12 months to March 2024 (2024: £1,057k), for the purpose of maintaining, and providing public access to the RMG /POL archives. This agreement runs until 2040.

Postal Heritage Trust (PHT) and the Postal Heritage Collection Trust (PHCT) are under joint control of the board of trustees. PHCT is a company limited by guarantee. It is a holding entity into which the Royal Mail Museum Collection was transferred on 29 March 2004.

Principal risks and uncertainties

Principal risks

The primary risk is the ability to resolving satisfactorily the historical loans relating to the capital project made to The Postal Museum by Post Office Ltd and Royal Mail. The Postal Museum has signed a Heads of Terms agreement with RM and POL. This document and other details are being reviewed by all connected parties to the original loan agreements. Trustees are viewing this in a positive light and, although some details require further clarification and possibly some amendment, they are in the firm belief that this document is the basis of a viable agreement to secure the museum's long-term future. Pending the outcome of further discussions, neither RM nor POL have indicated any intention to enforce the original loan terms within the next 12 months from the signing of these accounts. Trustees are therefore taking the view that the risk of the museum not being considered as a going concern has been substantially mitigated against.

Trustees consider that the other main risk over this period relates to cash. They are assured by the projected £1.6m cash balance at the end of March 2027 and the projected budgets and cash flow as outlined above provided that agreement can be reached on renegotiating the repayment terms of the loan. Currently the loans are classified in these accounts split between being due within one year and due within more than one year as, whilst the initial terms and conditions were breached as at the year end date, neither RM nor POL have sought repayment of the loan up to December 2024. Additionally, they are reassured by the tight spending controls that the museum has demonstrated since 2018, including a revised operating model which tightly manages third-party contracts in-house and the levers that the museum can pull to increase at quick notice the capacity of the museum, thus driving admissions income.

The Postal Museum's operational risk profile can be measured against its dependence in a normal year of operations, on income from the following income streams: 28% from admissions income, 45% from fundraising, 18% from services and 9% from commercial activity. The major risks associated with each are as follows:

Admissions Income – The principle financial risks to admissions income are the reliability of the Mail Rail attraction, including the trains, and the demand for tickets from the public. The visitor profile is understood and train reliability is very good, so these risks are rated as "low" in the TPM risk register. TPM's reputation is also a key factor in attracting visitors, centred on its ability to meet legal standards, and in particular, health, safety, and security obligations.

Fundraising – Much of the fundraising target has been secured through long term agreements with RM and POL but that still leaves a significant sum to be raised each year from various sources. A shortfall in fundraising income is rated "low" in the TPM risk register following mitigating actions. A membership scheme was introduced in 2019 to help build long term loyalty across a broader donor base. No complaints were received in respect of fundraising.

Commercial Income – This income derives from three components: Retail, Food & Beverage (F&B) and Events. F&B is the smallest component and is considered to be of low risk. Retail performance is dependent on a combination of forecast attendance and spend per head being achieved. The novelty of the TPM sites is an attraction for our Events operation, but attracting new business has proved to be very challenging in a post-Covid setting with a high inflation economic environment. Based on expected value, the performance of the Events offer is rated "medium" in the TPM risk register.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2025

Services Income – This mainly derives from our management of the archives and public records of both POL and RM. These services are governed by and funded through a long-term agreement, and so the principal risks relate to failure to deliver services to the defined SLA's and/or loss or damage to the collections; both these eventualities are rated as "low to moderate" risks due to their likelihood of failure following mitigating actions.

Cyber risk

In addition to the above-mentioned risks, the Postal Museum is in the process of safeguarding itself against the risk and consequences of a cyber-attack. Measures being taken include physical, electronic and staff training.

Risk management

The Audit & Finance Sub-Committee oversee the risk management process. The TPM Risk Registers are reviewed by the executive team on a periodical basis with a highlight report being provided to the full Board following each review. The Audit & Finance sub-committee aims to review the full set of registers at least quarterly.

The trustees have considered the financial position of the museum in great detail and note the following:

Lookout period

The strategy and direction of the museum has been outlined in the Forward Plan, the current version of which runs through to 2029. Sitting alongside this is a detailed cash flow projected to the end of financial year 2025/26 with further projections for the next 10+ years. Cash flow projections take account of assumptions concerning projected visitor numbers and future programming. Planned content to be shown within the museum alongside digital and virtual delivery, developed alongside an Audience Development Plan, gives the Trustees confidence that audiences will be attracted to interesting and relevant displays, blogs, talks and events.

This strategy has been strongly endorsed by various funding bodies who generously supported The Postal Museum since opening and especially through the pandemic in 2021 and 2022. External funding from a variety of sources is expected to continue for the foreseeable future. This strategy was reinforced by the award of National Portfolio Organisation (NPO) status by Arts Council England (ACE) covering the 3 years ending March 2026, with a further one year extension granted in April 2024 and another one year extension granted in March 2025. There is a realistic expectation that this will continue for further funding rounds.

Supporting analysis

The Trustees, through the delegated responsibility of the Finance and Audit Committee, regularly review budgets, reforecasts, and cash flow scenarios along with underlying assumptions and risks. Scenario planning underpins the budgets set with constructive challenge coming through committees and the Board. Trustees receive regular updates from the Executive Team which make clear the actions that can be taken to mitigate against any downturns by reducing expenditure at relatively short notice and by avoiding any unnecessary long term large financial commitments. They are also assured of the entrepreneurial nature of the organisation through reports on income generating activities.

Going concern

As is reported in note 1b on page 24, the trustees have considered the charitable group's forecasts and projections for a period of 15 months from the approval of the financial statements. After making enquiries, the trustees have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future, a minimum of which is a period of twelve months and, subject to the non-enforcement of the loan repayment obligations and in light of the draft agreement to restructure the loan. The charity continues to adopt the going concern basis in preparing its financial statements. The Trustees consider that the conditions described in respect of the historical loans as mentioned above, constitute a material uncertainty which may cast doubt over the charitable company's ability to continue as a going concern although substantially mitigated by the Heads of Terms agreement referred to above. The working assumption is that this agreement will be formalised in the form of binding contracts.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2025

Trustees are clear that The Postal Museum continues to be a going concern despite the hitherto absence of a permanent agreement with Royal Mail Group Ltd and Post Office Ltd to resolve the historic loans. Both lenders have indicated in a series of meetings and the signed Heads of Terms agreement, that their preferred outcome is for the Postal Museum to continue to exist, and neither has given any indication of any intention to call back the loans in accordance with their contractual rights. Trustees expect a satisfactory outcome.

FUTURE PLANS

Audience

In 2025, we will continue to implement our Audience Development Strategy and Plan which, using the findings from our audience segmentation and audience research, will guide our strategic approach. The plan will be supported by the 3-year Marketing and Communications Strategy, a Commercial Strategy and a Community Engagement Strategy and Plan, which will deliver the aims of audience development.

Jolly Postman 40th Anniversary Programme

Launching in February 2026, it will feature a special exhibition, licensed by Penguin Random House. Jessica Ahlberg has agreed to lend archive materials. Family-friendly experiential designers will be engaged to bring the story to life.

Community Engagement

In 2025–26, we will co-produce a Community Engagement Strategy and Action Plan through creative consultation and continue the Voices of Resistance legacy work. We will also pilot outreach with postal workers in Swindon to better represent the national story.

Content

Research for the forthcoming year will continue to be driven by the Voices of Resistance exhibition. New research will be undertaken into Sir Rowland Hill's time in South Australia in the 1840s in a senior role with the Post Office. We will also begin research into the Windrush generation and their links to the postal service.

Work to expand the Museum's collection related to the Horizon IT scandal is also a focus for next year. As part of the partnership with the Public Inquiry Engagement team, the team will explore how this story can be told through the collections, and in outputs such as exhibitions, redisplays and publications.

The team will work towards opening the offsite museum store, readying the site for visits from the public, by refreshing the signage and interpretation.

Voices of Resistance

Slavery and Post in the Caribbean launches April 2025, exploring how British postal ships enabled enslavers to manage plantations via the postal service, and how despite the Slavery Abolition Act in 1833, British postal ships continued to benefit from enslaved labour.

Enhancing Mail Rail

Installation of audio-visual hardware and fit out begins in June 2025, with content development running through the year. Completion is expected by January 2026.

Visitor Experience

The team will develop tours and talks that support the exhibition and enhance the existing tunnel tours.

Estates are focussed on completing the Health and Safety audit actions as per the priority timelines. A fire risk assessment will also be completed and an action plan developed. Planned preventative maintenance is successfully delivered and a similar plan for reactive and cyclical maintenance is needed; software/applications to support this work will be explored and tested.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2025

The Retail team will be recruiting a new Assistant who is dedicated to working in the onsite shops to drive visitor engagement and conversion to generate more income. The Mail Rail shop is due to be refitted to ensure it matches the aesthetics of Mail Rail and drives conversion and revenue. The team will develop a range for the next temporary exhibition (The Jolly Postman), focussing on improving the online shop to generate more revenue and implementing environmentally sustainable initiatives that support the museum to achieve its net-zero goals.

The events team will be developing new standard operating procedures and training to staff who work during events and birthday parties. In collaboration with Marketing & Communications, we will develop a marketing plan for driving venue hire sales, birthday parties and other opportunities e.g. breakfast and daytime meetings. A supplier tender is also planned, to ensure that an updated approved supplier list is available.

Statement of Trustees' Responsibilities

The Trustees (who are also Directors for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable Company and the group and of the movement in funds, including the income and expenditure, of the charitable Company and group for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

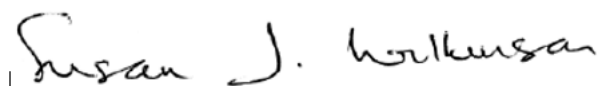
In so far as we are aware:

- There is no relevant audit information of which the charitable Company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

In making its decisions, Trustees have had due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

On 19 November 2024 the company's auditor changed its name from Haysmacintyre LLP to HaysMac LLP.

This report, which includes both the Directors Report and the Strategic Report for the purposes of company law was approved by the Board on 11 December 2025 and signed on their behalf by:



Susan Wilkinson
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
POSTAL HERITAGE TRUST
FOR THE YEAR ENDED 31 MARCH 2025

Opinion

We have audited the consolidated financial statements of Postal Heritage Trust for the period ended 31 March 2025 which comprise the consolidated statement of financial activities, the consolidated and company balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2025 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 group 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.

Material uncertainty relating to going concern

We draw attention to note 1b in the financial statements, which indicates that Postal Heritage Trust has defaulted on its loan repayment obligations and, whilst assurances have previously been obtained from the lenders that they will not enforce debt recovery these assurances are not legally binding and have expired. As stated in note 1b, the trustees expect a satisfactory resolution to current negotiations with the lenders, but these have not concluded at the date of the approval of the financial statements. These matters indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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 Trustees' Report. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

POSTAL HERITAGE TRUST

FOR THE YEAR ENDED 31 MARCH 2025

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 strategic report and the directors' report prepared for the purposes of company law) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees and Strategic Report have 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee and Strategic Report (which incorporates the strategic report and the directors' report prepared for the purpose of company law).

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on pages 16, the trustees (who are also the 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group/charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to registered charities, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and other factors such as income tax, payroll tax and sales tax.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

POSTAL HERITAGE TRUST

FOR THE YEAR ENDED 31 MARCH 2025

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to areas of estimation uncertainty and to manual accounting journals. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing manual journals, in particular unusual any unusual items; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located 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.



Jane Askew (Senior Statutory Auditor)

16 December 2025

For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London EC4R 1AG

POSTAL HERITAGE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2025

		2025 Unrestricted	2025 Restricted	2025 Total	2024 Total
	Notes	£	£	£	£
INCOME					
Donations and legacies					
Donations & Grants - Royal Mail Group Ltd	4	1,563,526	-	1,563,526	1,524,968
Donations & Grants - Other	4	446,373	807,154	1,253,527	445,689
Income from Charitable activities					
Admissions and membership		1,746,844	-	1,746,844	1,431,518
Outreach and exhibitions		58,494	-	58,494	59,409
Income from other trading activities					
Income of trading company - PHSL	6	1,106,781	-	1,106,781	1,089,640
Income of trading company – PHTL	6	533,305	-	533,305	451,319
Other income		18,122	-	18,122	7,902
Investment Income		19,158	-	19,158	12,425
TOTAL INCOME		5,492,603	807,154	6,299,757	5,022,870
EXPENDITURE					
Charitable activities:					
Operation of The Postal Museum	5	2,482,732	-	2,482,732	2,363,822
Collections	5	886,963	4,000	890,963	845,356
Outreach and exhibitions	5	598,223	69,694	667,917	646,810
Costs of raising funds:					
Expenses of charity – PHT	5	888,902	-	888,902	846,042
Expenses of trading company - PHSL	5	1,133,471	-	1,133,471	1,080,530
Expenses of trading company – PHTL	5	503,474	-	503,474	434,873
TOTAL EXPENDITURE		6,493,765	73,694	6,567,459	6,217,433
Net (expenditure)/income		(1,001,162)	733,460	(267,702)	(1,194,563)
Transfer between funds		(9,712)	9,712	-	-
NET MOVEMENT IN FUNDS		(1,010,874)	743,172	(267,702)	(1,194,563)
Funds brought forward		12,802,833	121,180	12,924,013	14,118,576
FUNDS CARRIED FORWARD		11,791,959	864,352	12,656,311	12,924,013

There were no recognised gains and losses other than those shown in the above Statement of Financial Activities. All income and expenditure of the period was derived from continuing activities. The comparative Consolidated Statement of Financial Activities on page 20 shows the 2024 split between funds.

The notes on pages 24 to 40 form part of these financial statements.

POSTAL HERITAGE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2024 (comparative)

		Year to Mar 2024 Unrestricted	Year to Mar 2024 Restricted	Year to Mar 2024 Total	15 Months to Mar 2023 Total
	Notes	£	£	£	£
INCOME					
Donations and legacies					
Donations & Grants - Royal Mail Group Ltd	4	1,524,968	-	1,524,968	1,611,991
Donations & Grants - Other	4	386,629	59,060	445,689	382,650
Income from Charitable activities					
Admissions and membership		1,431,518	-	1,431,518	1,265,626
Outreach and exhibitions		59,409	-	59,409	82,808
Income from other trading activities					
Income of trading company - PHSL	6	1,089,640	-	1,089,640	1,327,116
Income of trading company – PHTL	6	451,319	-	451,319	498,399
Other income		7,902	-	7,902	21,148
Investment Income		12,425	-	12,425	4,832
TOTAL INCOME		4,963,810	59,060	5,022,870	5,194,570
EXPENDITURE					
Charitable activities:					
Operation of The Postal Museum	5	2,350,872	12,950	2,363,822	2,522,348
Collections	5	845,356	-	845,356	901,867
Outreach and exhibitions	5	610,185	36,625	646,810	690,678
Costs of raising funds:					
Expenses of charity – PHT	5	846,042	-	846,042	913,430
Expenses of trading company - PHSL	5	1,080,530	-	1,080,530	1,369,087
Expenses of trading company – PHTL	5	434,873	-	434,873	618,698
TOTAL EXPENDITURE		6,167,858	49,575	6,217,433	7,016,108
Net (expenditure)/income		(1,204,048)	9,485	(1,194,563)	(1,821,538)
Transfer between funds		-	-	-	-
NET MOVEMENT IN FUNDS		(1,204,048)	9,485	(1,194,563)	(1,821,538)
Funds brought forward		14,006,881	111,695	14,118,576	15,940,115
FUNDS CARRIED FORWARD		12,802,833	121,180	12,924,013	14,118,577

There were no recognised gains and losses other than those shown in the above Statement of Financial Activities. All income and expenditure of the period was derived from continuing activities.

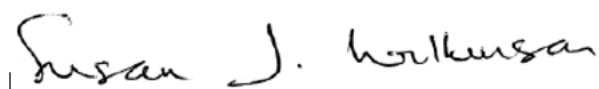
The notes on pages 24 to 40 form part of these financial statements.

**CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2025**

		2025		2024	
	Note	£	£	£	£
FIXED ASSETS					
Tangible fixed assets					
Other fixed assets	7	19,300,104		19,862,413	
Museum Collection	8	<u>81,367</u>		<u>81,367</u>	
			19,381,471		19,943,780
CURRENT ASSETS					
Stock – goods for resale		49,947		48,544	
Debtors and prepayments	10	1,034,732		1,437,815	
Cash at bank and in hand		<u>2,274,393</u>		<u>1,819,427</u>	
			3,359,072		3,305,786
CREDITORS : amounts falling due within one year	11	<u>(5,087,176)</u>		<u>(5,012,914)</u>	
NET CURRENT (LIABILITIES) / ASSETS			<u>(1,728,104)</u>		<u>(1,707,128)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			17,653,367		18,236,652
CREDITORS : amounts falling due after more than one year					
Loans	11		<u>(4,997,056)</u>		<u>(5,312,639)</u>
NET ASSETS			<u>12,656,311</u>		<u>12,924,013</u>
FUNDS					
Restricted funds:	12		864,352		121,180
Unrestricted funds:					
Designated	12		11,496,943		12,510,958
General	12		-		-
Trading subsidiary reserves	12		<u>295,016</u>		<u>291,875</u>
			<u>12,656,311</u>		<u>12,924,013</u>

The notes on pages 24 to 40 form part of these financial statements.

Approved and authorised for issue by the board of directors on 11 December 2025 and signed on their behalf by:



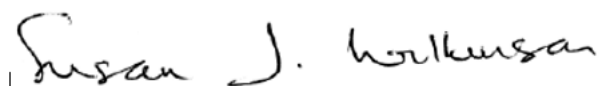
Susan Wilkinson
Director

**CHARITABLE COMPANY BALANCE SHEET
AT 31 MARCH 2025**

		2025		2024	
	Note	£	£	£	£
FIXED ASSETS					
Tangible fixed assets					
Other fixed assets	7	19,295,544		19,858,422	
Investment in subsidiary companies at cost	9	<u>2</u>		<u>2</u>	
			19,295,546		19,858,424
CURRENT ASSETS					
Debtors and prepayments	10	2,161,239		1,645,207	
Cash at bank and in hand		<u>872,314</u>		<u>679,144</u>	
			3,033,553		2,324,351
CREDITORS: amounts falling due within one year	11	<u>(5,052,115)</u>		<u>(4,319,363)</u>	
NET CURRENT LIABILITIES			<u>(2,018,562)</u>		<u>(1,995,012)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			17,276,984		17,863,412
CREDITORS: amounts falling due after more than one year					
Loans	11		<u>(4,997,056)</u>		<u>(5,312,639)</u>
NET ASSETS			<u>12,279,928</u>		<u>12,550,773</u>
FUNDS					
Restricted funds	12		782,985		39,815
Unrestricted funds:					
Designated	12		11,496,943		12,510,958
General	12		<u>-</u>		<u>-</u>
			<u>12,279,928</u>		<u>12,550,773</u>

The notes on pages 24 to 40 form part of these financial statements.

Approved and authorised for issue by the board of directors on 11 December 2025 and signed on their behalf by:



Susan Wilkinson
Director

**CONSOLIDATED CASH FLOW STATEMENT
AT 31 MARCH 2025**

	2025	2024
	£	£
Cash flows from operating activities		
Net (expenditure) for the financial year	(267,702)	(1,194,563)
Adjustments for		
Depreciation	1,033,472	1,040,019
Interest received	(19,158)	(12,425)
(Increase) / decrease in stock	(1,403)	(3,685)
(Increase) / decrease in debtors	403,082	(34,536)
Increase / (decrease) in creditors	(241,321)	306,419
Net cash generated from operating activities	906,970	101,229
Cash flows from investing activities		
(Purchase) of tangible fixed assets	(471,162)	(44,057)
Interest received	19,158	12,425
Net cash from investing activities	(452,004)	(31,632)
Cash flows from financing activities		
Cash inflow from new borrowing	-	-
Net increase / (decrease) in cash and cash equivalents	454,966	69,597
Cash and cash equivalents at beginning of the year	1,819,427	1,749,830
Cash and cash equivalents at the end of the year	2,274,393	1,819,427

Movement in net debt

	£	£	£	£
	At 31 March 2024	Cash flows	Non-cash changes	At 31 March 2025
Cash at bank and in hand	1,819,427	454,967	-	2,274,393
Loans due within one year	(1,737,361)	-	(315,583)	(2,052,944)
Loans due after one year	(5,312,639)	-	315,583	(4,997,056)
Total	(5,230,573)		-	(4,775,607)

The notes on pages 24 to 40 form part of these financial statements.

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES

a) Accounting basis

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company and its subsidiaries are a public benefit group for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011, and Regulations made thereunder.

In the view of the trustees in applying the accounting policies adopted, no judgements were required, other than the determination of the appropriateness of the going concern basis as out below, that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

b) Going concern

FRS102 requires the trustees to adopt a going concern basis in preparing the financial statements unless they intend to liquidate the charitable company or have no realistic alternative to do so.

Postal Heritage Trust and Postal Heritage Services Ltd have defaulted on their loan repayment obligations to Royal Mail Group Ltd and Post Office Ltd (the lenders). However, the lenders have not exercised their right under the default provisions of the loan agreement, to require immediate repayment of the loan. The Postal Museum has signed a Heads of Terms agreement with RM and POL. This document and other details are being reviewed by all connected parties to the original loan agreements. Trustees are viewing this in a positive light and, although some details require further clarification and possibly some amendment, they are in the firm belief that this document is the basis of a viable agreement to secure the museum's long-term future.

The trustees expect a satisfactory resolution to current negotiations with the lenders, but these have not concluded at the date of the approval of the financial statements. The trustees take comfort from indications by both lenders, including the non-enforcement of the loans, that their preferred outcome is for the Postal Museum to continue to exist and neither has given any indication of any intention to call back the loans in accordance with their contractual rights.

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the company to continue as a going concern. Notwithstanding this material uncertainty, the trustees have made this assessment for a period of at least one year from the date of approval of the financial statements.

In particular the trustees have considered the charitable group's forecasts and projections for a period of 15 months from the approval of these financial statements to 31 March 2027. After making enquiries the trustees have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future, a minimum of which is a period of twelve months and, subject to the non-enforcement of the loan repayment obligations and agreement to revised terms and conditions as set out in the Heads of Terms within the timeframes noted above.

Trustees are clear that The Postal Museum continues to be a going concern despite the hitherto absence of a permanent agreement with Royal Mail and Post Office Ltd to resolve the historic loans. Both lenders have indicated in a series of meetings and other correspondence that their preferred outcome is for the Postal Museum to continue to exist and neither has given any indication of any intention to call back the loans in accordance with their contractual rights.

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

c) Consolidation basis

The consolidated financial statements of Postal Heritage Trust (PHT) include the results, assets and liabilities of the charitable company and its wholly owned trading subsidiary companies, Postal Heritage Services Limited and Postal Heritage Trading Limited on a line by line basis. In addition, the consolidated financial statements include Postal Heritage Collection Trust (PHCT), a charitable company under common control, on a similar basis. In prior years, the consolidated financial statements were prepared by PHCT. The charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006 and has not prepared a separate Statement of Financial Activities.

d) Restricted funds

Restricted funds are to be used for specified purposes, as laid down by the grant-making body or donor.

e) Designated funds

Designated funds have been set aside at the Trustees' discretion for a specific purpose.

f) Unrestricted funds

Unrestricted funds include donations, consultancy income and other incoming resources received or generated for unspecified charitable purposes.

g) Donations and gifts

Income received by way of donations and gifts is included in the Statement of Financial Activities when received or there is a high probability of receipt.

h) Revenue grants

Revenue grants are credited to incoming resources in the year for which they are receivable. Revenue grants are deferred where the income represents amounts received for future years and are released to incoming resources in the year for which they have been received.

i) Expenditure

All expenditure is accounted for on the accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Such support costs, including governance costs, are allocated between cost of generating funds and resources expended on charitable activities on basis of time spent.

Salaries are allocated to the Postal Heritage Trust and its trading subsidiaries, Postal Heritage Services Limited and Postal Heritage Trading Limited, on the basis of time spent on each activity.

Governance costs, which are allocated consistently with other costs, are those costs relating to the general running of the charity by its trustees and include audit fees and trustee expenses.

i) Operating leases

The costs of operating leases are charged to the Statement of Financial Activities in the year to which they relate.

k) Heritage assets

The charity holds a collection of assets which reflect the history of the postal system. The museum collection is comprised of items which would fall under the definition of heritage assets in FRS 102 where such a heritage asset is defined as an asset "with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture".

The majority of assets in the collection are not valued on the balance sheet on the basis that appropriate valuations do not exist and could not be obtained at proportionate cost.

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

A small number of heritage assets were acquired by purchase in relatively recent past and, in the case of these assets, the cost of purchase is known. The aggregate cost of these assets is shown on the balance sheet. No depreciation is charged.

l) Depreciation and amortisation

The costs of fixed assets with a purchase price of £1,000 or more are capitalised and written off on a straight-line basis over their useful lives, as follows:

General office equipment, fixtures, and fittings	5 years
Other equipment	Variable periods depending on deemed useful asset life
Long leasehold property	40 years and 25 years (period of lease)

m) Pension scheme

The charity operates a defined contribution pension scheme under auto-enrolment rules. The scheme is open to all staff subject to them meeting the eligibility criteria. Staff retain the right to opt out of the scheme if they choose to do so. The employer makes contributions to the scheme on behalf of each member.

Employees who were previously members of the Royal Mail Group POS and POPS defined benefit final salary schemes transferred to the charity's scheme for all contributions from the date of transfer. Those employees retain preserved rights in the Royal Mail Group's schemes.

n) Intangible assets

The cost of software and exhibition films are treated as intangible assets where the value exceeds £1,000. The accounting policy is to write down these amounts over a period of 5 years on a straight line basis.

2. STAFF NUMBERS AND COSTS

	2025	2024
	Number	Number
(a) The average number of employees during the year were as follows:	97	88

- (b) For a 12 month period,
- One employee (2024: 1) received remuneration in the band £60,000 - £70,000.
 - One employee (2024: 1) received remuneration in the band £70,000 - £80,000.
 - No employee (2024: 0) received remuneration in the band £90,000 - £100,000.
 - One employee (2024: 1) received remuneration in the band £110,000 - £120,000
- For the purpose of the above disclosure, remuneration refers to salary and taxable benefits in kind only.

	2025	2024
	£	£
Wages and salaries	2,654,082	2,419,625
Social security costs	238,083	218,387
Pension costs	164,578	144,760
	3,056,743	2,782,772

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

During the year, reimbursable expenses of £680 (2024: £753) were paid to 4 (2024: 3) trustees for travelling expenses and subsistence.

The charity made payments of £1,999 (2024: £2,104) in the year for trustees' indemnity insurance.

Laura Wright was employed as CEO and Trustee of the charity. The legal authority for payments to her was a Charity Commission Order. During the year she received remuneration of £105,704 (2024: £110,910) in respect of her employment. In addition, the charity made contractual pension contributions of £6,342 in respect of her employment.

The total employee benefits of the charity's Key Management Personnel in the year amounted to £471,804 (2024: £469,266).

3. NET MOVEMENT IN FUNDS FOR THE YEAR

	2025	2024
	£	£
This is stated after charging:		
Auditors' remuneration – audit of parent company	18,950	15,730
– subsidiary company audits	19,176	15,400
– other services	4,460	6,325
Operating leases – land and buildings	230,802	217,445
Depreciation of fixed assets	1,033,472	1,040,019

4. DONATIONS AND LEGACIES

	2025 Unrestricted	2025 Restricted	2025 Total	2024 Unrestricted	2024 Restricted	2024 Total
	£	£	£	£	£	£
Donations & Grants - Royal Mail Group Ltd and Post Office Ltd	1,563,526	-	1,563,526	1,524,968	-	1,524,968
Donations & Grants - Other	287,575	-	287,575	236,629	-	236,629
Legacies	13,798	-	13,798	-	-	-
Arts Council England Grant	150,000	-	150,000	150,000	-	150,000
Renovating interactives	-	5,000	5,000	-	-	-
Post and play	-	27,000	27,000	-	27,000	27,000
Sorting Office Maths Challenge	-	-	-	-	14,115	14,115
Jolly Postman virtual sessions	-	9,800	9,800	-	4,995	4,995
Primary Arts Touring	-	20,115	20,115	-	-	-
Enhancing Mail Rail	-	745,239	745,239	-	12,950	12,950
	2,014,899	807,154	2,822,053	1,911,597	59,060	1,970,657

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

5. ANALYSIS OF EXPENDITURE

	PHT	PHSL	PHTL	Collections	Outreach	Operations	2025 Total
	£	£	£	£	£	£	£
DIRECT COSTS							
Staff Costs	453,585	319,512	202,822	388,849	130,926	983,141	2,478,835
Other staff related items & consultancy	2,697	788	2,335	4,712	5,042	14,072	29,646
Property costs	100,826	3,723	866	165,390	177,009	493,827	941,641
Direct activity costs	71,829	39,873	182,833	117,827	126,104	351,807	890,273
Depreciation	104,876	3,828	-	182,915	195,370	546,483	1,033,472
	733,813	367,724	388,856	859,693	634,451	2,389,330	5,373,867
SUPPORT COSTS							
Staff Costs	7,082	-	-	11,615	12,430	34,680	65,807
Other staff consulting	344	-	-	565	605	1,687	3,201
Auditors remuneration	2,162	9,726	9,450	3,320	3,547	9,921	38,126
Trustee Expenses	417	-	-	701	752	2,094	3,964
Other Support Costs							
Staff Costs	57,968	-	-	95,089	101,771	283,923	538,751
Other staff related items & consultancy	7,192	-	-	11,803	12,635	35,248	66,878
Insurance	10,672	-	-	17,505	18,734	52,270	99,181
Post, stationery, telephone	1,189	168	1,774	1,949	2,088	5,820	12,988
Office equipment	1,633	-	-	2,682	2,866	8,006	15,187
IT costs	9,891	13,129	1,186	16,228	17,368	48,453	106,255
Legal & Professional	3,280	2,100	2,415	5,373	5,755	16,055	34,978
Other	6,173	943	14,085	10,123	10,833	30,222	72,379
Loan interest	135,897	-	-	-	-	-	135,897
Gift Aid to charity	(36,644)	324,110	16,446	(60,109)	(64,332)	(179,471)	-
Support cost recharge	(52,167)	415,571	69,262	(85,574)	(91,586)	(255,506)	-
	155,089	765,747	114,618	31,270	33,466	93,402	1,193,592
Total expenditure 2025	888,902	1,133,471	503,474	890,963	667,917	2,482,732	6,567,459
Total expenditure 2024	846,042	1,080,530	434,873	845,356	646,810	2,363,822	6,217,433

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

ANALYSIS OF EXPENDITURE (2024 comparative note)

	PHT	PHSL	PHTL	Collections	Outreach	Operations	2024 Total
	£	£	£	£	£	£	£
DIRECT COSTS							
Staff Costs	409,523	308,970	160,748	351,076	118,208	887,637	2,236,162
Other staff related items & consultancy	5,846	222	728	9,584	10,257	28,622	55,259
Property costs	95,428	3167	680	156,535	167,532	467,386	890,728
Direct activity costs	69,665	26,079	182,836	114,278	122,305	341,210	856,373
Depreciation	105,645	2,825	-	184,256	196,803	550,490	1,040,019
	686,107	341,263	344,992	815,729	615,105	2,275,345	5,078,541
SUPPORT COSTS							
Staff Costs	8,745	-	-	14,343	15,350	42,826	81,264
Other staff consulting	4,469	-	-	7,339	7,851	21,909	41,568
Auditors remuneration	1,795	7,700	7,700	2,756	2,944	8,235	31,130
Trustee Expenses	1,131	-	-	1,903	2,041	5,684	10,759
Other Support Costs							
Staff Costs	53,762	-	-	88,189	94,386	263,320	499,657
Other staff related items & consultancy	1,652	-	-	2,711	2,902	8,096	15,361
Insurance	11,686	-	-	19,169	20,515	57,237	108,607
Post, stationery, telephone	1,133	159	2,074	1,857	1,989	5,544	12,756
Office equipment	845	-	-	1,388	1,483	4,142	7,858
IT costs	10,169	9,116	2,808	16,684	17,856	49,813	106,446
Legal & Professional	1,565	2,103	2,258	2,564	2,746	7,661	18,897
Other	5,775	1,400	7,744	9,470	10,135	28,275	62,799
Loan interest	141,790	-	-	-	-	-	141,790
Gift Aid to charity	(33,894)	315,000	-	(55,598)	(59,504)	(166,004)	-
Support cost recharge	(50,688)	403,789	67,298	(83,148)	(88,989)	(248,262)	-
	159,935	739,267	89,882	29,627	31,705	88,476	1,138,892
Total expenditure 2024	846,042	1,080,530	434,873	845,356	646,810	2,363,822	6,217,433
Total expenditure 2023	913,430	1,369,087	618,698	901,867	690,678	2,522,348	7,016,108

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

6. RESULTS FROM TRADING SUBSIDIARIES

Postal Heritage Services Limited is a wholly owned trading subsidiary of Postal Heritage Trust incorporated in England and Wales.

	2025	2024
	£	£
Income and Expenditure:		
Turnover	1,086,180	1,072,670
Cost of sales	(809,361)	(765,530)
Gross (loss) / profit for the year before tax	276,819	307,140
Interest Received	20,601	16,970
Profit for the year	297,420	324,110
Retained profit at 1 April	138,219	129,109
Retained profit for the financial year	297,420	324,110
Donation to parent charity in respect of 2023 profit	-	(315,000)
Donation to parent charity in respect of 2024 profit	(324,110)	-
Retained profit at 31 March / 31 December	111,529	138,219
Balance Sheet:		
Fixed Assets	4,560	3,991
Debtors	774,387	708,926
Cash	1,198,408	952,094
Creditors	(1,865,825)	(1,526,792)
Net Assets	111,530	138,219
Funds		
Share Capital	1	1
Reserves	111,529	138,218
Net Assets	111,530	138,219

Postal Heritage Services Limited has produced audited accounts for the year to 31 March 2025.

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

6. RESULTS FROM TRADING SUBSIDIARIES (continued)

Postal Heritage Trading Limited is a wholly owned trading subsidiary of Postal Heritage Trust incorporated in England and Wales.

	2025	2024
	£	£
Income and Expenditure:		
Turnover	533,305	451,319
Cost of sales	(487,028)	(434,872)
Gross profit / (loss) for the year before tax	46,277	16,447
Interest Received	-	-
(Loss) / profit for the year	46,277	16,447
Retained profit at 1 April	153,655	137,208
Profit / (loss) for the financial year	46,277	16,447
Donation to parent charity in respect of 2023 profit	-	-
Donation to parent charity in respect of 2024 profit	(16,446)	-
Retained profit at 31 March / 31 December	183,486	153,655
Balance Sheet:		
Stock	49,947	48,544
Debtors	84,020	27,334
Cash	203,671	188,187
Creditors	(154,151)	(110,409)
Net Current Assets	183,487	153,656
Creditors fallings due after more than one year	-	-
Net Assets	183,487	153,656
Funds		
Share Capital	1	1
Reserves	183,486	153,655
Net Assets	183,487	153,656

Postal Heritage Trading Limited has produced audited accounts for the year to 31 March 2025.

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

7. FIXED ASSETS

Group	Long term Lease	Fixtures, fittings and equipment	Plant & Equipment	Work in progress	Intangible Assets	Total
	£	£	£	£	£	£
Cost						
At 1 April 2024	21,796,159	2,761,874	2,696,586	-	181,565	27,436,185
Additions during the year	-	23,798	9,633	437,731	-	471,162
At 31 March 2025	21,796,159	2,785,672	2,706,219	437,731	181,565	27,907,347
Depreciation						
At 1 April 2024	3,621,183	1,963,161	1,807,863	-	181,565	7,573,772
Charged during the year	545,714	253,834	233,923	-	-	1,033,472
At 31 March 2025	4,166,897	2,216,995	2,041,786	-	181,565	8,607,243
Net Book Value						
At 31 March 2025	17,629,262	568,677	664,433	437,731	-	19,300,104
At 31 March 2024	18,174,976	798,714	888,723	-	-	19,862,413
Charitable Company						
	Long term Lease	Fixtures, fittings and equipment	Plant & Equipment	Work in progress	Intangible Assets	Total
	£	£	£	£	£	£
Cost						
At 1 April 2024	21,796,159	2,691,192	2,696,586	-	181,565	27,365,502
Additions during the year	-	19,401	9,633	437,731	-	466,765
At 31 March 2025	21,796,159	2,710,593	2,706,219	437,731	181,565	27,832,267
Depreciation						
At 1 April 2024	3,621,183	1,896,469	1,807,863	-	181,565	7,507,080
Charged during the year	545,714	250,006	233,923	-	-	1,029,643
At 31 March 2025	4,166,897	2,146,475	2,041,786	-	181,565	8,536,723
Net Book Value						
At 31 March 2025	17,629,262	564,118	664,433	437,731	-	19,295,544
At 31 March 2024	18,174,976	794,723	888,723	-	-	19,858,422

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

8. MUSEUM COLLECTION / HERITAGE ASSETS

The collection was transferred by Royal Mail at the time the charity was established. No value has been attributed to this collection as stated in the accounting policies note. Subsequent additions to the collection have been valued at cost. There were no additions to the collection during the year (2020: nil). No formal valuation has been made of the collection.

Nature and scale of the assets

The museum's collection, which comprises over 60,000 objects and thousands of documents, is classified under the following categories:

- Postal history
- Duplicate registration sheets of stamps
- Letter boxes
- Paintings, prints and engravings
- Vehicles
- Uniform
- Postal Tools and Equipment (including machines and furniture)
- Ephemera collection
- Photographs and film
- Oral history

All aspects of acquisition and disposal are outlined in the Acquisition and Disposal Policy 2010 which has the approval of the Board of Trustees.

Policy for the acquisition, preservation, management and disposal of heritage assets

The heritage assets of The Postal Heritage Collections Trust are the objects that form the museum collection. The majority of the museum collection was gifted to the Trust in 2004 by Royal Mail Group. Further acquisitions have since been made, by purchase through private sale and auction; and by donation, from Royal Mail and members of the public. The collection is managed to the Accreditation Standard, a national standard managed by the Arts Council England, the government body responsible for Museums and Libraries. Preservation of the museum collection in perpetuity is fundamental to the work of museums and this is undertaken through good collection knowledge, safe packing and housing and good house-keeping. Proactive conservation is undertaken where appropriate; usually related to a project. Disposal from the museum collections is undertaken in line with professional standards, including the Accreditation standard and all disposals are in line with the Museums Association's Code of Ethics for Museums. Disposals from the museum collection are never financially motivated.

Assets reported on the balance sheet

Heritage assets reported on the balance sheet are all reported at cost.

	Additions	Cost of Disposals
Year to 31 March 2025	Nil	Nil
Year to 31 March 2024	Nil	Nil
15 months to 31 March 2023	Nil	Nil
Year to 31 December 2021	Nil	Nil
Year to 31 December 2020	Nil	Nil

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

Transactions relating to heritage assets

From time to time, the trustees approve the transfer of certain duplicate philatelic material for the purposes of sale in support of the capital project to deliver a new Postal Museum / Mail Rail centre. No material from the museum's unique collections has ever been transferred, only duplicate material has been affected. No transfers took place in 2025 (2024: nil).

9. INVESTMENTS

	2025	2024
	£	£
Investments in subsidiary undertakings at cost	2	2

The investments in subsidiary undertakings represent:

- (i) The £1 issued share capital in Postal Heritage Services Limited, a company registered in England and Wales.
- (ii) The £1 issued share capital of Postal Heritage Trading Limited, a company registered in England and Wales.

The results of both companies are shown in note 6 together with balance sheet information.

10. DEBTORS

	2025		2024	
	Group	Charity	Group	Charity
	£	£	£	£
Trade debtors	682,572	561,357	1,200,689	538,992
Due from subsidiary undertakings	-	1,199,025	-	888,325
Prepayments and accrued income	312,744	284,752	165,221	146,410
VAT	-	76,696	-	-
Other debtors	39,416	39,409	71,905	71,480
	1,034,732	2,161,239	1,437,815	1,645,207

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

11. CREDITORS

Amounts falling due within one year	2025		2024	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	269,662	257,798	177,014	165,713
Taxation and social security	64,547	64,547	62,538	62,538
Accruals	1,044,927	1,010,006	915,818	882,948
Deferred income	583,507	583,507	1,101,269	567,895
VAT	44,870	-	129,082	13,076
Loan interest	989,679	989,681	853,782	853,782
Loans	2,052,944	2,052,944	1,737,361	1,737,361
Due to subsidiary undertakings	-	56,592	-	-
Other creditors	37,040	37,040	36,050	36,050
	5,087,176	5,052,115	5,012,914	4,319,363

Deferred income reconciliation

	Group	Charity
	£	£
Opening balance at 1 April 2024	1,101,269	567,895
Add: Advances	3,425,259	2,337,381
Less: Revenue recognised	(3,399,082)	(2,321,769)
Closing balance at 31 March 2025	1,127,446	583,507

Income is recorded as deferred in these accounts where funds have been received in advance of entitlement. This mainly relates to funds received from Royal Mail Group and Post Office Limited in respect of the contractual archive service agreement and the Deed of Donation.

Amounts falling due after more than one year

	2025		2024	
	Group	Charity	Group	Charity
	£	£	£	£
Loans	4,997,056	4,997,056	5,312,639	5,312,639
The above loans are repayable:				
In less than one year	2,052,944	2,052,944	1,737,361	1,737,361
Between one and two years	323,295	323,295	315,583	315,583
Between two and five years	847,971	847,971	1,604,134	1,604,134
After more than five years	3,825,790	3,825,790	3,392,922	3,392,922
	7,050,000	7,050,000	7,050,000	7,050,000

With the exception of an interest free amount of £550,000, interest on the loans is payable at an annual rate of 2.5%. Interest did not start to accrue until the first anniversary of practical completion of the Postal Museum project. Practical completion occurred on 17 August 2017. The loans are secured over four bank accounts, at the balance sheet date. The Trust's trading subsidiary, Postal Heritage Services Ltd, has also provided a guarantee in respect of the loans.

The Trust and Postal Heritage Services Ltd have defaulted on their loan repayment obligations to Royal Mail Group Ltd and Post Office Ltd. However, the lenders have not exercised their right under the default provisions

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

11. CREDITORS (continued)

of the loan agreement, to require immediate repayment of the loan. The lenders have issued a Heads of Terms agreement which is expected to form the basis of a final settlement agreement as further disclosed in note 1b of

the accounting policies on page 24. It is expected that a satisfactory resolution that is acceptable to all parties will be reached in the near future following the signing off of these accounts and on that basis the trustees continue to consider it appropriate in order for the accounts to show a true and fair view to disclose an element of the loans as repayable after one year.

Trustees are clear that The Postal Museum continues to be a going concern despite the hitherto absence of a permanent agreement with Royal Mail and Post Office Ltd to settle the historic loans. Both lenders have indicated in a series of meetings and other correspondence that their preferred outcome is for the Postal Museum to continue to exist and neither has given any indication of any intention to call back the loans in accordance with their contractual rights.

12. FUNDS 2024/25

	Brought forward	Income	Expenditure	Transfers	Carried forward
	£	£	£	£	£
RESTRICTED					
Postal Heritage Collection Trust	81,367	-	-	-	81,367
Digitised memorial books	5,914	-	-	-	5,914
Addressing Health Project	4,000	-	(4,000)	-	-
Sorted upgrade	251	-	(251)	-	-
Post and play	16,486	27,000	(30,821)	-	12,665
Sorting Office Maths Challenge	8,336	-	(18,048)	9,712	-
Jolly Postman virtual sessions	4,826	9,800	(3,532)	-	11,094
Jolly Postman Show	-	20,115	(17,042)	-	3,073
Renovating interactives	-	5,000	-	-	5,000
Enhancing Mail Rail	-	745,239	-	-	745,239
	121,180	807,154	(73,694)	9,712	864,352
UNRESTRICTED - DESIGNATED					
Collection fund	876	-	-	-	876
Tangible fixed assets	12,510,082	-	-	(1,014,015)	11,496,067
	12,510,958	-	-	(1,014,015)	11,496,943
UNRESTRICTED - GENERAL					
Postal Heritage Trust	-	3,852,517	(5,197,376)	1,344,859	-
Postal Heritage Services Limited	138,219	1,106,781	(809,361)	(324,110)	111,529
Postal Heritage Trading Limited	153,656	533,305	(487,028)	(16,446)	183,487
	291,875	5,492,603	(6,493,765)	1,004,303	295,016
	12,924,013	6,299,757	(6,567,459)	-	12,656,311

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

12. FUNDS (continued)

RESTRICTED FUNDS

Postal Heritage Collection Trust holds the value of the collection owned by the museum. The value in the Balance Sheet represents the items of known value.

The balance against digitised memorial books represents the value of the unspent grant received for this activity.

The balance of the Addressing Health Project funds received towards a joint project with Kings College and the University of Derby were spent on the year.

Funding for upgrading Sorted! was provided by a Patron. The balance of the donated funds were spent in the year.

Post and Play is a learning activity funded by the John Lyons Charitable Trust.

Sorting Office Maths Challenge is a learning activity funded by The Portal Trust. This project has concluded.

The Jolly Postman virtual sessions are funded with the support of Royal Mail.

The Jolly Postman show is funded by A new Direction.

A patron has provided funding to aid with renovating the museum's interactives.

Enhancing Mail Rail is a capital project intended to further develop the Mail Rail visitor experience This work was funded by the Post Office Remembrance Fellowship (PORF).

DESIGNATED FUNDS

Collection Fund – Income from the disposal of collection assets held against future collection purchases or collection preservation expenditure.

Tangible fixed assets – funds tied up in the fixed asset and related loans of the parent charitable company.

UNRESTRICTED FUNDS

General fund – funds available to the charity for unrestricted use, which include grant income in respect of the period to 31 March 2025.

COMPANY

The funds of charitable company only are as above, excluding the general funds related to Postal Heritage Services Limited and Postal Heritage Trading Limited, and the restricted fund related to Postal Heritage Collection Trust.

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

FUNDS 2023/24	Brought forward	Income	Expenditure	Transfers	Carried forward
	£	£	£	£	£
RESTRICTED					
Postal Heritage Collection Trust	81,367	-	-	-	81,367
Digitised memorial books	5,914	-	-	-	5,914
Addressing Health Project	4,000	-	-	-	4,000
Sorted upgrade	5,000	-	(4,749)	-	251
Post and play	11,716	27,000	(22,230)	-	16,486
Sorting Office Maths Challenge	3,698	14,115	(9,477)	-	8,336
Jolly Postman virtual sessions	-	4,995	(169)	-	4,826
Enhancing Mail Rail	-	12,950	(12,950)	-	-
	111,695	59,060	(49,575)	-	121,180
UNRESTRICTED - DESIGNATED					
Collection fund	876	-	-	-	876
Tangible fixed assets	13,739,686	-	-	(1,229,604)	12,510,082
	13,740,562	-	-	(1,229,604)	12,510,958
UNRESTRICTED - GENERAL					
Postal Heritage Trust	-	3,422,851	(4,967,455)	1,544,604	-
Postal Heritage Services Limited	129,109	1,089,640	(765,530)	(315,000)	138,219
Postal Heritage Trading Limited	137,210	451,319	(434,873)	-	153,656
	266,320	4,963,810	(6,167,858)	1,229,604	291,875
	14,118,577	5,022,870	(6,217,433)	-	12,924,013

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS 2025

	General	Designated	Restricted	Total
	£	£	£	£
Fixed Assets	2,369,250	16,493,123	519,098	19,381,471
Net Current Assets/(Liabilities)	(2,074,234)	876	345,254	(1,728,104)
Long term liabilities - loans	-	(4,997,056)	-	(4,997,056)
	295,016	11,496,943	864,352	12,656,311

ANALYSIS OF NET ASSETS BETWEEN FUNDS 2024

	General	Designated	Restricted	Total
	£	£	£	£
Fixed Assets	2,039,692	17,822,721	81,367	19,943,780
Net Current Assets/(Liabilities)	(1,747,817)	876	39,813	(1,707,128)
Long term liabilities - loans	-	(5,312,639)	-	(5,312,639)
	291,875	12,510,958	121,180	12,924,013

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

14. FINANCIAL COMMITMENTS

At 31 March 2025 the group had the following commitments under non-cancellable operating leases.

	2025	2024
	£	£
Due in less than 1 year	188,512	188,512
Due 2-5 Years	-	-

15. RELATED PARTY TRANSACTIONS

Postal Heritage Trust (PHT) has taken advantage of the exemptions within FRS102 from disclosing related party transactions with Postal Heritage Collection Trust (PHCT), Postal Heritage Services Limited (PHSL) and Postal Heritage Trading Limited (PHTL). The charities SORP requires disclosure of the results and balance sheet positions of the subsidiaries. This information is provided in note 6 in respect of PHSL and PHTL. PHCT has minimal activity. In 2024/25 it received no grants of heritage assets (2024: nil) and at the balance sheet date held heritage assets at a cost of £81,367 (2024: £81,367).

Royal Mail Group (RMG) and Post Office Ltd (POL) have a funding agreement to 2040 to provide PHT with £1,563,526 in the 12 months to 31 March 2025 (2024: £1,524,968) of unrestricted funds, for the general purpose of meeting its charitable objectives. RMG has also transferred some of its intellectual rights to PHT.

RMG and POL have an Archive Services Agreement with PHT and its trading subsidiary, PHSL, which provided the latter with £1,077,313 in the 12 months to 31 March 2025 (2024: £1,056,564) of unrestricted funds for the purposes of maintaining the Royal Mail archives.

RMG and Post Office Limited (POL) have both signed legal agreements with PHT and PHSL related to the museum and to future funding, which will provide income to PHT in the form of unrestricted funds, index linked, until 2040.

RMG provides services to PHT and as at the year end, there was no balance owing (2024: nil).

The disclosures around related parties should be read in conjunction with Note 1 (b) Going concern on page 24 which states that the Trust and Postal Heritage Services Ltd have defaulted on their loan repayment obligations to Royal Mail Group Ltd and Post Office Ltd. In the event of such a default, the Loan Agreements provide Royal Mail Group Ltd and Post Office Ltd with rights to demand immediate repayment. However, whilst reserving their rights, both Royal Mail Group Ltd and the Post Office Ltd have confirmed to the Trust that they are not presently intending to exercise those rights in the next 12 months.

The Heads of Terms agreement which was signed on 17 June 2024 establishes the clear intention for all parties to set aside the existing contractual obligations and to replace them with a set of new contractual agreements that are sustainable for the museum whilst also being acceptable to all stakeholders including the Charity Commission and the Heritage Lottery Fund.

Trustees are clear that The Postal Museum continues to be a going concern despite the hitherto absence of a permanent agreement with Royal Mail and Post Office Ltd to settle the historic loans. Both lenders have indicated in the signed Heads of Terms agreement that their preferred outcome is for the Postal Museum to continue to exist, and neither has given any indication of any intention to call back the loans in accordance with their hitherto existing contractual rights.

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

16. PENSIONS

For the purposes of FRS102 the group cannot identify its share of the underlying assets and liabilities of the defined benefit schemes in which it participates in respect of seven employees. Up until February 2023, PHT made pension contributions based on the advice of a qualified independent actuary whose calculations were based upon total scheme membership. A fundamental change in the defined benefit schemes occurred as a result of the passage of the Postal Services Act 2011, with the transfer of all the historic liabilities of the Royal Mail Pension Plan (RMPP) to the new government-backed Royal Mail Statutory Pension Scheme (RMSPS) as at 31 March 2012. Those already receiving a pension, and those who had left service but contributed to the pension prior to 31 March 2012, will receive it from the RMSPS; those who continue to contribute after 31 March 2012 will, upon retirement, receive pensions from both schemes. The public accounts of both RMG and POL schemes indicate that currently these pension schemes are both in surplus. The RMSPS closed to PHT staff at the end of February 2023, and all staff who were members of that scheme were transferred to the defined contribution scheme associated with PHT, for future contributions. Staff who were transferred from the RMSPS retain preserved rights in that scheme, and PHT has no exposure in respect of those rights.

PHT makes pension payments of at least 6% as an employer contribution to a defined contribution scheme for the remainder of its eligible employees who have opted into the scheme.

17. LIABILITY OF MEMBERS

The Postal Heritage Collection Trust is a company limited by guarantee. The liability of each member in the event of a winding up amounts to £1.

18. CAPITAL COMMITMENTS

At 31 March 2025 the group had £562,269 capital commitments (2024: nil).

POSTAL HERITAGE TRUST

England & Wales - Charity number 1102360

Accounts

/

POSTAL HERITAGE TRUST
(A company limited by guarantee)

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Charity Number: 1102360

Company Number: 4896056

POSTAL HERITAGE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Contents	Page
Legal and administrative information	1
Trustees' Report (including Strategic Report)	2 - 18
Auditors' Report	19 - 21
Consolidated Statement of Financial Activities	22 - 23
Consolidated Balance Sheet	24
Charitable Company Balance Sheet	25
Consolidated Cash Flow Statement	26
Notes to the financial statements	27 - 43

POSTAL HERITAGE TRUST

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Trustees

Susan Wilkinson OBE

Chair (appointed as Trustee 14 December 2023; appointed Chair 29 February 2024)

Richard Wills

Chair (retired 29 February 2024)

Mark Amsden

(appointed 27 June 2024)

Paola Barbarino

Julian Barker

David Gold

Susan Raikes

Mike Russell

Peter Walls

Laura Wright

Chief Executive

Laura Wright

Secretary

Lawrence Melinek

Bankers

NatWest Bank

Strand

London

WC2N 5JB

Auditors

HaysMac LLP

10 Queen Street Place

London

EC4R 1AG

Solicitors

Bates Wells

10 Queen Street Place

London

EC4R 1BE

Registered office

Calthorpe House

15-20 Phoenix Place

London

WC1X 0DA

Organisation

Postal Heritage Trust is a registered charity (number: 1102360) and company limited by guarantee (number: 4896056). The charity is governed by its articles of association.

Website

www.postalmuseum.org

POSTAL HERITAGE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The trustees, who are also directors for the purposes of charity law present the annual report and the audited financial statements of the company for the year ended 31 March 2024. The Trustees' Annual Report includes both the Directors' Report and the Strategic Report for the purposes of company law.

STRUCTURE, GOVERNANCE & MANAGEMENT

NAME AND REGISTERED OFFICE OF THE CHARITY

Postal Heritage Trust (PHT) is a company limited by guarantee, company number 04896056 and a registered charity in England & Wales charity number 1102360. Its registered address is 15-20 Phoenix Place, London WC1X 0DL. The purposes and business of the company and charity are governed by the memorandum and articles of association.

ORGANISATIONAL STRUCTURE

Postal Heritage Trust (PHT) heads the group of companies which collectively are known, and trade, as The Postal Museum (TPM). Postal Heritage Collection Trust, the other charity in the group, owns the collection of historic material known as The Postal Museum Collection but otherwise, it is not engaged in any trading activities. PHT and PHCT share the same Board members. PHT manages the collection held by PHCT. PHT also owns the entire share capital of two trading subsidiaries, Postal Heritage Services Limited (PHSL), which is engaged in archive services, and Postal Heritage Trading Limited (PHTL), which engages in commercial trading. These financial statements are the accounts of PHT and the consolidated financial statements for the group. This trustees' report therefore refers to both the work of PHT and to the other constituent members of the group.

The group workforce is conventionally organised through a line management structure, set up by the Board of Trustees. The Chief Executive has an Executive Team that meets weekly. There are regular full staff meetings and team meetings for each of TPM's departments.

The Board of Trustees sets the remuneration of the Chief Executive, who in turn sets the remuneration of the senior staff in consultation with the Trustee Board's Audit and Finance subcommittee.

DIRECTORS/TRUSTEES

The Board of Trustees (the Board) is composed of up to fifteen members: ten selected by the Trust via an open selection policy, up to three nominated by Royal Mail Group (RMG), and up to two nominated by Post Office Limited (POL), both following their own internal selection policies. At present, there are nine trustees.

The Board can be added to by co-option, but at present there are no co-opted trustees. Trustees joining the Board receive a full introduction to PHT's purpose and premises. In addition to a personal briefing, they receive the trustees' handbook which includes links to the Charities Commission best practice documentation.

In 2023/24, the Board met four times, with other meetings, including conference calls, taking place as and when necessary. The following committees report to the Board: An Audit and Finance sub-committee, reporting on internal and external audit factors and risk, which meets at least four times per year; a Collections sub-committee which meets to consider issues related to the management of TPM's heritage material; a Nominations sub-committee which meets as and when required.

The PHSL and PHTL boards of directors comprise some PHT trustees together with TPM's Head of Collections (PHSL) and Head of Commercial (PHTL). The PHTL board also includes other directors who are not trustees of PHT. There is a professional advisory board for Archive supplying external expertise in this area.

CHANGE OF FINANCIAL YEAR END

The museum was awarded National Portfolio Organisation (NPO) by Arts Council England (ACE) in November 2022, with a start date of 1 April 2023. As ACE reporting is tied to a financial year ending 31 March, it was decided to amend the year end from 31 December 2022 to 31 March 2023 for all entities in the TPM group to make it easier to meet ACE NPO reporting requirements. As a result, the comparative data presented in these accounts is for 15 months. From 1 April 2023, all accounting periods are 12 months. NPO status includes the award of unrestricted funding of £150k per

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2024

year for a three year period. This has been extended to a fourth year, and It is hoped that the museum will retain this status for future triennial funding rounds.

ACTIVITIES AND PUBLIC BENEFIT- MEETING THE CHARITABLE OBJECTS

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity. The public benefit delivered by the group is set out in more detail in the review below.

OUR PURPOSE

WHO WE ARE – OUR MISSION

The Postal Museum tells the story of postal communication and its impact on a global society.

WHAT WE DO – OUR VISION

We use our collection to explore stories around communication, and to inspire everyone to make richer and more meaningful connections in their lives.

OUR VALUES

- Openness
- Generosity
- Innovation
- Curiosity
- Playfulness

We will:

- Be open and generous in spirit and action
- Deliver innovation
- Communicate our stories with clarity and playfulness
- Be curious about people's stories and experiences

OUR STRATEGIC OBJECTIVES

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2024

1. We will create welcoming experiences for anybody to connect with the museum and each other
2. We will collaborate creatively to deliver content that meets our audience's needs
3. We will look after, develop and be curious about our collection to ensure the story of postal communication is relevant, inspiring and inclusive
4. We will minimize the environmental impact of our activities and communicate effectively about our environmental responsibility
5. We will develop a sustainable and dynamic business model to enable our work as a charity

REVIEW OF THE YEAR APRIL 2023 TO MARCH 2024

In the period April 2023 – March 2024, we used our strategic objectives to shape our activity, some of which is detailed below.

1. We will create welcoming experiences for anybody to connect with the museum and each other

- We launched and rolled out our Audience Development Strategy and Plan to help all teams understand our goals for audiences and to embed audience strategy into their projects.
- We commenced a project called Enhancing Mail Rail to improve the visitor experience for visitors with accessibility needs. This included engaging with a consultant, the London Fire Brigade and staff to develop a plan.
- An audit of operating procedures led to a significant update that included training staff to improve visitor experience across all core museum activities. Visitor feedback throughout the year highlighted that visitors received excellent levels of staff engagement that provided a positive experience for all visitors.

Audience Development Strategy

In late 2023, The Postal Museum launched its Audience Development Strategy and Plan. Founded on in-depth research into the wants and needs of our current and potential audiences, the strategy and plan seek to guide progress towards four goals for the museum's audiences and communities:

1. Financial – We will grow paying customers to support the business model through ticket sales and secondary spend, memberships and donations.
2. Educational or Experiential – We will engage with all audiences through high-quality experiences that help them learn about the story of postal communication.
3. Social – We will reach out to our under-served audiences to better understand their wants and needs, their connections to our stories, and how we can benefit and improve their lives.
4. Creative / Relevancy / Reputational – We will collaborate with our under-served audiences to develop our collections, stories and activities and ensure they are relevant to current and future generations.

The strategy for audience development will focus on market development and penetration – using our current offer to attract specific audience segments within the market and deepen our relationship with existing audiences. We will

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2024

target those people in the market who have medium to high interest in visiting the museum – primarily the families within the Memory Makers segment and adults and families within Inquisitive Minds segments.

The plan outlines approaches to maintaining the elements of the offer that are successfully meeting the wants and needs of current visitors, as well as improving or adding elements which address the primary barriers for non-visitors: awareness, price and relevancy.

Schools Programme

In 2023-24, 7,361 students and teachers visited the museum. We engaged 237 school classes, of which 185 classes took part in a facilitated visit with an interactive session. Schools' capacity was increased in January 2024 in response to growing demand, with Tuesdays, Wednesdays and Thursdays set aside for facilitated visits, and Fridays for self-led visits. Most term-time weeks we welcomed 8-10 classes to the museum.

To support this increased capacity, we delivered schools engagement training for the Visitor Experience team to develop confidence and understanding of how to engage schools. Hosts regularly support school classes in the museum, and this includes providing support for self-led SEND (Special Educational Needs and Disabilities) schools. Developing skills and experience of engaging SEND schools has been a focus as it is a future ambition to develop a facilitated programme for this audience.

Teacher feedback has been very positive. Teachers rated the overall experience 9.8/10 and strongly agreed that they would recommend the museum. Data collected includes how schools finance their visit, including travel costs and the contribution paid by students. This is vital information to ensure we are reaching a diverse school audience. Teacher's comments frequently highlight inclusivity, accessibility and the high-quality engagement with our staff:

"I would not hesitate to book another trip at the Postal Museum and would recommend it to my colleagues. Having such clear itineraries was also such a help, as it meant everyone was aware of what was going to happen next. The provision for SEND children was also above and beyond anything I have seen before. Being offered a sensory bag and having a sensory area for the children who could not access the workshop was beyond expectations."

"One pupil said, "I am learning so much and having fun at the same time!" Another hard-to-reach pupil, who finds trips challenging had his best trip ever!"

"I would recommend that any Year 1 class visits the Postal Museum. It was an interactive and fun day that the children loved."

In 2023-24 we made significant progress with the Sorting Office Maths Challenge schools programme funded by The Portal Trust. In Summer term 2023 we piloted the session with schools in target boroughs and undertook teacher consultation. Teachers told us that they valued this unique learning experience, which puts maths in a real-life context. With the funding we recruited a Learning Facilitator and launched the delivery of sessions in the Autumn term, along with a new digital learning resource developed with maths-lead teachers.

Our Home Educators programme was full booked, engaging 836 adults and children through 5 themed Home Ed Days and 5 Home Ed self-led visit days. Our Home Educators delivery model is highly praised by families and has been benchmarked by sector colleagues seeking to understand how to engage this audience.

Family Programme

The ambition for 2023-2024 was to improve and enhance the family programme through auditing the current offer, consultation, research, benchmarking and embedding learning from other access and learning activity, such as the Post and Play programme. We tested a range of playful and inclusive approaches, with a focus on sustainability, to facilitate high-quality and engaging family-led experiences. The activities reached 5,086 adults and children across the year.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2024

Highlight programmes include the national Art Fund initiative, The Wild Escape, which encouraged children to think about biodiversity and sustainability through learning about the animals that call the museum home. Activity was also themed around the Dressed to Deliver exhibition, including February half term, which reached 1,000 people. A high-quality, fluid and cohesive experience for families was produced, providing a choice of activity to meet the requirements of a range of ages, abilities and interests.

Equity, Equality, Diversity and Inclusion

Back in 2021/22 with the help of the external facilitators the museum worked out the key definitions of Equity, Equality, Diversity and Inclusion. To progress this work and to embed these definitions through our practices, a series of workshops for managers was arranged, followed by similar workshops for all staff. These definitions were also incorporated into the new EEDI policy, which was collectively reviewed and presented to staff by the EEDI group. Thanks to some promotional work and a Staff Survey launched in January 2024, the HR team was able to collect some key data to support a better understanding of our staff make up/representation.

The staff EEDI group continued working closely with senior management and HR on various EEDI initiatives.

The Postal Museum joined Inclusive Business Network Camden to support a meaningful initiative for the Camden community and to access the most up-to-date resources and training opportunities they provide.

HR and Staff Support

The new HR team has been established and the HR Departmental plan was presented and approved. The team created a dedicated HR webpage for all staff to showcase available benefits, updated relevant policies, and created a sub-page to promote TPM's wellbeing resources. The team carried out a gradual review of all core HR functionalities, focusing on embedding the EEDI definitions through all aspects of staff support, practices and policies, in-house learning, and many other areas. They promoted collaborative work with line managers and staff when reviewing key policies. The team conducted the full revision of the recruitment, sickness policies and some others to support transparent, fair and inclusive practices.

A customised 'Management and Leadership Fundamentals Programme' was designed and successfully rolled out in Spring/Summer 2023; two groups completed the programme over the period of several months. A pool of internal trainers was prepared to ensure the programme is run annually for all line managers at TPM.

The organisation has significantly recovered its pre pandemic size and ways of working, however hybrid and flexibility models remain in demand and are supported by the organisation. There is an increased interest and focus on managing neurodiverse staff.

A staff Survey was launched in January 2024 with an 86% participation rate and was welcomed by staff. The results will lay the foundation for the Staff Survey Action Plan going forward.

2. We will collaborate creatively to deliver content that meets our audience's needs

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2024

- Delivery of Post and Play sessions
- Delivery of tours for D/deaf and blind and visually impaired people
- Delivery of Post Early events for autistic and neuro-divergent people
- Building links to our local communities
- Improving and increasing video content across the museum's social media channels.

Post and Play

In 2023-24 we delivered 88 Post and Play sessions on term-time Thursdays, attended by 2,248 under 5s and their parents/carers. Of these, 507 were Camden residents. In the second year of this John Lyon's Charity funded programme we developed the content in response to our reflections, feedback from families, and the recommendations of University of East London (UEL) academics evaluating the programme. An ambition was to better connect families with our communication stories and the environment of the Mail Rail depot. We held two focus groups with our group of Parent Champions from Camden and with their input we devised new songs and activities, including bespoke postal busy boards and a sensory area for young babies. Feedback from families highlights the positive impact of the postal-themed play taking place, the engaging staff, the opportunities for social interaction with other children and the variety of resources for children at different developmental stages.

To meet the aim of the project of reaching underrepresented families in Camden, we worked in partnership with Camden Council. This included targeted marketing in local venues with the aim to raise awareness of Post and Play ahead of developing outreach sessions in Camden Children's Centres.

Post and Play has also developed our understanding of the needs of families with young children visiting the museum. We have introduced new resources to support family visits including Caught Short Boxes with nappies and wipes and a Family Activity Station in the café with books, toys and activity sheets for families to enjoy in this space.

Access and Community Programmes

In 2023-2024 the museum continued to develop and deliver the access programme through working with D/deaf, disabled and neurodivergent people to identify and remove barriers.

We worked with Ambitious about Autism and a group of autistic young people to co-produce a sensory map to support people with sensory processing needs to understand and prepare for their visit. The Post Early relaxed events continued to be popular with existing and new audiences, with 1,247 people reached across the year. Running the events across a whole day continues to be praised by the attendees and sector peers.

The British Sign Language (BSL) Tour programme reached 436 people and included events for the public and private groups. We have also developed and piloted a BSL Tunnel Tour with our D/deaf guide in response to demand from the target audience.

The programme of events for blind and visually impaired people, delivered in partnership with VocalEyes, reached 190 people and was well received by audiences. Visual Awareness Training for front and back of house staff was delivered to increase staff awareness and confidence when engaging with blind and visually impaired people and to learn the basics in audio description.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2024

Work also continued in 2023-2024 to review, update and communicate the Mail Rail accessibility and health and safety restrictions with our access and inclusion advisor. A new ticket type, called Reduced Access, has been developed for disabled people who cannot ride the train because of the access barriers in place and is heavily discounted to recognise the loss of experience.

Progress was made in the community engagement programme to widen access and reach under-represented local audiences. Informed by mapping of the local community and working to understand their requirements, we developed connections and partnerships with a range of community groups. We developed and piloted a range of creative approaches across the year to test how our local communities want to access our assets and collection. For example, the pilot year of the Community Access Scheme was very successful with 16 local groups recruited as part of an initiative to show an ongoing commitment to remove financial barriers for local community organisations.

Inspired by the collection, we developed a creative resource for children and families affected by the cost-of-living crisis. 300 packs were made and distributed to key community partners who were invited to share them with their local families. As the initiative enabled us to reach out to local groups, raise awareness of the museum and provide a useful, high-quality resource, it will be considered as a permanent tool for engagement.

A Community Open Day was piloted as a model of engagement. The event was designed to offer affordable tickets to local Camden and Islington residents and enabled us to reach families who would otherwise face financial barriers to visiting the museum. Teams across the museum delivered a range of activities themed around World Postcard Day and engagement was very high.

Excellent progress was made in building a long-term relationship with operational Royal Mail workers, past and present, including reaching out to them through quarterly Royal Mail Open Days at the museum, with discounted tickets for staff and their families. Engaging with operational Royal Mail workers also enabled us to capture the experiences of Royal Mail staff who wear uniform through filmed interviews. These were included in the Dressed to Deliver exhibition and season of activity and will be available on the website as a legacy project.

We piloted additional engagement approaches with operational Royal Mail workers which aimed to reach under-represented people within the workforce. For example, as part of a Royal Mail Black History Month initiative, we developed a wellbeing focussed activity and resource for women postal workers at the Mount Pleasant Mail Centre, which explored the representation of Black people in the collection.

To raise awareness of the community engagement programme, we delivered a series of Community Engagement at The Postal Museum training sessions for all staff. This will be an ongoing session offered to all new starters to support the museum in achieving our ambitious plans to collaborate with community partners in a meaningful and equitable way.

The Postal Steam Ships and the Caribbean project continues to be delivered by teams across the museum. Our participatory approach has been informed and influenced by a research trip to St Thomas in the United States Virgin Islands and a range of partners, including consultants, community participants, academics and community researchers. With the support of a participation consultant, the team has mapped out how and why partners will be integral to shaping the exhibition and programme.

3. We will look after, develop and be curious about our collection to ensure the story of postal communication is relevant, inspiring and inclusive

- The delivery of a temporary exhibition, Dressed to Deliver, exploring the history of postal uniforms in October 2023
- The development of a new season of activities and online content exploring the introduction of uniforms.
- Continued research into the Postal Steam Ships and the Caribbean (working title) exhibition

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2024

- The drafting of a strategy for collecting around the story of the Horizon IT scandal
- The drafting of the structure for the Collections Strategy
- Exploring the themes around the collection to help identify gaps and establish a structure for future collecting

Exhibitions

The King's Stamp exhibition ran during the first half of 2023. The exhibition charted the history and development of definitive stamps from Queen Victoria culminating in a reveal of the new stamp for King Charles III. This allowed recording of new content and the making of a film on the printing of the stamp and an exhibition that showcased some of the treasures from the philatelic collections.

The Postal Museum launched a new temporary exhibition in mid-October 2023, entitled Dressed to Deliver. The exhibition told the story of postal uniforms over the last 200 years, from formal frockcoats worn by early letter carriers to the modern sportswear worn by today's Royal Mail posties. It features examples of historic uniforms, dressing-up stations, arts and crafts activities, and videos featuring interviews with Royal Mail workers about their experiences of developing and wearing uniforms.

Some of the key findings from post-visit surveys carried out between October and December 2023 included:

- 9% of all respondents stated that the temporary exhibition was either the main or one of many reasons for their visit. This rose to 14% for repeat visitors and 20% for regular visitors.
- 94% of respondents who visited the temporary exhibition rated their overall satisfaction with the temporary exhibition as Excellent or Good.

The exhibition generated strong press coverage, including BBC News Online, EC1 Echo, Londonist, Conde Nast Traveler, City Kids Magazine and bloggers including Museum Mum and Ian Visits.

Projects and partnerships

The Addressing Health Project in collaboration between King's College London, Kingston University, University of Derby and University College London, in partnership with The Postal Museum which ran for three years, finished in this period. The funded element will end in the first quarter of the 2024/25 period and work took place to consider the legacy of the project, the ways in which working with partners continues and what outputs will continue to be generated in the future.

Collections

Research into the role of the postal service in the establishment and operation of the British Empire has continued and themes for the next temporary exhibition were agreed. A visit took place to the Caribbean Island of St Thomas where important relationships were established with communities there who the Museum plans to work with in developing the next exhibition in a collaborative way.

A new digital preservation system was purchased that will allow much greater and more robust management of born-digital archives in line with obligations under the Service Level Agreement. Work took place to establish a workflow for the system and planning on migration of data to this new system.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2024

Work continued with documentation of the collection and increasing access to material by reviewing and cataloguing more records to make them available to researchers.

The digitisation studio supported the development of the Dressed to Deliver exhibition with a large-scale digitisation project of postal uniforms and began on digitisation of material linked to the future exhibition.

Conservation re-established the process around remedial conservation on non-urgent items for collections care and a new process was put in place to support a regular programme of preventative and remedial conservation in addition to exhibition or loans-based work.

Loans from the collection went out during the year to London Transport Museum and the Broadway Museum in Worcestershire.

Online engagement

Online engagement continued to improve, with sessions on the museum's website exceeding 1 million in 2023/24, a 13% increase on the previous comparable period. This increase was mainly driven by new advertising creative and increased brand awareness driving traffic to our Visit pages. However, interest in the museum's engaging online content continued with over 204,000 sessions to the museum's blog, an increase on the previous comparable period of 16%, which was driven by content relating to the design of new stamps for King Charles III, royal cyphers and postal uniforms. Additionally, more video content has been created for Instagram and TikTok, driving up engagements and followers. On Instagram we have achieved a 67% increase in followers in 2023/24, driven by a change in content strategy to prioritise short-form video.

Content, created through cross-departmental collaboration, on the website and the museum's social media channels was diverse and covered a huge range of topics, with the bulk of content centred around:

- The King's Stamp exhibition, which continued until September 2023
- Postal uniforms supporting the launch of the Dressed to Deliver exhibition, which opened in October 2023
- The Meet the Maker series of interviews exploring diverse representation in postal design, from greetings cards to stamps
- The pneumatic tube, a popular interactive at the museum, which has been particularly popular on TikTok

4. We will minimize the environmental impact of our activities and communicate effectively about our environmental responsibility

- We published our Environmental Sustainability Framework 2023-2029, setting out our vision and the steps we will take to reduce the museum's environmental impact.
- Continued investment in environmental sustainability, continuing to work with consultants Eight Versa to deliver annual carbon reporting.
- Undertook feasibility studies on projects that have the potential to minimise carbon emissions; these included installation of more solar panels and air source heat pumps.
- Continued to work with local groups and sector networks, particularly Knowledge Quarter and Fit for the Future.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2024

- Continued to engage teams across the museum through the Sustainability Working Group delivering the museum's Environmental Sustainability action plan

Environmental Sustainability Framework

In May 2023, coinciding with International Museum Day, the museum launched an Environmental Sustainability Framework covering 2023-2029. The framework was developed with support from consultants, ideas generated by the museums' cross-departmental Sustainability Working Group and responded to our Arts Council England National Portfolio Organisation plan. The framework embeds environmental responsibility within all aspects of our work and ensures everyone understands their role in supporting delivery and is available for the public to view on the museum's website.

Sustainability Working Group

The membership of the Sustainability Working Group continued to include representatives from all teams in the museum. Representatives are committed to engaging their teams and embedding environmental responsibility across everything we do, through gathering insights and actions for a targeted action plan which cascades from the Environmental Sustainability working group.

5. We will develop a sustainable and dynamic business model to enable our work as a charity

- The development and launch of a new Marketing and Communications Strategy, underpinned by the newly developed Audience Development Strategy, focussed on driving visitors and increasing online engagement.
- The development and roll out of a new Brand Campaign for the museum's advertising, to target growth and core audiences.
- Winning Best Museum in the UK at Tiqets Remarkable Venue Awards for the second year running.
- Exceeding targets for visitor numbers and income and operational days increasing to support increased visitor numbers.
- Establishing a new Trading Board to provide the museum with greater support to drive revenue through commercial activities.

Marketing and Communications Strategy

The strategy for 2023-26 delivers against the objectives of the museum's Forward Plan and incorporates audience aims and insights from the Audience Development Strategy and Plan, to transition to a sustainable long-term visitor model. It recognises and capitalises on our position as a new museum with ample opportunity to improve recognition within existing audiences and centres relevance to audiences to position the museum as knowable, welcoming, and accessible. The strategy takes a digital-first approach to campaigns with joined up Marketing and PR. Digital first means we will prioritise digital activity supported by traditional marketing and PR, which plays an important part in the campaign mix.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2024

Brand Campaign

A key output of the new Marketing and Communications Strategy was to update the museum's advertising, known as our 'Brand Campaign', to better appeal to target audiences. This creative is used for advertising to drive ticket sales throughout the year. The museum worked with the same agency who refreshed the museum's brand in 2022 to develop a dynamic and flexible marketing creative that could be used across digital advertising and traditional media placements, launching in summer 2023. The result was a 'A ride for their imagination', a campaign that can be adjusted for family and adult advertising and uses video and animation for the first time. The campaign contributed to visitor numbers exceeding target by 19.5%.

Operations and Ticketing

At the end of 2023/24, visitor numbers were 19.5% greater than forecast. Several factors contributed to the increase in visitor numbers. These include a strong demand for family days out; improved audience understanding and targeting; opening 7 days a week in holiday periods; increasing capacities across timeslots and flexibly adjusting capacities to meet demand on busy days.

The Visitor Experience team focussed on improving operating procedures to better manage increased ticket capacities. This led to improving the efficiency of batching visitors on to the trains, taking a dynamic approach to staffing to operate a second train during busier periods and introducing queue engagement activities delivered by a Visitor Experience Host – the latter greatly improved the visitor experience.

The Retail team worked to drive greater revenue through the two shops located in the museum. The audience development strategy and plan provided the team with data about our audiences' propensity to spend. This supported the team to develop a series of product ranges and implement an appropriate pricing structure to satisfy our audiences. Additionally, the team improved the front of house staff's product knowledge, skills in identifying upselling opportunities, visual merchandising and general engagement with visitors in the shops. This meant increased average value per transaction, more visitors purchasing shop items and overall exceeding retail revenue targets.

The museum undertook a tender process for the appointment of a new catering supplier on a three-year term with the option to extend for a further two years. A total of 11 suppliers responded and, following a robust process, that included analysis of profit and loss budgets, due diligence and ensuring the proposition suited our audiences, a supplier was appointed.

Fundraising

The museum secured significant grants and donations in 2023-24 alongside our continued support from Royal Mail Group and Post Office Ltd.

- In March 2024, £400,000 of support from Arts Council England Capital Investment Fund was secured subject to meeting specified criteria, towards the Enhancing Mail Rail project. This complements a significant grant of £600,000 from the Post Office Remembrance Fellowship, confirmed also subject to meet specified criteria, in early 2023.
- The first instalments of the museum's three-year support, totalling £150,000 as an Arts Council England National Portfolio Organisation was received.
- Almost £5,000 from Royal Mail Group in support of The Jolly Postman virtual sessions.
- Close to £10,000 generated through the museum's Support a Sleeper scheme for individuals.

We thank all our supporters, named and anonymous, for their generosity to the museum.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2024

No complaints have been received in respect of fundraising.

FINANCIAL REVIEW

Reserves

Postal Heritage Trust's reserves position is under constant monitoring and management. The general policy of the Trustees is to maintain on average, around five months' worth of unrestricted operating expenditure plus foreseeable capital commitments as working capital in the form of unrestricted cash, to safeguard The Postal Museum's efficient running and its ability to meet current commitments and to provide stakeholders with assurance about its financial resilience. The nature of the timing of voluntary funding receipts based on agreements with Royal Mail Group and Post Office Ltd, means that this is not always the case but the agreements themselves provide comfort that the museum can continue its normal operations. The reserves policy will be kept under regular review to ensure the museum has sufficient resources to continue to meet its strategic aims and objectives.

At the period end, the unrestricted cash balance of £1,780k (2023: £1,638k) represented almost 4 months of budgeted operating expenditure and planned capital commitments for financial year 2024/25. The restricted fund cash balance was £40k (2023: £31k). The cash balance at the end of March is always a low point in the museum's funding cycle, and large receipts from both Royal Mail and Post Office for donations and the archive services agreement are due in April. The reported cash balance at year-end is not considered by trustees to be a cause for concern.

Of the total funds of £12,924k (2023: £14,119k) at the year end, £121k (2023: £112k) were restricted and £12,803k (2023: £14,007k) were unrestricted, £12,511k of which was designated, as detailed below. The designated funds represent the net asset valuation following completion of the capital project.

Overall, the museum made a deficit of £1,195k (2023: £1,821k deficit) for the 12-month period after the depreciation provision of £1,040k (2023: £1,331k). Excluding depreciation there was a deficit of £155k (2023: £490k surplus).

Restricted funds

- Funds represented by the book value of the Collection held by PHCT: £81k (2023: £81k).
- Funds held for the digitisation of Post Office records which was £6k at year end (2023: £6k).
- Addressing Health Project, the remaining balance of which at year end was £4k.
- The remaining balance held at year-end for upgrading Sorted! was £251.
- The Post and Play programme ended the period with a net balance of £8k.
- The Sorting Office Maths Challenge concluded the year with a balance of £5k remaining.

Unrestricted funds

Designated funds

- Funds designated related to fixed assets and The Postal Museum capital project: £12,511k (2023: £13,741k).

General funds

- General unrestricted funds: £292k (2023: £266k). As the museum in effect, is still a relatively new start-up, we are in the process of experimenting and developing services and processes. The stated aim is to build on the successful launch and generate reserves to establish long term sustainability. This involves the development of strong partnerships with key stakeholders including Royal Mail Group and Post Office Limited. It is expected that this process will stabilise in the next two years before sustainable reserves start to build.

Analysis of the funds detailed above in terms of their representation is as follows:

	General	Designated	Restricted	Total
	£	£	£	£
Fixed Assets	2,039,692	17,822,721	81,367	19,943,780
Net Current Assets/(Liabilities)	(1,747,817)	876	39,813	(1,707,128)
Long term liabilities - loans	-	(5,312,639)	-	(5,312,639)
	291,875	12,510,958	121,180	12,924,013

Cash flow

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2024

As can be seen on the cash flow statement on page 24 the cash balance at the financial year end had increased by almost £70k to £1,819k. This relatively small net cash inflow was expected.

Related parties

Postal Heritage Trust (PHT) was formed from the Heritage Services department of Royal Mail in 2004, from whom it received fixed assets and staff.

Royal Mail Group (RMG) originally nominated two members on the Trust's board upon foundation, and, like Post Office Ltd., (POL) retains the right to nominate at least one board member.

Both RMG and POL have Funding Agreements to 2040 which provide the charity with funds for the general purpose of meeting its charitable objectives. This amounted to £1.53m in the 12 months to 31 March 2024 (2023: £1.61m). They have also transferred some of their intellectual property rights to the group.

POL and RMG have an Archive Services Agreement with PHT via its trading subsidiary, Postal Heritage Services Ltd (PHSL), which provided the latter with £1,057k of income over the 12 months to March 2024 (2023: £1,293k), for the purpose of maintaining, and providing public access to the RMG /POL archives. This agreement runs until 2040.

Postal Heritage Trust (PHT) and the Postal Heritage Collection Trust (PHCT) are under joint control of the board of trustees. PHCT is a company limited by guarantee. It is a holding entity into which the Royal Mail Museum Collection was transferred on 29 March 2004.

Principal risks and uncertainties

Principal risks

The primary risk is the ability to resolving satisfactorily the historical loans relating to the capital project made to The Postal Museum by Post Office Ltd and Royal Mail. The Postal Museum has signed a Heads of Terms agreement with RM and POL. This document and other details are being reviewed by all connected parties to the original loan agreements. Trustees are viewing this in a positive light and, although some details require further clarification and possibly some amendment, they are in the firm belief that this document is the basis of a viable agreement to secure the museum's long-term future. Pending the outcome of further discussions, neither RM nor POL have indicated any intention to enforce the original loan terms within the next 12 months from the signing of these accounts. Trustees are therefore taking the view that the risk of the museum not being considered as a going concern has been substantially mitigated against.

Trustees consider that the other main risk over this period relates to cash. They are assured by the projected **£x.xxm** cash balance at the end of March 2026 and the projected budgets and cash flow as outlined above provided that agreement can be reached on renegotiating the repayment terms of the loan. Currently the loans are classified in these accounts split between being due within one year and due within more than one year as, whilst the initial terms and conditions were breached as at the year end date, neither RM nor POL have sought repayment of the loan up to December 2024. Additionally, they are reassured by the tight spending controls that the museum has demonstrated since 2018, including a revised operating model which tightly manages third-party contracts in-house and the levers that the museum can pull to increase at quick notice the capacity of the museum, thus driving admissions income.

The Postal Museum's operational risk profile can be measured against its dependence in a normal year of operations, on income from the following income streams: 29% from admissions income, 39% from fundraising, 21% from services and 11% from commercial activity. The major risks associated with each are as follows:

Admissions Income – The principle financial risks to admissions income are the reliability of the Mail Rail attraction, including the trains, and the demand for tickets from the public. The visitor profile is understood and train reliability is very good, so these risks are rated as "low" in the TPM risk register. TPM's reputation is also a key factor in attracting visitors, centred on its ability to meet legal standards, and in particular, health, safety, and security obligations.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2024

Fundraising – Much of the fundraising target has been secured through long term agreements with RM and POL but that still leaves a significant sum to be raised each year from various sources. A shortfall in fundraising income is rated “low” in the TPM risk register following mitigating actions. A membership scheme was introduced in 2019 to help build long term loyalty across a broader donor base. No complaints were received in respect of fundraising.

Commercial Income – This income derives from three components: Retail, Food & Beverage (F&B) and Events. F&B is the smallest component and is considered to be of low risk. Retail performance is dependent on a combination of forecast attendance and spend per head being achieved. The novelty of the TPM sites is an attraction for our Events operation, but attracting new business has proved to be very challenging in a post-Covid setting with a high inflation economic environment. Based on expected value, the performance of the Events offer is rated “medium” in the TPM risk register.

Services Income – This mainly derives from our management of the archives and public records of both POL and RM. These services are governed by and funded through a long-term agreement, and so the principal risks relate to failure to deliver services to the defined SLA's and/or loss or damage to the collections; both these eventualities are rated as “low to moderate” risks due to their likelihood of failure following mitigating actions.

Cyber risk

In addition to the above-mentioned risks, the Postal Museum is in the process of safeguarding itself against the risk and consequences of a cyber-attack. Measures being taken include physical, electronic and staff training.

Risk management

The Audit & Finance Sub-Committee oversee the risk management process. The TPM Risk Registers are reviewed by the executive team on a periodical basis with a highlight report being provided to the full Board following each review. The Audit & Finance sub-committee aims to review the full set of registers at least quarterly.

The trustees have considered the financial position of the museum in great detail and note the following:

Lookout period

The strategy and direction of the museum has been outlined in the Forward Plan, the current version of which runs through to 2029. Sitting alongside this is a detailed cash flow projected to the end of financial year 2025/26 with further projections for the next 10+ years. Cash flow projections take account of assumptions concerning projected visitor numbers and future programming. Planned content to be shown within the museum alongside digital and virtual delivery, developed alongside an Audience Development Plan, gives the Trustees confidence that audiences will be attracted to interesting and relevant displays, blogs, talks and events.

This strategy has been strongly endorsed by various funding bodies who generously supported The Postal Museum since opening and especially through the pandemic in 2021 and 2022. External funding from a variety of sources is expected to continue for the foreseeable future. This strategy was reinforced by the award of National Portfolio Organisation (NPO) status by Arts Council England (ACE) covering the 3 years ending March 2026, with a further one year extension granted in April 2024. There is a realistic expectation that this will continue for further funding rounds.

Supporting analysis

The Trustees, through the delegated responsibility of the Finance and Audit Committee, regularly review budgets, reforecasts, and cash flow scenarios along with underlying assumptions and risks. Scenario planning underpins the budgets set with constructive challenge coming through committees and the Board. Trustees receive regular updates from the Executive Team which make clear the actions that can be taken to mitigate against any downturns by reducing expenditure at relatively short notice and by avoiding any unnecessary long term large financial commitments. They are also assured of the entrepreneurial nature of the organisation through reports on income generating activities.

Going concern

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2024

As is reported in note 1b on page 25, the trustees have considered the charitable group's forecasts and projections for a period of 12 months from the approval of the financial statements. After making enquiries, the trustees have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future, a minimum of which is a period of twelve months and, subject to the non-enforcement of the loan repayment obligations and in light of the draft agreement to restructure the loan alongside amendments to the long lease on Calthorpe House. The charity continues to adopt the going concern basis in preparing its financial statements. The Trustees consider that the conditions described in respect of the historical loans as mentioned above, constitute a material uncertainty which may cast doubt over the charitable company's ability to continue as a going concern although substantially mitigated by the Heads of Terms agreement referred to above. The working assumption is that this agreement will be formalised in the form of binding contracts.

Trustees are clear that The Postal Museum continues to be a going concern despite the hitherto absence of a permanent agreement with Royal Mail and Post Office Ltd to resolve the historic loans. Both lenders have indicated in a series of meetings and the signed Heads of Terms agreement, that their preferred outcome is for the Postal Museum to continue to exist, and neither has given any indication of any intention to call back the loans in accordance with their contractual rights.

FUTURE PLANS

Audience

In 2024, we will continue to implement our Audience Development Strategy and Plan which, using the findings from our audience segmentation and audience research, will guide our strategic approach. The plan will be supported by the launch of the 3-year Marketing and Communications Strategy, a Commercial Strategy and a Community Engagement Strategy and Plan, which will deliver the aims of audience development.

Community Engagement

The Postal Museum's Community Engagement Strategy will articulate our ambition to develop the museum into a truly participatory organisation, deeply embedded within our local communities. Replicating elements of the successful model used to build our access programme and inspired by the Museum Association's (MA) Manifesto for Learning and Engagement and the Our Museum project, our aim is for our communities in Camden and Islington to become active partners in our work rather than passive beneficiaries. We want to better understand their wants and needs, address local issues, and improve our relevance to and representation of people from different cultural, ethnic and socioeconomic backgrounds.

Content

Our exhibition exploring postal uniforms, Dressed to Deliver, will continue to 2025. This exhibition is curated with audience segment Inquisitive Minds with children, looking at uniforms past and present, identity and functionality. This exhibition included consultation with postal workers past and present gathered through our Royal Mail Staff Open Days.

New research into the Royal Mail Steam Packet Ship company, and work with local communities and groups in St Thomas to ensure this work tells the broader story and from different perspectives, continues. The exhibition will open in spring 2025. This project is being jointly run by the Collections and Community teams will be supported by communities in the Caribbean as well as locally to the Museum.

Enhancing Mail Rail

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2024

In 2025, we will begin delivery of Enhancing Mail Rail. This project seeks to address issues and risks related to the operation of the train ride, whilst opening opportunities for the museum to attract new visitors and enhance its reputation with audiences and stakeholders. It is funded by generous grants from Post Office Remembrance Fellowship and the Capital Investment Programme organised by Arts Council England (ACE).

The project is framed around three key aims:

1. To improve accessibility to the Mail Rail ride and tunnels for disabled people.
2. To ensure continuous, safe and sustainable operations of the Mail Rail ride.
3. To increase the appeal, impact and relevance of the Mail Rail ride for current and potential audiences.

The enhancements delivered under these aims will involve the addition of new audiovisual hardware and software across the ride and exhibition space. This will include:

- New, upgraded projectors and digital media servers for the ride experience.
- A new audiovisual show for the first platform on the ride route.
- A new accessible in-car audio commentary in the trains.
- An audiovisual multimedia guide to provide accessible interpretation for disabled people on the ride and in the exhibition.
- An immersive 'projection cave' experience to provide an equitable simulation of the ride for people who cannot or do not want to ride the trains.
- A new platform lift to enable reliable step-free access to the underground spaces.

Environmental Sustainability

In 2024/25, the museum will publish an update on our progress to reduce carbon emissions against our 2019 baseline. This report will detail progress to reduce scope 1-3 emissions and will outline the key activity delivered against our action plan across our four areas of focus – programme, place, process and people. We will also make changes the museum's procurement policy to ensure green considerations to reduce scope 3 emissions associated with our goods and services and seek funding for infrastructure changes essential for delivering scope 1 and 2 emissions reduction over the longer term.

Statement of Trustees' Responsibilities

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2024

The Trustees (who are also Directors for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable Company and the group and of the movement in funds, including the income and expenditure, of the charitable Company and group for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as we are aware:

- There is no relevant audit information of which the charitable Company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

In making its decisions, Trustees have had due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

On 19 November 2024 the company's auditor changed its name from Haysmacintyre LLP to HaysMac LLP.

This report, which includes both the Directors Report and the Strategic Report for the purposes of company law was approved by the Board on 12 December 2024 and signed on their behalf by:



Susan Wilkinson
Director

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
POSTAL HERITAGE TRUST
FOR THE YEAR ENDED 31 MARCH 2024**

Opinion

We have audited the consolidated financial statements of Postal Heritage Trust for the period ended 31 March 2024 which comprise the consolidated statement of financial activities, the consolidated and company balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2024 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 group 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.

Material uncertainty relating to going concern

We draw attention to note 1b in the financial statements, which indicates that Postal Heritage Trust has defaulted on its loan repayment obligations and, whilst assurances have previously been obtained from the lenders that they will not enforce debt recovery these assurances are not legally binding and have expired. As stated in note 1b, the directors expect a satisfactory resolution to current negotiations with the lenders, but these have not concluded at the date of the approval of the financial statements. These matters indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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 Trustees' Report. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POSTAL HERITAGE TRUST

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 strategic report and the directors' report prepared for the purposes of company law) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees and Strategic Report have 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee and Strategic Report (which incorporates the strategic report and the directors' report prepared for the purpose of company law).

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on pages 16, the trustees (who are also the 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group/charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to registered charities, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and other factors such as income tax, payroll tax and sales tax.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

POSTAL HERITAGE TRUST

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to areas of estimation uncertainty and to manual accounting journals. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing manual journals, in particular unusual any unusual items; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located 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.



Jane Askew (Senior Statutory Auditor)

Date: 20.12.2024

For and on behalf of HaysMac LLP, Statutory Auditors

10 Queen Street Place
London EC4R 1AG

POSTAL HERITAGE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2024

		Year to Mar 2024 Unrestricted	Year to Mar 2024 Restricted	Year to Mar 2024 Total	15 Months to Mar 2023 Total
	Notes	£	£	£	£
INCOME					
Donations and legacies					
Donations & Grants - Royal Mail Group Ltd	4	1,524,968	-	1,524,968	1,611,991
Donations & Grants - Other	4	386,629	59,060	445,689	382,650
Income from Charitable activities					
Admissions and membership		1,431,518	-	1,431,518	1,265,626
Outreach and exhibitions		59,409	-	59,409	82,808
Income from other trading activities					
Income of trading company - PHSL	6	1,089,640	-	1,089,640	1,327,116
Income of trading company – PHTL	6	451,319	-	451,319	498,399
Other income		7,902	-	7,902	21,148
Investment Income		12,425	-	12,425	4,832
TOTAL INCOME		4,963,810	59,060	5,022,870	5,194,570
EXPENDITURE					
Charitable activities:					
Operation of The Postal Museum	5	2,350,872	12,950	2,363,822	2,522,348
Collections	5	845,356	-	845,356	901,867
Outreach and exhibitions	5	610,185	36,625	646,810	690,678
Costs of raising funds:					
Expenses of charity – PHT	5	846,042	-	846,042	913,430
Expenses of trading company - PHSL	5	1,080,530	-	1,080,530	1,369,087
Expenses of trading company – PHTL	5	434,873	-	434,873	618,698
TOTAL EXPENDITURE		6,167,858	49,575	6,217,433	7,016,108
Net (expenditure)/income		(1,204,048)	9,485	(1,194,563)	(1,821,538)
Transfer between funds		-	-	-	-
NET MOVEMENT IN FUNDS		(1,204,048)	9,485	(1,194,563)	(1,821,538)
Funds brought forward		14,006,881	111,695	14,118,576	15,940,115
FUNDS CARRIED FORWARD		12,802,833	121,180	12,924,013	14,118,577

There were no recognised gains and losses other than those shown in the above Statement of Financial Activities. All income and expenditure of the period was derived from continuing activities. The comparative Consolidated Statement of Financial Activities on page 21 shows the 2023 split between funds.

The notes on pages 27 to 43 form part of these financial statements.

POSTAL HERITAGE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE 15 MONTH PERIOD ENDED 31 MARCH 2023 (comparative)

		15 Months to Mar 2023 Unrestricted	15 Months to Mar 2023 Restricted	15 Months to Mar 2023 Total	Year to Dec 2021 Total
	Notes	£	£	£	£
INCOME					
Donations and legacies					
Donations & Grants - Royal Mail Group Ltd	4	1,611,991	-	1,611,991	1,450,024
Donations & Grants - Other	4	293,511	89,139	382,650	743,639
Income from Charitable activities					
Admissions and membership		1,265,626	-	1,265,626	488,269
Outreach and exhibitions		82,808	-	82,808	1,404
Income from other trading activities					
Income of trading company - PHSL	6	1,327,116	-	1,327,116	1,067,074
Income of trading company – PHTL	6	498,399	-	498,399	430,711
Other income		21,148	-	21,148	32,221
Investment Income		4,832	-	4,832	188
TOTAL INCOME		5,105,431	89,139	5,194,570	4,213,530
EXPENDITURE					
Charitable activities:					
Operation of The Postal Museum	5	2,480,785	41,563	2,522,348	1,715,342
Collections	5	879,601	22,266	901,867	610,518
Outreach and exhibitions	5	680,678	10,000	690,678	479,914
Costs of raising funds:					
Expenses of charity – PHT	5	913,430	-	913,430	655,608
Expenses of trading company - PHSL	5	1,369,087	-	1,369,087	1,205,182
Expenses of trading company – PHTL	5	618,698	-	618,698	336,400
TOTAL EXPENDITURE		6,942,279	73,829	7,016,108	5,002,964
Net (expenditure)/income		(1,836,848)	15,310	(1,821,538)	(789,434)
Transfer between funds		-	-	-	-
NET MOVEMENT IN FUNDS		(1,836,848)	15,310	(1,821,538)	(789,434)
Funds brought forward		15,843,730	96,385	15,940,115	16,729,549
FUNDS CARRIED FORWARD		14,006,882	111,695	14,118,577	15,940,115

There were no recognised gains and losses other than those shown in the above Statement of Financial Activities. All income and expenditure of the period was derived from continuing activities.

The notes on pages 27 to 43 form part of these financial statements.

**CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2024**

		Mar 2024		Mar 2023	
	Note	£	£	£	£
FIXED ASSETS					
Tangible fixed assets					
Other fixed assets	7	19,862,413		20,858,376	
Museum Collection	8	<u>81,367</u>		<u>81,367</u>	
			19,943,780		20,939,743
CURRENT ASSETS					
Stock – goods for resale		48,544		44,859	
Debtors and prepayments	10	1,437,815		1,403,279	
Cash at bank and in hand		<u>1,819,427</u>		<u>1,749,830</u>	
			3,305,786		3,197,968
CREDITORS : amounts falling due within one year	11	<u>(5,012,914)</u>		<u>(4,410,318)</u>	
NET CURRENT (LIABILITIES) / ASSETS			<u>(1,707,128)</u>		<u>(1,212,350)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			18,236,652		19,727,393
CREDITORS : amounts falling due after more than one year					
Loans	11	<u>(5,312,639)</u>		<u>(5,608,816)</u>	
NET ASSETS			<u>12,924,013</u>		<u>14,118,577</u>
FUNDS					
Restricted funds:	12		121,180		111,695
Unrestricted funds:					
Designated	12		12,510,958		13,740,562
General	12		-		-
Trading subsidiary reserves	12		<u>291,875</u>		<u>266,320</u>
			<u>12,924,013</u>		<u>14,118,577</u>

The notes on pages 27 to 43 form part of these financial statements.

Approved and authorised for issue by the board of directors on 12 December 2024 and signed on their behalf by:



Susan Wilkinson
Director

**CHARITABLE COMPANY BALANCE SHEET
AT 31 MARCH 2024**

		Mar 2024		Mar 2023	
	Note	£	£	£	£
FIXED ASSETS					
Tangible fixed assets					
Other fixed assets	7	19,858,422		20,851,560	
Investment in subsidiary companies at cost	9	<u>2</u>		<u>2</u>	
			19,858,424		20,851,562
CURRENT ASSETS					
Debtors and prepayments	10	1,645,207		1,677,451	
Cash at bank and in hand		<u>679,144</u>		<u>590,079</u>	
			2,324,351		2,267,530
CREDITORS: amounts falling due within one year	11	<u>(4,319,363)</u>		<u>(3,739,384)</u>	
NET CURRENT LIABILITIES			<u>(1,995,012)</u>		<u>(1,471,854)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			17,863,412		19,379,708
CREDITORS: amounts falling due after more than one year					
Loans	11		<u>(5,312,639)</u>		<u>(5,608,816)</u>
NET ASSETS			<u>12,550,773</u>		<u>13,770,892</u>
FUNDS					
Restricted funds	12		39,815		30,330
Unrestricted funds:					
Designated	12		12,510,958		13,740,562
General	12		<u>-</u>		<u>-</u>
			<u>12,550,773</u>		<u>13,770,892</u>

The notes on pages 27 to 43 form part of these financial statements.

Approved and authorised for issue by the board of directors on 12 December 2024 and signed on their behalf by:



Susan Wilkinson
Director

**CONSOLIDATED CASH FLOW STATEMENT
AT 31 MARCH 2024**

	Mar 2024	Mar 2023
	£	£
Cash flows from operating activities		
Net (expenditure) for the financial year	(1,194,563)	(1,821,538)
Adjustments for		
Depreciation	1,040,019	1,330,501
Interest received	(12,425)	(4,832)
Loss disposal of fixed assets	-	-
(Profit) on disposal of heritage assets	-	-
(Increase) / decrease in stock	(3,685)	5,958
(Increase) / decrease in debtors	(34,536)	(1,116,982)
Increase / (decrease) in creditors	306,419	974,439
Net cash generated from operating activities	101,229	(632,454)
Cash flows from investing activities		
(Purchase) of tangible fixed assets	(44,057)	(41,961)
(Purchase) of heritage assets	-	-
Proceeds from sale of heritage assets	-	-
Proceeds from sale of fixed assets	-	-
Interest received	12,425	4,832
Net cash from investing activities	(31,632)	(37,129)
Cash flows from financing activities		
Cash inflow from new borrowing	-	-
Net increase / (decrease) in cash and cash equivalents	69,597	(669,583)
Cash and cash equivalents at beginning of the year	1,749,830	2,419,413
Cash and cash equivalents at the end of the year	1,819,427	1,749,830

Movement in net debt

	£	£	£	£
	At 31 March 2023	Cash flows	Non-cash changes	At 31 March 2024
Cash at bank and in hand	1,749,830	69,597	-	1,819,427
Loans due within one year	(1,441,184)	-	(296,177)	(1,737,361)
Loans due after one year	(5,608,816)	-	296,177	(5,312,639)
Total	(5,300,170)		-	(5,230,573)

The notes on pages 27 to 43 form part of these financial statements.

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES

a) Accounting basis

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company and its subsidiaries are a public benefit group for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011, and Regulations made thereunder.

In the view of the trustees in applying the accounting policies adopted, no judgements were required, other than the determination of the appropriateness of the going concern basis as set out below, that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

b) Going concern

FRS102 requires the trustees to adopt a going concern basis in preparing the financial statements unless they intend to liquidate the charitable company or have no realistic alternative to do so.

Postal Heritage Trust and Postal Heritage services have defaulted on their loan repayment obligations to Royal Mail Group Ltd and Post Office Ltd. However, the lenders have not exercised their right under the default provisions of the loan agreement, to require immediate repayment of the loan. The Postal Museum has signed a Heads of Terms agreement with RM and POL. This document and other details are being reviewed by all connected parties to the original loan agreements. Trustees are viewing this in a positive light and, although some details require further clarification and possibly some amendment, they are in the firm belief that this document is the basis of a viable agreement to secure the museum's long-term future. Pending the outcome of further discussions, neither RM nor POL have indicated any intention to enforce the original loan terms within the next 12 months from the signing of these accounts. Trustees are therefore taking the view that the risk of the museum not being considered as a going concern has been substantially mitigated against.

The non-enforcement of the loan repayment obligations constitutes a material uncertainty that may cast significant doubt as to the charity's ability to continue as a going concern. Nonetheless, the trustees have concluded that going concern is appropriate for the reasons set out below.

In particular the trustees have considered the charitable group's forecasts and projections for a period of 15 months from the approval of these financial statements to 31 March 2025. After making enquiries the trustees have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future, a minimum of which is a period of twelve months and, subject to the non-enforcement of the loan repayment obligations and agreement to revised terms and conditions as set out in the Heads of Terms within the timeframes noted above.

Trustees are clear that The Postal Heritage Trust continues to be a going concern despite the hitherto absence of a permanent agreement with Royal Mail and Post Office Ltd to resolve the historic loans. Both lenders have indicated in a series of meetings and other correspondence that their preferred outcome is for the Postal Museum to continue to exist and neither has given any indication of any intention to call back the loans in accordance with their contractual rights.

c) Consolidation basis

The consolidated financial statements of Postal Heritage Trust (PHT) include the results, assets and liabilities of the charitable company and its wholly owned trading subsidiary companies, Postal Heritage Services Limited and Postal Heritage Trading Limited on a line by line basis. In addition, the consolidated financial statements

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

include Postal Heritage Collection Trust (PHCT), a charitable company under common control, on a similar basis. In prior years, the consolidated financial statements were prepared by PHCT. The charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006 and has not prepared a separate Statement of Financial Activities.

d) Restricted funds

Restricted funds are to be used for specified purposes, as laid down by the grant-making body or donor.

e) Designated funds

Designated funds have been set aside at the Trustees' discretion for a specific purpose.

f) Unrestricted funds

Unrestricted funds include donations, consultancy income and other incoming resources received or generated for unspecified charitable purposes.

g) Donations and gifts

Income received by way of donations and gifts is included in the Statement of Financial Activities when received or there is a high probability of receipt.

h) Revenue grants

Revenue grants are credited to incoming resources in the year for which they are receivable. Revenue grants are deferred where the income represents amounts received for future years and are released to incoming resources in the year for which they have been received.

i) Expenditure

All expenditure is accounted for on the accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Such support costs, including governance costs, are allocated between cost of generating funds and resources expended on charitable activities on basis of time spent.

Salaries are allocated to the Postal Heritage Trust and its trading subsidiaries, Postal Heritage Services Limited and Postal Heritage Trading Limited, on the basis of time spent on each activity.

Governance costs, which are allocated consistently with other costs, are those costs relating to the general running of the charity by its trustees and include audit fees and trustee expenses.

i) Operating leases

The costs of operating leases are charged to the Statement of Financial Activities in the year to which they relate.

k) Heritage assets

The charity holds a collection of assets which reflect the history of the postal system. The museum collection is comprised of items which would fall under the definition of heritage assets in FRS 102 where such a heritage asset is defined as an asset "with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture".

The majority of assets in the collection are not valued on the balance sheet on the basis that appropriate valuations do not exist and could not be obtained at proportionate cost.

A small number of heritage assets were acquired by purchase in relatively recent past and, in the case of these assets, the cost of purchase is known. The aggregate cost of these assets is shown on the balance sheet. No depreciation is charged.

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

l) Depreciation and amortisation

The costs of fixed assets with a purchase price of £1,000 or more are capitalised and written off on a straight-line basis over their useful lives, as follows:

General office equipment, fixtures, and fittings	5 years
Other equipment	Variable periods depending on deemed useful asset life
Long leasehold property	40 years and 25 years (period of lease)

m) Pension scheme

The charity made employer's contributions into the Royal Mail Group POS and POPS defined benefit final salary schemes on the behalf of one remaining employee transferred into its employment from Royal Mail Group. The costs are charged to the Statement of Financial Activities when they fall due. The schemes are multi-employer schemes. The employee transferred from the Royal Mail Group schemes and joined TPM's defined contribution pension scheme on 1 March 2023, whilst maintaining preserved rights for all historic contributions in the Royal Mail Group schemes.

n) Intangible assets

The cost of software and exhibition films are treated as intangible assets where the value exceeds £1,000. The accounting policy is to write down these amounts over a period of 5 years on a straight line basis.

2. STAFF NUMBERS AND COSTS

	Year to Mar 2024	15 Months to Mar 2023
	Number	Number
(a) The average number of employees during the year were as follows:	88	82

(b) For a 12 month period,

One employee (2023: 0) received remuneration in the band £60,000 - £70,000.

One employee (2023: 1) received remuneration in the band £70,000 - £80,000.

No employee (2023: 1) received remuneration in the band £90,000 - £100,000.

One employee (2023: 0) received remuneration in the band £110,000 - £120,000

For the purpose of the above disclosure, remuneration refers to salary and taxable benefits in kind only.

	Year to Mar 2024	15 Months to Mar 2023
	£	£
Wages and salaries	2,419,625	2,594,432
Social security costs	218,387	241,172
Pension costs	144,760	164,040
	2,782,772	2,999,644

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

During the year, reimbursable expenses of £753 (15 months to 2023: £749) were paid to 3 (15 months to 2023: 3) trustees for travelling expenses and subsistence.

The charity made payments of £2,104 (15 months to 2023: £1,615) in the year for trustees' indemnity insurance.

Laura Wright was employed as CEO and Trustee of the charity. The legal authority for payments to her was a Charity Commission Order. During the year she received remuneration of £110,910 (15 months to 2023: £119,048) in respect of her employment. In addition, the charity made contractual pension contributions of £6,655 in respect of her employment.

The total employee benefits of the charity's Key Management Personnel in the year amounted to £469,266 (15 months to 2023: £637,422).

3. NET MOVEMENT IN FUNDS FOR THE YEAR

	Year to Mar 2023	15 Months to Mar 2023
	£	£
This is stated after charging:		
Auditors' remuneration – audit of parent company	15,730	18,525
– subsidiary company audits	15,400	12,625
– other services	6,325	4,700
Operating leases – land and buildings	217,445	267,269
Depreciation of fixed assets	1,040,019	1,330,502

4. DONATIONS AND LEGACIES

	Year to Mar 2024	Year to Mar 2024	Year to Mar 2024	15 Months to Mar 2023	15 Months to Mar 2023	15 Months to Mar 2023
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Donations & Grants - Royal Mail Group Ltd and Post Office Ltd	1,524,968	-	1,524,968	1,611,991	-	1,611,991
Donations & Grants - Other	236,629	-	236,629	293,511	-	293,511
Arts Council England Grant	150,000	-	150,000	-	-	-
Patron donation for Sorted!	-	-	-	-	5,000	5,000
Post and play	-	27,000	27,000	-	27,000	27,000
Sorting Office Maths Challenge	-	14,115	14,115	-	16,615	16,615
Jolly Postman virtual sessions	-	4,995	4,995	-	13,362	13,362
Patron donation for The King's Stamp exhibition	-	-	-	-	10,000	10,000
Addressing Health Project	-	-	-	-	17,162	17,162
Enhancing Mail Rail	-	12,950	12,950	-	-	-
	1,911,597	59,060	1,970,657	1,905,502	89,139	1,994,641

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

5. ANALYSIS OF EXPENDITURE

	PHT	PHSL	PHTL	Collections	Outreach	Operations	Year to Mar 2024 Total
	£	£	£	£	£	£	£
DIRECT COSTS							
Staff Costs	409,523	308,970	160,748	351,076	118,208	887,637	2,236,162
Other staff related items & consultancy	5,846	222	728	9,584	10,257	28,622	55,259
Property costs	95,428	3167	680	156,535	167,532	467,386	890,728
Direct activity costs	69,665	26,079	182,836	114,278	122,305	341,210	856,373
Depreciation	105,645	2,825	-	184,256	196,803	550,490	1,040,019
	686,107	341,263	344,992	815,729	615,105	2,275,345	5,078,541
SUPPORT COSTS							
Staff Costs	8,745	-	-	14,343	15,350	42,826	81,264
Other staff consulting	4,469	-	-	7,339	7,851	21,909	41,568
Auditors remuneration	1,795	7,700	7,700	2,756	2,944	8,235	31,130
Trustee Expenses	1,131	-	-	1,903	2,041	5,684	10,759
Other Support Costs							
Staff Costs	53,762	-	-	88,189	94,386	263,320	499,657
Other staff related items & consultancy	1,652	-	-	2,711	2,902	8,096	15,361
Insurance	11,686	-	-	19,169	20,515	57,237	108,607
Post, stationery, telephone	1,133	159	2,074	1,857	1,989	5,544	12,756
Office equipment	845	-	-	1,388	1,483	4,142	7,858
IT costs	10,169	9,116	2,808	16,684	17,856	49,813	106,446
Legal & Professional	1,565	2,103	2,258	2,564	2,746	7,661	18,897
Other	5,775	1,400	7,744	9,470	10,135	28,275	62,799
Loan interest	141,790	-	-	-	-	-	141,790
Gift Aid to charity	(33,894)	315,000	-	(55,598)	(59,504)	(166,004)	-
Support cost recharge	(50,688)	403,789	67,298	(83,148)	(88,989)	(248,262)	-
	159,935	739,267	89,882	29,627	31,705	88,476	1,138,892
Total expenditure 2024	846,042	1,080,530	434,873	845,356	646,810	2,363,822	6,217,433
Total expenditure 2023	913,430	1,369,087	618,698	901,867	690,678	2,522,348	7,016,108

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

ANALYSIS OF EXPENDITURE (2023 comparative note)

	PHT	PHSL	PHTL	Collections	Outreach	Operations	15 Months to Mar 2023 Total
	£	£	£	£	£	£	£
DIRECT COSTS							
Staff Costs	435,757	423,599	129,565	373,566	125,781	944,499	2,432,767
Other staff related items & consultancy	9,118	1,062	2,018	14,948	15,997	44,638	87,781
Property costs	114,570	674	-	187,934	201,137	561,136	1,065,451
Direct activity costs	77,150	3,406	165,995	126,556	135,446	377,873	886,426
Depreciation	135,475	446	-	236,283	252,372	705,926	1,330,502
	772,070	429,187	297,578	939,287	730,733	2,634,072	5,802,927
SUPPORT COSTS							
Governance Support Costs							
Staff Costs	9,305	-	-	15,262	16,334	45,570	86,471
Other staff consulting	419	-	-	688	736	2,054	3,897
Auditors remuneration	2,114	6,500	6,125	3,246	3,467	9,698	31,150
Trustee Expenses	573	-	-	964	1,034	2,879	5,450
Other Support Costs							
Staff Costs	57,206	-	-	93,838	100,432	280,187	531,663
Other staff related items & consultancy	2,577	-	11,365	4,228	4,526	12,627	35,323
Insurance	13,701	-	-	22,474	24,051	67,103	127,329
Post, stationery, telephone	1,207	156	3,145	1,978	2,118	5,905	14,509
Office equipment	1,519	4,663	1,320	2,494	2,665	7,439	20,100
IT costs	12,944	5,866	5,711	21,236	22,728	63,404	131,889
Legal & Professional	1,650	2,351	2,456	2,703	2,894	8,075	20,129
Other	3,506	828	7,819	5,749	6,153	17,166	41,221
Loan interest	164,050	-	-	-	-	-	164,050
Gift Aid to charity	(48,420)	355,000	95,000	(79,425)	(85,005)	(237,150)	-
Support cost recharge	(80,991)	564,536	188,179	(132,855)	(142,188)	(396,681)	-
	141,360	939,900	321,120	(37,420)	(40,055)	(111,724)	1,213,181
Total expenditure 2023	913,430	1,369,087	618,698	901,867	690,678	2,522,348	7,016,108
Total expenditure 2021	655,608	1,205,182	336,400	610,518	479,914	1,715,342	5,002,964

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

6. RESULTS FROM TRADING SUBSIDIARIES

Postal Heritage Services Limited is a wholly owned trading subsidiary of Postal Heritage Trust incorporated in England and Wales.

	Year to Mar 2024	15 Months to Mar 2023
Income and Expenditure:	£	
Turnover	1,072,670	1,322,954
Cost of sales	(765,530)	(1,014,087)
Gross (loss) / profit for the year before tax	307,140	308,867
Interest Received	16,970	4,162
Profit for the year	324,110	313,029
Retained profit at 1 April	129,109	171,080
Retained profit for the financial year	324,110	313,029
Donation to parent charity in respect of 2021 profit	-	(355,000)
Donation to parent charity in respect of 2023 profit	(315,000)	-
Retained profit at 31 March / 31 December	138,219	129,109
Balance Sheet:		
Fixed Assets	3,991	6,816
Debtors	708,926	654,677
Cash	952,094	942,776
Creditors	(1,526,792)	(1,475,159)
Net Assets	138,219	129,110
Funds		
Share Capital	1	1
Reserves	138,218	129,109
Net Assets	138,219	129,110

Postal Heritage Services Limited has produced audited accounts for the year to 31 March 2024.

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

6. RESULTS FROM TRADING SUBSIDIARIES (continued)

Postal Heritage Trading Limited is a wholly owned trading subsidiary of Postal Heritage Trust incorporated in England and Wales.

	Year to Mar 2024	15 Months to Mar 2023
	£	£
Income and Expenditure:		
Turnover	451,319	498,399
Cost of sales	(434,872)	(523,698)
Gross profit / (loss) for the year before tax	16,447	(25,299)
Interest Received	-	-
(Loss) / profit for the year	16,447	(25,299)
Retained profit at 1 April	137,208	257,507
Profit / (loss) for the financial year	16,447	(25,299)
Donation to parent charity in respect of 2021 profit	-	(95,000)
Retained profit at 31 March / 31 December	153,655	137,208
Balance Sheet:		
Stock	48,544	44,859
Debtors	27,334	21,390
Cash	188,187	216,975
Creditors	(110,409)	(146,015)
Net Current Assets	153,656	137,209
Creditors fallings due after more than one year	-	-
Net Assets	153,656	137,209
Funds		
Share Capital	1	1
Reserves	153,655	137,208
Net Assets	153,656	137,209

Postal Heritage Trading Limited has produced audited accounts for the year to 31 March 2024.

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

7. FIXED ASSETS

Group	Long term Lease	Fixtures, fittings and equipment	Plant & Equipment	Intangible Assets	Total
	£	£	£	£	£
Cost					
At 1 April 2023	21,796,159	2,761,874	2,619,435	214,661	27,392,129
Additions during the year	-	-	44,056	-	44,056
At 31 March 2024	21,796,159	2,761,874	2,663,491	214,661	27,436,185
Depreciation					
At 1 April 2023	3,075,470	1,698,188	1,582,571	177,524	6,533,753
Charged during the year	545,713	264,973	225,292	4,041	1,040,019
At 31 March 2024	3,621,183	1,963,161	1,807,863	181,565	7,573,772
Net Book Value					
At 31 March 2024	18,174,976	798,714	855,628	33,096	19,862,413
At 31 March 2023	18,720,690	1,063,685	1,036,864	37,137	20,858,376

Charitable Company	Long term Lease	Fixtures, fittings and equipment	Plant & Equipment	Intangible Assets	Total
	£	£	£	£	£
Cost					
At 1 April 2023	21,796,159	2,691,192	2,619,434	214,661	27,321,446
Additions during the year	-	-	44,056	-	44,056
At 31 March 2024	21,796,159	2,691,192	2,663,490	214,661	27,365,502
Depreciation					
At 1 April 2023	3,075,470	1,634,321	1,582,571	177,524	6,469,886
Charged during the year	545,713	262,148	225,292	4,041	1,037,194
At 31 March 2024	3,621,183	1,896,469	1,807,863	181,565	7,507,081
Net Book Value					
At 31 March 2024	18,174,976	794,723	855,627	33,096	19,858,422
At 31 March 2023	18,720,690	1,056,869	1,036,864	37,137	20,851,560

8. MUSEUM COLLECTION / HERITAGE ASSETS

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

The collection was transferred by Royal Mail at the time the charity was established. No value has been attributed to this collection as stated in the accounting policies note. Subsequent additions to the collection have been valued at cost. There were no additions to the collection during the year (2020: nil). No formal valuation has been made of the collection.

Nature and scale of the assets

The museum's collection, which comprises over 60,000 objects and thousands of documents, is classified under the following categories:

- Postal history
- Duplicate registration sheets of stamps
- Letter boxes
- Paintings, prints and engravings
- Vehicles
- Uniform
- Postal Tools and Equipment (including machines and furniture)
- Ephemera collection
- Photographs and film
- Oral history

All aspects of acquisition and disposal are outlined in the Acquisition and Disposal Policy 2010 which has the approval of the Board of Trustees.

Policy for the acquisition, preservation, management and disposal of heritage assets

The heritage assets of The Postal Heritage Collections Trust are the objects that form the museum collection. The majority of the museum collection was gifted to the Trust in 2004 by Royal Mail Group. Further acquisitions have since been made, by purchase through private sale and auction; and by donation, from Royal Mail and members of the public. The collection is managed to the Accreditation Standard, a national standard managed by the Arts Council England, the government body responsible for Museums and Libraries. Preservation of the museum collection in perpetuity is fundamental to the work of museums and this is undertaken through good collection knowledge, safe packing and housing and good house-keeping. Proactive conservation is undertaken where appropriate; usually related to a project. Disposal from the museum collections is undertaken in line with professional standards, including the Accreditation standard and all disposals are in line with the Museums Association's Code of Ethics for Museums. Disposals from the museum collection are never financially motivated.

Assets reported on the balance sheet

Heritage assets reported on the balance sheet are all reported at cost.

	Additions	Cost of Disposals
Year to 31 March 2024	Nil	Nil
Period to 31 March 2023	Nil	Nil
Year to 31 December 2021	Nil	Nil
Year to 31 December 2020	Nil	Nil
Year to 31 December 2019	£12,875	Nil

Transactions relating to heritage assets

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

From time to time, the trustees approve the transfer of certain duplicate philatelic material for the purposes of sale in support of the capital project to deliver a new Postal Museum / Mail Rail centre. No material from the museum's unique collections has ever been transferred, only duplicate material has been affected. No transfers took place in 2024 (2023: nil).

9. INVESTMENTS

	Year to Mar 2023	15 Months to Mar 2023
	£	£
Investments in subsidiary undertakings at cost	2	2

The investments in subsidiary undertakings represent:

(i) The £1 issued share capital in Postal Heritage Services Limited, a company registered in England and Wales.

(ii) The £1 issued share capital of Postal Heritage Trading Limited, a company registered in England and Wales.

The results of both companies are shown in note 6 together with balance sheet information.

10. DEBTORS

	31 March 2024		31 March 2023	
	Group	Charity	Group	Charity
	£	£	£	£
Trade debtors	1,200,689	538,992	1,162,391	522,528
Due from subsidiary undertakings	-	888,325	-	924,158
Prepayments and accrued income	165,221	146,410	188,604	178,481
VAT	-	-	12,301	12,301
Other debtors	71,905	71,480	39,983	39,983
	1,437,815	1,645,207	1,403,279	1,677,451

11. CREDITORS

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

Amounts falling due within one year	31 March 2024		31 March 2023	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	177,014	165,713	155,617	145,082
Taxation and social security	62,538	62,538	56,805	56,805
Accruals	915,818	882,948	848,337	821,568
Deferred income	1,101,269	567,895	1,067,344	544,154
VAT	129,082	13,076	110,441	-
Loan interest	853,782	853,782	712,002	712,002
Loans	1,737,361	1,737,361	1,441,184	1,441,184
Due to subsidiary undertakings	-	-	-	-
Other creditors	36,050	36,050	18,588	18,589
	5,012,914	4,319,363	4,410,318	3,739,384

Deferred income reconciliation

	Group	Charity
	£	£
Opening balance at 1 April 2023	1,067,344	544,154
Add: Advances	2,759,918	1,693,170
Less: Revenue recognised	(2,725,993)	(1,669,429)
Closing balance at 31 March 2024	1,101,269	567,895

Amounts falling due after more than one year

	31 March 2024		31 March 2023	
	Group	Charity	Group	Charity
	£	£	£	£
Deferred income	-	-	-	-
Loans	5,312,639	5,312,639	5,608,816	5,608,816
The above loans are repayable:				
In less than one year	1,737,361	1,737,361	1,441,184	1,441,184
Between one and two years	315,583	315,583	333,855	333,855
Between two and five years	1,604,134	1,604,134	1,052,808	1,052,808
After more than five years	3,392,922	3,392,922	4,222,153	4,222,153
	7,050,000	7,050,000	7,050,000	7,050,000

With the exception of an interest free amount of £550,000, interest on the loans is payable at an annual rate of 2.5%. Interest did not start to accrue until the first anniversary of practical completion of the Postal Museum project. Practical completion occurred on 17 August 2017. The loans are secured over four bank accounts, at the balance sheet date. The Trust's trading subsidiary, Postal Heritage Services Ltd, has also provided a guarantee in respect of the loans.

The Trust and Postal Heritage Services Ltd have defaulted on their loan repayment obligations to Royal Mail Group Ltd and Post Office Ltd. However, the lenders have not exercised their right under the default provisions of the loan agreement, to require immediate repayment of the loan. The lenders have issued a Heads of Terms agreement which is expected to form the basis of a final settlement agreement as further disclosed in note 1b of

11. CREDITORS (continued)

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

the accounting policies on page 25. It is expected that a satisfactory resolution that is acceptable to all parties will be reached in the near future following the signing off of these accounts and on that basis the trustees continue to consider it appropriate in order for the accounts to show a true and fair view to disclose an element of the loans as repayable after one year.

Trustees are clear that The Postal Museum continues to be a going concern despite the hitherto absence of a permanent agreement with Royal Mail and Post Office Ltd to settle the historic loans. Both lenders have indicated in a series of meetings and other correspondence that their preferred outcome is for the Postal Museum to continue to exist and neither has given any indication of any intention to call back the loans in accordance with their contractual rights.

12. FUNDS 2023/24	Brought forward	Income	Expenditure	Transfers	Carried forward
	£	£	£	£	£
RESTRICTED					
Postal Heritage Collection Trust	81,367	-	-	-	81,367
Digitised memorial books	5,914	-	-	-	5,914
Addressing Health Project	4,000	-	-	-	4,000
Sorted upgrade	5,000	-	(4,749)	-	251
Post and play	11,716	27,000	(22,230)	-	16,486
Sorting Office Maths Challenge	3,698	14,115	(9,477)	-	8,336
Jolly Postman virtual sessions	-	4,995	(169)	-	4,826
Enhancing Mail Rail	-	12,950	(12,950)	-	-
	111,695	59,060	(49,575)	-	121,180
UNRESTRICTED - DESIGNATED					
Collection fund	876	-	-	-	876
Tangible fixed assets	13,739,686	-	-	(1,229,604)	12,510,082
	13,740,562	-	-	(1,229,604)	12,510,958
UNRESTRICTED - GENERAL					
Postal Heritage Trust	-	3,422,851	(4,967,455)	1,544,604	-
Postal Heritage Services Limited	129,109	1,089,640	(765,530)	(315,000)	138,219
Postal Heritage Trading Limited	137,210	451,319	(434,873)	-	153,656
	266,320	4,963,810	(6,167,858)	1,229,604	291,875
	14,118,577	5,022,870	(6,217,433)	-	12,924,013

RESTRICTED FUNDS

Postal Heritage Collection Trust holds the value of the collection owned by the museum. The value in the Balance Sheet represents the items of known value.

The balance against digitised memorial books represents the value of the unspent grant received for this activity.

12. FUNDS (continued)

The Addressing Health Project represents the remainder of funds received towards a joint project with Kings

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

College and the University of Derby.

Funding for upgrading Sorted! was provided by a Patron. The work is due to be carried out in the next financial year.

Post and Play is a learning activity funded by the John Lyons Charitable Trust.

Sorting Office Maths Challenge is a learning activity funded by The Portal Trust.

The Jolly Postman virtual sessions were funded with the support of Royal Mail.

Enhancing Mail Rail is a capital project intended to further develop the Mail Rail visitor experience. The amounts received and paid to date in respect of this project were to develop a project plan. This work was funded by the Post Office Remembrance Fellowship (PORF).

DESIGNATED FUNDS

Collection Fund – Income from the disposal of collection assets held against future collection purchases or collection preservation expenditure.

Tangible fixed assets – funds tied up in the fixed asset and related loans of the parent charitable company.

UNRESTRICTED FUNDS

General fund – funds available to the charity for unrestricted use, which include grant income in respect of the period to 31 December 2021.

COMPANY

The funds of charitable company only are as above, excluding the general funds related to Postal Heritage Services Limited and Postal Heritage Trading Limited, and the restricted fund related to Postal Heritage Collection Trust.

FUNDS 2022/23

Brought forward	Income	Expenditure	Transfers	Carried forward
£	£	£	£	£

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

RESTRICTED

Postal Heritage Collection Trust	81,367	-	-	-	81,367
Digitised memorial books	5,914	-	-	-	5,914
Addressing Health Project	9,104	17,162	(22,266)	-	4,000
The King's Stamp exhibition	-	10,000	(10,000)	-	-
Sorted upgrade	-	5,000	-	-	5,000
Post and play	-	27,000	(15,284)	-	11,716
Sorting Office Maths Challenge	-	16,615	(12,917)	-	3,698
Jolly Postman virtual sessions	-	13,362	(13,362)	-	-
	96,385	89,139	(73,829)	-	111,695

UNRESTRICTED - DESIGNATED

Collection fund	876	-	-	-	876
Tangible fixed assets	15,414,264	-	-	(1,674,578)	13,739,686
	15,415,140	-	-	(1,674,578)	13,740,562

UNRESTRICTED - GENERAL

Postal Heritage Trust	-	3,279,916	(5,404,494)	2,124,578	-
Postal Heritage Services Limited	171,081	1,327,116	(1,014,087)	(355,000)	129,110
Postal Heritage Trading Limited	257,509	498,399	(523,698)	(95,000)	137,210
	428,590	5,105,431	(6,942,279)	1,674,578	266,320
	15,940,115	5,194,570	(7,016,108)	-	14,118,577

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS 2024

	General	Designated	Restricted	Total
	£	£	£	£
Fixed Assets	2,039,692	17,822,721	81,367	19,943,780
Net Current Assets/(Liabilities)	(1,747,817)	876	39,813	(1,707,128)
Long term liabilities - loans	-	(5,312,639)	-	(5,312,639)
	291,875	12,510,958	121,180	12,924,013

ANALYSIS OF NET ASSETS BETWEEN FUNDS 2023

	General	Designated	Restricted	Total
	£	£	£	£
Fixed Assets	1,509,874	19,348,502	81,367	20,939,743
Net Current Assets/(Liabilities)	(1,243,554)	876	30,328	(1,212,350)
Long term liabilities - loans	-	(5,608,816)	-	(5,608,816)
	266,320	13,740,562	111,695	14,118,577

14. FINANCIAL COMMITMENTS

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

At 31 March 2024 the group had the following commitments under non-cancellable operating leases.

	Mar 2024	Mar 2023
	£	£
Due in less than 1 year	188,512	189,985
Due 2-5 Years	-	-

15. RELATED PARTY TRANSACTIONS

Postal Heritage Trust (PHT) has taken advantage of the exemptions within FRS102 from disclosing related party transactions with Postal Heritage Collection Trust (PHCT), Postal Heritage Services Limited (PHSL) and Postal Heritage Trading Limited (PHTL). The charities SORP requires disclosure of the results and balance sheet positions of the subsidiaries. This information is provided in note 6 in respect of PHSL and PHTL. PHCT has minimal activity. In 2023/24 it received no grants of heritage assets (2023: nil) and at the balance sheet date held heritage assets at a cost of £81,367 (2023: £81,367).

Royal Mail Group (RMG) and Post Office Ltd (POL) have a funding agreement to 2040 to provide PHT with £1,524,968 in the 12 months to 31 March 2023 (2023(15 months): £1,611,991) of unrestricted funds, for the general purpose of meeting its charitable objectives. RMG has also transferred some of its intellectual rights to PHT.

RMG and POL have an Archive Services Agreement with PHT and its trading subsidiary, PHSL, which provided the latter with £1,056,564 in the 12 months to 31 March 2023 (2023(15 months): £1,293,291) of unrestricted funds for the purposes of maintaining the Royal Mail archives.

RMG and Post Office Limited (POL) have both signed legal agreements with PHT and PHSL related to the museum and to future funding, which will provide income to PHT in the form of unrestricted funds, index linked, until 2040.

RMG provides services to PHT and as at the year end, there was no balance owing (2023: £10,014).

The disclosures around related parties should be read in conjunction with Note 1 (b) Going concern on page 25 which states that the Trust and Postal Heritage Services Ltd have defaulted on their loan repayment obligations to Royal Mail Group Ltd and Post Office Ltd. In the event of such a default, the Loan Agreements provide Royal Mail Group Ltd and Post Office Ltd with rights to demand immediate repayment. However, whilst reserving their rights, both Royal Mail Group Ltd and the Post Office Ltd have confirmed to the Trust that they are not presently intending to exercise those rights in the next 12 months.

The Heads of Terms agreement which was signed on 17 June 2024 establishes the clear intention for all parties to set aside the existing contractual obligations and to replace them with a set of new contractual agreements that are sustainable for the museum whilst also being acceptable to all stakeholders including the Charity Commission and the Heritage Lottery Fund.

Trustees are clear that The Postal Museum continues to be a going concern despite the hitherto absence of a permanent agreement with Royal Mail and Post Office Ltd to settle the historic loans. Both lenders have indicated in the signed Heads of Terms agreement that their preferred outcome is for the Postal Museum to continue to exist, and neither has given any indication of any intention to call back the loans in accordance with their hitherto existing contractual rights.

16. PENSIONS

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

For the purposes of FRS102 the group cannot identify its share of the underlying assets and liabilities of the defined benefit schemes in which it participates in respect of seven employees. PHT makes pension contributions based on the advice of a qualified independent actuary whose calculations are based upon total scheme membership. A fundamental change in the defined benefit schemes occurred as a result of the passage of the Postal Services Act 2011, with the transfer of all the historic liabilities of the Royal Mail Pension Plan (RMPP) to the new government-backed Royal Mail Statutory Pension Scheme (RMSPS) as at 31 March 2012. Those already receiving a pension, and those who had left service but contributed to the pension prior to 31 March 2012, will receive it from the RMSPS; those who continue to contribute after 31 March 2012 will, upon retirement, receive pensions from both schemes. The public accounts of both RMG and POL schemes indicate that currently these pension schemes are both in surplus. PHT is not exposed to variations in the rate of contributions as the excess of the rate payable over that in respect of employees not in the Royal Mail schemes is reimbursed by the Royal Mail.

PHT makes pension payments of at least 6% as an employer contribution to a defined contribution scheme for the remainder of its eligible employees who have opted into the scheme.

17 LIABILITY OF MEMBERS

The Postal Heritage Collection Trust is a company limited by guarantee. The liability of each member in the event of a winding up amounts to £1.

18. CAPITAL COMMITMENTS

At 31 March 2024 the group had no capital commitments (2023: nil).

POSTAL HERITAGE TRUST

England & Wales - Charity number 1102360

Accounts

POSTAL HERITAGE TRUST
(A company limited by guarantee)

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 15 MONTH PERIOD ENDED 31 MARCH 2023

Charity Number: 1102360
Company Number: 4896056

POSTAL HERITAGE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

Contents	Page
Legal and administrative information	1
Trustees' report (including Strategic report)	2 - 16
Auditors' report	17 - 19
Consolidated Statement of financial activities	20 - 21
Consolidated Balance Sheet	22
Charitable company balance sheet	23
Consolidated cash flow statement	24
Notes to the financial statements	25 - 41

POSTAL HERITAGE TRUST

REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2023

Trustees

Richard Wills
Julian Barker
David Gold
Mike Russell
Paola Barbarino
Susan Raikes
Peter Walls
Laura Wright

Chairman

Chief Executive

Laura Wright

Secretary

Lawrence Melinek

Bankers

NatWest Bank
Holborn Circus Branch
P O Box No. 204
London
EC1P 1DU

Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Solicitors

Bates Wells
10 Queen Street Place
London
EC4R 1BE

Registered office

Calthorpe House
15-20 Phoenix Place
London
WC1X 0DA

Organisation

Postal Heritage Trust is a registered charity (number: 1102360) and company limited by guarantee (number: 4896056). The charity is governed by its articles of association.

Website

www.postalmuseum.org

POSTAL HERITAGE TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 MARCH 2023

The trustees, who are also directors for the purposes of charity law present the annual report and the audited financial statements of the company for the period ended 31 March 2023. The Trustees' Annual Report includes both the Directors' Report and the Strategic Report for the purposes of company law.

STRUCTURE, GOVERNANCE & MANAGEMENT

NAME AND REGISTERED OFFICE OF THE CHARITY

Postal Heritage Trust (PHT) is a company limited by guarantee, company number 04896056 and a registered charity in England & Wales charity number 1102360. Its registered address is 15-20 Phoenix Place, London WC1X 0DL. The purposes and business of the company and charity are governed by the memorandum and articles of association.

ORGANISATIONAL STRUCTURE

Postal Heritage Trust (PHT) heads the group of companies which collectively are known, and trade, as The Postal Museum (TPM). Postal Heritage Collection Trust, the other charity in the group, owns the collection of historic material known as The Postal Museum Collection but otherwise, it is not engaged in any trading activities. PHT and PHCT share the same Board members. PHT manages the collection held by PHCT. PHT also owns the entire share capital of two trading subsidiaries, Postal Heritage Services Limited (PHSL), which is engaged in archive services, and Postal Heritage Trading Limited (PHTL), which engages in commercial trading. These financial statements are the accounts of PHT and the consolidated financial statements for the group. This trustees' report therefore refers to both the work of PHT and to the other constituent members of the group.

The group workforce is conventionally organised through a line management structure, set up by the Board of Trustees. The Chief Executive has an Executive Team that meets weekly. There are regular full staff meetings and team meetings for each of TPM's departments.

The Board of Trustees sets the remuneration of the Chief Executive, who in turn sets the remuneration of the senior staff in consultation with the Trustee Board's Audit and Finance subcommittee.

DIRECTORS/TRUSTEES

The Board of Trustees (the Board) is composed of up to fifteen members: ten selected by the Trust via an open selection policy, up to three nominated by Royal Mail Group (RMG), and up to two nominated by Post Office Limited (POL), both following their own internal selection policies. At present, there are eight trustees.

The Board can be added to by co-option, but at present there are no co-opted trustees. Trustees joining the Board receive a full introduction to PHT's purpose and premises. In addition to a personal briefing, they receive the trustees' handbook which includes links to the Charities Commission best practice documentation.

In 2022/23, the Board met quarterly, with other meetings, including conference calls, taking place as and when necessary. The following committees report to the Board: An Audit and Finance sub-committee, reporting on internal and external audit factors and risk, which meets at least four times per year; a Collections sub-committee which meets to consider issues related to the management of TPM's heritage material; a Nominations sub-committee which meets as and when required.

The PHSL and PHTL boards of directors comprise some PHT trustees together with TPM's Head of Collections (PHSL) and Head of Commercial (PHTL). The PHTL board also includes other directors who are not trustees of PHT. There is a professional advisory board for Archive supplying external expertise in this area.

CHANGE OF FINANCIAL YEAR END

The museum was awarded National Portfolio Organisation (NPO) by Arts Council England (ACE) in November 2022, with a start date of 1 April 2023. As ACE reporting is tied to a financial year ending 31 March, it was decided to amend the year end from 31 December to 31 March for all entities in the TPM group to make it easier to meet ACE NPO reporting requirements. As a result, the period covered by these accounts is extended to 15 months. From 1 April

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE PERIOD ENDED 31 MARCH 2023

2023, all accounting periods will revert to 12 months. NPO status includes the award of unrestricted funding of £150k per year for a three year period. It is hoped that the museum will retain this status for future triennial funding rounds.

ACTIVITIES AND PUBLIC BENEFIT- MEETING THE CHARITABLE OBJECTS

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity. The public benefit delivered by the group is set out in more detail in the review below.

OUR PURPOSE

WHO WE ARE – OUR MISSION

The Postal Museum tells the story of postal communication and its impact on a global society.

WHAT WE DO – OUR VISION

We use our collection to explore stories around communication, and to inspire everyone to make richer and more meaningful connections in their lives.

OUR VALUES

- Openness
- Generosity
- Innovation
- Curiosity
- Playfulness

We will:

- Be open and generous in spirit and action
- Deliver innovation
- Communicate our stories with clarity and playfulness
- Be curious about people's stories and experiences

OUR STRATEGIC OBJECTIVES

- We will create welcoming experiences for anybody to connect with the museum and each other
- We will collaborate creatively to deliver content that meets our audience's needs
- We will look after, develop and be curious about our collection to ensure the story of postal communication is relevant, inspiring and inclusive
- We will minimize the environmental impact of our activities and communicate effectively about our environmental responsibility
- We will develop a sustainable and dynamic business model to enable our work as a charity

REVIEW OF THE 15 MONTH PERIOD JANUARY 2022 TO MARCH 2023

In the period January 2022 - March 2023, we used our strategic objectives to shape our activity and achieved the following:

1. We will create welcoming experiences for anybody to connect with the museum and each other

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE PERIOD ENDED 31 MARCH 2023

- The roll out of new audience segmentation for the museum, to help all teams understand audiences' wants, needs, motivations and barriers.
- Hybrid delivery of our Schools programmes, with on-site delivery recommencing and new virtual resources developed.
- Delivery of a successful Families Programme
- The development of our Equality, Equity, Diversity and Inclusion objectives
- Further development of our HR function
- The roll out of a refreshed brand for The Postal Museum, better reflecting the museum's mission, vision, values, and audiences through our visual identity.

Schools programme

In Spring and Summer term 2022 we continued to rebuild the schools programme, gradually relaxing visiting safely measures and increasing the number of school visits. Between January – July 2022 we offered facilitated sessions on Tuesdays and Wednesdays and self-led visits on some Thursdays and Fridays.

Since Autumn 2022 school bookings have continued to increase, and most weeks during term-time we have welcomed 6-10 classes into the museum. Visits often include Sorted! as well as train rides and visits to the exhibitions. Many schools, including SEND (Special Education Needs and Disabilities) schools and nurseries, have booked self-led visits to the museum on Thursdays or Fridays. Due to the high demand for facilitated sessions we have begun trialling their delivery on occasional Fridays where staffing and space is available. We have also consulted with Early Years and SEND teachers to explore opportunities to hold facilitated sessions for these audiences in the future.

A total of 191 primary school classes visited the museum between January 2022 and March 2023, of which approximately 45% were repeat visits. Bookings included local schools in Camden and Islington and at least 12 classes from the Levelling Up boroughs of Barking and Dagenham, Brent, Croydon, Enfield, and Newham.

Feedback from teachers has been very positive; all respondents said they would be highly likely to recommend The Postal Museum to another teacher, and that their experience matched or exceeded their expectations. Comments included:

- "The interactive session was great! The lady running the session used Makaton and it was accessible for our smaller children joining."
- "It was brilliant and well worth the journey! We can't wait to come back with them next year."
- "Our visit to the Postal Museum was just what I thought the day would be. The children were happy, excited and engaged. Thank you for making our day so wonderful".
- "Fantastic visit which was great value for money, lots of different experiences and the children loved it. Thank you!"

In January 2022 we received £13,362 from Royal Mail Group in support of The Jolly Postman virtual sessions. This funding supported 81 primary school classes to take part in virtual sessions without charge. Participating schools also received writing packs and stamps for each student. In the Autumn term 2022-2023 The Jolly Christmas Postman session was particularly popular. During this period, we have reached approximately 1500 students around the country, of which nearly 400 attended schools located in Priority Places.

In March 2022 development restarted on the Sorting Office Maths Challenge (SOMC) supported by The Postal Trust. Paused during the pandemic, SOMC will deliver interactive maths sessions for EYFS Reception and KS1 through problem-solving in a real-world context. Sessions will be delivered in the museum and outreach in 14 inner London boroughs targeted by the funder. In Summer 2023 we will recruit a new Learning Facilitator to deliver the SOMC programme.

In Spring term 2023 we began delivery of the pilot phase of Sorting Office Maths Challenge. Teachers who attend trial sessions will be provide feedback before the final session is launched in the 2023-24 academic year. In March 2022

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE PERIOD ENDED 31 MARCH 2023

Muddy Publishing Ltd were appointed to create digital maths learning resources to support school sessions. These were published in June 2023 and are free for teachers to download from the museum website.

Throughout the 2022-23 academic year the Schools Team has worked hard to improve the inclusivity of its offer. We have introduced a sensory corner in our learning space, providing a more accessible way for students to engage with session content. We have also delivered five well-attended Home Ed days over the year, and feedback reflects the refinement of our approach to working with this audience, with one parent describing the Mail Rail Science Show as "the most SEN inclusive session I've ever been to at a museum."

Family Programme

The 2022-2023 family engagement programme was very successful, reaching 6,223 people through a range of exciting activities and resources. There were some notable achievements, including the 2022 February half term programme in collaboration with Usborne, celebrating the launch of *Delivery to the Lost City* by P.G. Bell, the final book in the bestselling *A Train to Impossible Places Adventures* and the summer holiday programme themed around the bestselling children's book *Dear Zoo* in partnership with Macmillan books. This included a museum trail, storytelling sessions and a popular book reading event with *Dear Zoo* author Rod Campbell which reached over 70 people.

In March 2022, the Kids of 2020 temporary exhibition was curated and launched. The exhibition was the final output of the Kids of 2020 project in partnership with Usborne Books and the Literacy Trust. This was a competition whereby children were invited to write to a child in 2030 telling them about their experience of the pandemic. 1,400 children submitted a letter and 34 were chosen to be acquired into the collection and displayed in the exhibition which explored themes of home-schooling, missing loved ones and messages of hope.

Equality, Equity, Diversity and Inclusion

With the help of the external facilitators the museum worked out the key definitions of Equity, Equality, Diversity and Inclusion with further plans of embodying these definitions through all aspects of our work. Further plans are to arrange a series of workshops for line managers and gradually all staff, to review key policies to reflect the principles of the best EEDI practices. The EEDI group has a clear work plan in place and participates in key museum initiatives and decisions.

HR and staff support

The impact of the pandemic continues to be felt in the need for hybrid and flexible working models and support for staff wellbeing. We are also finding ways to offer flexibility for the visitor experience team. As our aim is to restore the pre-pandemic capacity of the museum, we are working on increasing the number of staff at front of house which led to several Open Days to recruit new team members.

We appointed a new Head of HR and recruited a new HR Officer. The HR Departmental Plan is being worked at for 2023/2024. The volunteering programme is planned to resume in 2024.

2. We will collaborate creatively to deliver content that meets our audience's needs

- The development of access resources and programmes online and in person for autistic and neurodiverse visitors; British Sign Language (BSL) tours and storytelling; audio-described (AD) tours; and resources for people with a variety of other needs.
- The development of an under 5's programme
- Delivery of Post and Play sessions
- Winning the Accessible and Inclusive Venue award at the London Tourism Awards winning the Accessible and Inclusive Venue award at the London Tourism Awards
- Delivery of tours for D/deaf and blind and visually impaired people
- Delivery of Post Early events for autistic and neuro-divergent people
- Building links to our local communities

Post and Play

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE PERIOD ENDED 31 MARCH 2023

In early 2022 The Postal Museum (TPM) consulted with local families with children under 5 about the development of a new under 5s programme. Their feedback informed a successful funding application to John Lyon's Charity for £81,000 across 3-years to deliver under 5s sessions in the museum and outreach in local Children's Centres with the aim to reach underrepresented local families.

In November 2022 we launched Post and Play sessions in the Mail Rail depot. Sessions invite children and their grown-ups to experience a combination of facilitated songs and signs, as well as open-ended, play-based activities designed to promote communication, collaboration, and wellbeing. In January 2022 we recruited a new learning facilitator to deliver these sessions.

By the end of the academic year 2022-23, we will have delivered 64 Post and Play sessions in the Mail Rail depot, with an average attendance of 13 children per session. Post and Play has been popular with both local and visiting families, and we are working closely with a group of parents through Camden Council to gain a better understanding of the needs of the target audience. This process has been supported by the University of East London, who have helped us to develop our evaluation framework. Feedback has been extremely positive, with many parents commenting on the variety of high-quality equipment, engaging facilitation, and accommodation of a range of ages. One parent, whose son was non-speaking, shared the following feedback:

"My child makes a sound here, first time. He says choo choo choo. I am very happy"

Access and Community Programmes

In 2022-2023 the museum continued to work with disabled people to understand and break down barriers to engagement. In March 2022, the museum approach to accessibility was recognised by winning the Accessible and Inclusive Venue award at the London Tourism Awards. The judges were impressed by our collaborative and inclusive approach which is supported by all staff across all teams.

Our provision for D/deaf audiences continued to thrive. For example, we delivered a programme of British Sign Language Tours with a Deaf guide and in September the museum partnered with other local organisations to deliver BSL interpreted Jolly Postman Storytelling at the British Library Family Festival for D/deaf children and their families. To promote our BSL provision we produced 3 BSL films with a Deaf guide and a D/deaf film maker, enabling D/deaf people to access visitor information in their first language.

The programme of events for blind and visually impaired people have been well attended and well received by audiences. Several Audio-Described Tours were delivered in partnership with VocalEyes and in September the museum planned and hosted an evening event in collaboration with the London Sight Loss Council. The event, which aimed to showcase audio-described provision in the capital, sold out and feedback positive.

The museum has continued to work in partnership with Ambitious about Autism (AaA) and delivered several Post Early relaxed events for autistic and neurodivergent people in collaboration with them. These events continued to sell out and receive excellent feedback. We have noticed a pattern of repeat visitors, alongside new participants who have heard about the programme through targeted promotion. We also worked with AaA to shortlist museums in the medium and small categories in the Kids in Museums Family Friendly Awards to ensure the voices of disabled people were heard and represented during this process.

To ensure staff feel confident about accessibility and our access provision we delivered Disability Awareness Training with an access and inclusion consultant. The training enabled front and back of house staff to reflect on the barriers to engagement at TPM and MR. Informed by the feedback shared, recommendations were made and now being actioned, including reviewing, updating, and communicating the Mail Rail ride rules. Work has also been undertaken to audit and adapt the resources we provide to support visitors with access requirements, including the sensory satchels, large print guides, Braille guides and transcripts.

To enable the museum to widen access and reach under-represented local audiences, a Community Programmes Producer role was recruited for. Mapping of the local community and working to understand their requirements was the first step in the process which enabled us to identify several key under-served groups, including operational Royal Mail workers at Mount Pleasant.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE PERIOD ENDED 31 MARCH 2023

Progress was made in building a long-term relationship with operational Royal Mail workers, past and present, including reaching out to them through several Royal Mail Open Days at the museum, exclusively for staff and their families. Attendance was excellent and through inviting feedback, ideas have been shared about how we can best meet their needs going forward. Through engaging with operational Royal Mail workers, opportunities were also identified to enable them to share stories about their experiences of wearing a postal uniform for inclusion in the Dressed to Deliver exhibition and season of activity.

A Community Access Scheme was developed as an ongoing commitment to remove financial barriers for local community organisations and residents. Groups can apply for a batch of discounted tickets, enabling us to facilitate engaging experiences for wider audiences and send a message of openness; showing our intention to work collaboratively with them, not for them. As part of this scheme, a range of flexible packages and experiences inspired by the collection have been developed and delivered for local community groups at the museum and as outreach. For example, a mindfulness activity based on paintings in the collection and a zine workshop inspired by postcodes.

3. We will look after, develop and be curious about our collection to ensure the story of postal communication is relevant, inspiring and inclusive

- The delivery of two new temporary exhibitions, *Sorting Britain: The Power of Postcodes* and *The King's Stamp*, an exhibition to coincide with the announcement of King Charles III's new definitive stamp in February 2023.
- The development of a new season of activities and online content exploring the introduction of the postcode.
- A popular display and online content displaying Freddie Mercury's childhood stamp album, alongside stamp artwork celebrating Pride 50 celebrations in London.
- Further development of the Addressing Health project, including launching the first phase of a public data mapper.
- Support of material to the Horizon enquiry
- Research into the Steam Packet Ship exhibition
- The growth of online engagement

Exhibitions

In 2022 the museum successfully opened the temporary exhibition *Sorting Britain: The Power of Postcodes*. The two main themes for the *Sorting Britain* exhibition and wider programme of events and activities were:

- Why do you have a postcode? – focusing on the historical and functional origins of the postcode as a language through which to deliver instructions to machines designed to sort the mail.
- What does your postcode say about you? – focusing on the contemporary use of postcodes to identify social and economic groups for the purposes of tailoring products, marketing, messaging, etc.

The Postal Museum (TPM) team also worked with a range of partner organisations to carry out research and development work, including Experian, Royal Mail's Address Management Unit, Swindon Mail Centre, Mount Pleasant Mail Centre, BT Heritage and Archives, and the Science Museum.

There was positive press reaction to the exhibition including articles in *The Times*, *Daily Mail*, and *Guardian* newspapers, *Time Out Magazine*, and positive reviews from bloggers at *IanVisits* and *Londonist*. Several BBC Local Radio stations picked up the story and it generated a lot of positive news stories.

Some of the key findings from post-visit surveys carried out between July and December 2022 included:

- 16% of visitors said that *Sorting Britain* was a reason for their visit – either the main reason (4%) or one of many reasons (12%).
- 94% of visitors rated their overall satisfaction with the exhibition as either 'Excellent' or 'Good'.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE PERIOD ENDED 31 MARCH 2023

Comments from visitors about *Sorting Britain* included:

- *"I work in big tech and was immensely surprised by the (scary!) accuracy of the Mosaic results! Incredibly enlightening exhibition for a Londoner who loves Royal Mail."*
- *"Excellent insight into British engineering."*
- *"It was really interesting to read about the innovation centre, and that they had investigated using a QR-type code over 50 years before the before those we have today."*

The *Sorting Britain* exhibition closed as planned in January 2023 and was replaced by an exhibition launching the new definitive stamp for King Charles III, with the museum given the opportunity to launch the new stamp in February 2023 following the death of Queen Elizabeth in September 2022. The Museum put together an exhibition that charted the history and development of definitive stamps from Queen Victoria culminating in a reveal of the new stamp for King Charles III. This allowed recording of new content and the making of a film on the printing of the stamp and an exhibition that showcased some of the treasures from the philatelic collections.

Incredible publicity was generated with coverage live on BBC breakfast news on the day the exhibition opened and press interest from around the world. This exhibition targeted a different audience for the Museum. It also provided opportunity for programme based around the exhibition at the national stamp show in March 2023.

Projects and partnerships

Partnership working with the long-running Addressing Health project continued throughout 2022 with this project scheduled to complete in 2023. A small-scale research project was carried out to support research into the former post office building in Istanbul, Turkey. This contributed to a publication as part of the project output.

The project with Ancestry to digitise family history records continued and in early 2023 the photography phase of this work was completed. The images are now being processed and transcribed before going live on Ancestry's website.

In early 2023 a new funded research project is being explored looking at the role of the letter in literature. If this project secures funding, it will be delivered in late 2023/24.

Collections

In 2022 the Museum took part in the International Stamp Show 2022 held every 10 years in London. This was initially scheduled to take place in 2020 but delayed by the pandemic. The show was the opportunity to launch a new publication, produced by the Museum. The book was formally launched in February 2022 and sold well throughout the show. The publication of this book also marked the retirement of the Senior Curator after over 30 years.

The approach the Museum takes to managing and delivery content is changing throughout the year. Collections will now lead on content development, working with teams across the Museum. This will be captured in the Collection Strategy that will be published in late 2023.

During 2022 visitor numbers began to re-build within the Archive. Opening hours returned to closer to the levels pre lockdowns and whilst the number of remote enquiries remained high more people were visiting in person and undertaking research on site. The days open to visitors increased during the year and in 2023 the plan is to extend further the opening hours.

Research got underway into the history of the Royal Mail Steam Packet Ship company and its role in the use of enforced labour on coaling stations in the Caribbean in the latter part of the nineteenth century. This research will form the basis of a new exhibition for the Museum in 2025 and is central to the work on decolonisation of the collections. During early 2023, ways of better understanding what decolonisation means to The Postal Museum were explored - this research project forms part of the wider work.

Work on conservation and digitisation continues with much of this work supporting the exhibition programme. Both conservation and digitisation have continued to undertake commercial work during this period.

Online engagement

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE PERIOD ENDED 31 MARCH 2023

Online engagement continued to improve, with sessions on the museum's website increasing to just short of 1 million in 2022, a significant increase of 20% on 2021's website sessions. This increase was mainly driven by the recovering visitor numbers and increased traffic to the website's visit planning and what's on pages. However, interest in the museum's engaging online content continued with 162,000 sessions on the museum's blog and 130,000 sessions on the museum's collection pages, an increase on the previous year of 4% and 18% respectively. For the first quarter of 2023, website sessions outperformed previous years yet again, with over 285,000 sessions in the first 3 months of the year.

Content, created through cross-departmental collaboration, on the website and the museum's social media channels centred around:

- The story of the Postcode, to support the exhibition Sorting Britain, including video interviews shared on YouTube and engaging blogs.
- The Queen's Platinum Jubilee, followed by commemorative content marking the death of Her Late Majesty the Queen.
- The design and announcement of the new definitive stamp for King Charles III.
- The Meet the Maker series of interviews exploring diverse representation in postal design, from greetings cards to stamps.
- A temporary display of Freddie Mercury's childhood stamp album and the Pride 50 celebrations in London. This included digitising Freddie's album so fans around the world can access it virtually, on the museum's website.

Notably, the museum launched on TikTok in early 2023, a new social media channel focussed on short form video content. This successful launch featured videos created with teams across the museum, including a video that went viral achieving over 10,000 followers in the launch month and over 350,000 views. This channel adds to our growing social media reach, targeting audiences who might not visit in person but want to engage with our content in playful ways.

4. We will minimize the environmental impact of our activities and communicate effectively about our environmental responsibility

- Continued investment in environmental sustainability, notably appointing consultants Eight Versa to deliver a Carbon Baseline Report and Carbon Reduction Pathway for the museum.
- Successfully gathering and analysing 2019 Scope 1-3 emissions data, to officially becoming a Carbon Measured Organisation.
- Connecting with local groups, particularly Knowledge Quarter and Camden Council's Carbon Alliance.
- Engaging teams across the museum through the Sustainability Working Group and planning our first public engagement on the theme of environmental responsibility

Becoming Carbon Measured

In 2022, the museum's Sustainability Working Group ran a tender process for consultants to support the museum with our ambitions around environmental sustainability. We appointed Eight Versa to help us with the initial phases of this work, most notably understanding the museum's current impact through a carbon baseline report. With Eight Versa's support, the team gathered 2019 data for scope 1, 2 and 3 emissions. By March 2023 this data was submitted and the museum's 2019 baseline report was produced. This detailed report and supporting Carbon Reduction Pathway significantly improved our understanding of our impact and will enable us to produce an Environmental Responsibility Framework and Action Plan in spring 2023, to guide our journey towards net zero by 2040.

Sustainability Working Group

The membership of the Sustainability Working Group was expanded in 2022 to include representatives from all teams in the museum. This expansion reflects the museum's commitment to embedding environmental responsibility across everything we do. The group engaged the wider museum with the tender process for support in this area and took part

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE PERIOD ENDED 31 MARCH 2023

in a series of workshops feeding into the carbon baseline report. Key members of this group also took on the majority of the work to gather the data needed for our baseline report – a significant undertaking for all involved.

Connecting with local groups

Throughout the year, we connected with local groups and UK-wide organisations, to help guide our thinking around environmental responsibility. This included joining Fit for the Future, the environmental steering group for Knowledge Quarter and greater involvement with Camden Council through their Carbon Alliance. Alongside this, we signed up to be part of Art Fund's The Wild Escape initiative to engage family visitors around a theme of imagining a better future for the planet. The resulting activity will be delivered through a series of engaging events in the school holidays in 2023.

5. We will develop a sustainable and dynamic business model to enable our work as a charity

- Publishing a new Forward Plan, which outlines the museum's strategic direction for the next 6 years.
- Successfully achieving Museum Accreditation with Arts Council England and maintaining Archive Service Accreditation.
- Successfully applying to become a National Portfolio Organisation (NPO). The museum secured this funding in 2022, for a three-year period starting April 2023.
- Winning Best Museum in the UK at Tqets 2022 Remarkable Venue Awards and being shortlisted for the Accessible and Inclusive Tourism Award in the London and Partners London Tourism Awards 2022.
- Visitor numbers continuing to recover post COVID-19 closures, slightly ahead of predicted recovery rate.
- The development of new operational patterns to support increased visitor numbers
- The recruitment of a Development Manager and shaping of a fundraising strategy

Becoming a National Portfolio Organisation (NPO)

We were thrilled to become an NPO with funding through the Arts Council for three years from April 2023. This was in recognition of our work with children and communities and our plans for outreach work outside of London in the two levelling up areas of Wolverhampton and Swindon.

Operations and Ticketing

At the end of 2022, visitor numbers were 5% greater than forecasted, achieving 68% of 2019's visitor numbers (against an original target of 64%). Visitor numbers from January to March 2023 were in line with the forecast and tracked at 85% of 2019.

Several factors contributed to the increase in visitor numbers in the last 15-months. These include the lifting of Covid restrictions in April 2022; enabling the museum to remove Covid screens on the trains and increase ticket capacities by 50% per 30-minute time slot. Also, opening an extra two-train day in the week during holiday periods to maximise the demand for ticket sales (Tuesdays - circa 13 extra days with 720 tickets per day). Furthermore, permitting walk-up tickets to be sold on the day of a visit helped capture visitors that were less inclined to plan ahead and commit to buying tickets in advance of their visit (primarily due to concerns over Covid restrictions being reintroduced).

Whilst the Covid-19 pandemic required numerous adjustments to the operation throughout 2021, feedback gleaned from staff across the museum indicated that some of these were effective post-pandemic. For instance, retaining Mail Rail as the start of the visitor journey improved operational planning, especially in managing periods of high numbers at specific times in the day. The queuing system remained the same and provided a more orderly formation that improved visitor engagement; also, it made better use of the space, reducing the perception of a long queue. Additionally, during high volumes, the visitor flow was streamlined after the ride experience, resulting in a better 'spread' of visitors across both sites.

The museum planned the increase in ticket capacity in the lead up to April 2022. Staff were consulted in the development of the plans and were retrained to prepare them to manage higher volumes of visitors. They managed to deliver a successful operation – evidenced by positive visitor feedback and an increase in visitor numbers.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE PERIOD ENDED 31 MARCH 2023

In the lead up to the new financial year, the museum has been planning to increase ticket capacities by a further 20 tickets per 30-minute timeslot per (two-train) day during the summer holidays in 2023. However, to allow for staff training, periods of adjustment and feedback, a phased approach is required. The first step will be to increase ticket capacities by nine tickets per timeslot, equating to over 100 extra tickets per day.

Fundraising

The museum secured several significant grants and donations in 2022-23, alongside our continued support from Royal Mail Group and Post Office Ltd.

- 3-year funding secured from Arts Council England, starting in April 2023
- £5,000 from long-standing Patron Graham Buckland to support a refresh of Sorted! The Postal Play Space
- £10,000 sponsorship from Maselis NV for The King's Stamp exhibition
- £81,000 from John Lyon's Charity to support the development and delivery of a new under-5s programme across 3 years.
- £13,362 from Royal Mail Group in support of The Jolly Postman virtual sessions.

We thank all our supporters, named and anonymous, for their generosity to the museum.

No complaints have been received in respect of fundraising.

FINANCIAL REVIEW

Reserves

Postal Heritage Trust's reserves position is under constant monitoring and management. The general policy of the Trustees is to maintain on average, around five months' worth of unrestricted operating expenditure plus foreseeable capital commitments as working capital in the form of unrestricted cash, to safeguard The Postal Museum's efficient running and its ability to meet current commitments and to provide stakeholders with assurance about its financial resilience. The nature of the timing of voluntary funding receipts based on agreements with Royal Mail Group and Post Office Ltd, means that this is not always the case but the agreements themselves provide comfort that the museum can continue its normal operations. The reserves policy will be kept under regular review to ensure the museum has sufficient resources to continue to meet its strategic aims and objectives.

At the period end, the unrestricted cash balance of £1,638k (2021: £2,323k) represented almost 4 months of budgeted operating expenditure and planned capital commitments for financial year 2023/4. The restricted fund cash balance was £112k (2021: £96k). The reduction in the unrestricted funds cash balance of £685k is mainly the result of two factors: (a) the one-off transitional extended reporting period resulting from the change in year end includes two periods of January to March, a period which is historically when costs exceed revenues, and (b) the cash balance at the end of March is always a low point in the museum's funding cycle, and large receipts from both Royal Mail and Post Office for donations and the archive services agreement are due in April. For these reasons, the reduction in the reported cash balance is not considered by trustees to be a cause for particular concern.

Of the total funds of £14,119k (2021: £15,940k) at the year end, £112k (2021: £96k) were restricted and £14,007k (2021: £15,844k) were unrestricted, £13,741k of which was designated, as detailed below. The designated funds represent the net asset valuation following completion of the capital project.

Overall, the museum made a deficit of £1,821k (2021: £789k deficit) for the 15-month period after the depreciation provision of £1,331k (2020: £1,144k). Excluding depreciation there was a deficit of £490k (2021: £357k surplus).

Restricted funds

- Funds represented by the book value of the Collection held by PHCT: £81k (2021: £81k).
- Funds received for the digitisation of Post Office records which was £6k at year end (2021: £6k).
- Addressing Health Project, the remaining balance of which at year end was £4k.
- £5k was received to fund the cost of upgrading Sorted!.
- The Post and Play programme ended the period with a net balance of £12k.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE PERIOD ENDED 31 MARCH 2023

- The Sorting Office Maths Challenge concluded the year with a balance of £4k remaining.

Unrestricted funds

Designated funds

- Funds designated related to fixed assets and The Postal Museum capital project: £13,741k (2021: £15,415k).

General funds

- General unrestricted funds: £266k (2021: £429k). As the museum in effect, is still a relatively new start-up, we are in the process of experimenting and developing services and processes. The stated aim is to build on the successful launch and generate reserves to establish long term sustainability. This involves the development of strong partnerships with key stakeholders including Royal Mail Group and Post Office Limited. It is expected that this process will stabilise in the next two years before sustainable reserves start to build.

Analysis of the funds detailed above in terms of their representation is as follows:

	General	Designated	Restricted	Total
	£	£	£	£
Fixed Assets	1,509,874	19,348,502	81,367	20,939,743
Net Current Assets/(Liabilities)	(1,243,554)	876	30,328	(1,212,350)
Long term liabilities - loans	-	(5,608,816)	-	(5,608,816)
	266,320	13,740,562	111,695	14,118,577

Cash flow

As can be seen on the cash flow statement on page 24 the cash balance at the financial year end had decreased by £670k to £1,750k. This net cash outflow was expected, and it follows the change from a year ending in December to a March year end. As a result of the transition to the new year end date, this 15-month financial period included two sets of January to March, which is historically a lean period financially. March always represents a low point in the museum's cash flow cycle, with significant receipts from both Royal Mail Group and Post Office Limited due in April.

The change in the financial year end date was deemed to be necessary in order to align the museum's financial year with the funding cycle of Arts Council England (ACE) following a successful application to become a National Portfolio Organisation (NPO). As mentioned earlier, NPO status provides the museum with unrestricted funding of £150k per year for a three year period. It is hoped that the museum will retain this status for future triennial funding rounds.

Related parties

Postal Heritage Trust (PHT) was formed from the Heritage Services department of Royal Mail in 2004, from whom it received fixed assets and staff.

Royal Mail Group (RMG) originally nominated two members on the Trust's board upon foundation, and, like Post Office Ltd., (POL) retains the right to nominate at least one board member.

Both RMG and POL have Funding Agreements to 2040 which provide the charity with funds for the general purpose of meeting its charitable objectives. This amounted to £1.61m in the 15 months to 31 March 2023 (2021: £1.45m). They have also transferred some of their intellectual property rights to the group.

POL and RMG have an Archive Services Agreement with PHT via its trading subsidiary, Postal Heritage Services Ltd (PHSL), which provided the latter with £1,293k of income over the 15 months to March 2023 (2021: £1,018k), for the purpose of maintaining, and providing public access to the RMG /POL archives. This agreement runs until 2040.

Postal Heritage Trust (PHT) and the Postal Heritage Collection Trust (PHCT) are under joint control of the board of trustees. PHCT is a company limited by guarantee. It is a holding entity into which the Royal Mail Museum Collection was transferred on 29 March 2004.

Principal risks and uncertainties

Principal risks

The primary risk is the ability to resolving satisfactorily the historical loans relating to the capital project made to The Postal Museum by Post Office Ltd and Royal Mail. Following on from letters of comfort and MOU previously received

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE PERIOD ENDED 31 MARCH 2023

from RM and POL, Trustees have now received the text of a draft Heads of Terms agreement, to restructure the loan alongside amendments to the long lease on Calthorpe House. This as yet unsigned document and other details are being reviewed by all connected parties to the original loan agreements. Trustees are viewing this in a positive light and, although some details require further clarification and possibly some amendment, they are in the firm belief that this document is the basis of a viable agreement to secure the museum's long-term future. Pending the outcome of further discussions, neither RM nor POL have indicated any intention to enforce the original loan terms within the next 12 months from the signing of these accounts. Trustees are therefore taking the view that the risk of the museum not being considered as a going concern has been substantially mitigated against.

Trustees consider that the other main risk over this period relates to cash. They are assured by the projected £1.45m cash balance at the end of December 2023 and the projected budgets and cash flow as outlined above provided that agreement can be reached on renegotiating the repayment terms of the loan. Currently the loans are classified in these accounts split between being due within one year and due within more than one year as, whilst the initial terms and conditions were breached as at the year end date, neither RM nor POL have sought repayment of the loan up to December 2023. Additionally, they are reassured by the tight spending controls that the museum has demonstrated since 2018, including a revised operating model which tightly manages third-party contracts in-house and the levers that the museum can pull to increase at quick notice the capacity of the museum, thus driving admissions income.

The Postal Museum's operational risk profile can be measured against its dependence in a normal year of operations, on income from the following income streams: 26% from admissions income, 38% from fundraising, 26% from services and 10% from commercial activity. The major risks associated with each are as follows:

Admissions Income – The principle financial risks to admissions income are the reliability of the Mail Rail attraction, including the trains, and the demand for tickets from the public. The visitor profile is understood and train reliability is very good, so these risks are rated as "low" in the TPM risk register. TPM's reputation is also a key factor in attracting visitors, centred on its ability to meet legal standards, and in particular, health, safety, and security obligations.

Fundraising – Much of the fundraising target has been secured through long term agreements with RM and POL but that still leaves a significant sum to be raised each year from various sources. A shortfall in fundraising income is rated "low" in the TPM risk register following mitigating actions. A membership scheme was introduced in 2019 to help build long term loyalty across a broader donor base. No complaints were received in respect of fundraising.

Commercial Income – This income derives from three components: Retail, Food & Beverage (F&B) and Events. F&B is the smallest component and is considered to be of low risk. Retail performance is dependent on a combination of forecast attendance and spend per head being achieved. The novelty of the TPM sites is an attraction for our Events operation, but attracting new business has proved to be very challenging in a post-Covid setting with a high inflation economic environment. Based on expected value, the performance of the Events offer is rated "medium" in the TPM risk register.

Services Income – This mainly derives from our management of the archives and public records of both POL and RM. These services are governed by and funded through a long-term agreement, and so the principal risks relate to failure to deliver services to the defined SLA's and/or loss or damage to the collections; both these eventualities are rated as "low to moderate" risks due to their likelihood of failure following mitigating actions.

Risk management

The Audit & Finance Sub-Committee oversee the risk management process. The TPM Risk Registers are reviewed by the executive team on a periodical basis with a highlight report being provided to the full Board following each review. The Audit & Finance sub-committee aims to review the full set of registers at least quarterly.

The trustees have considered the financial position of the museum in great detail and note the following:

Lookout period

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE PERIOD ENDED 31 MARCH 2023

The strategy and direction of the museum has been outlined in the Forward Plan, the current version of which runs through to 2029. Sitting alongside this is a detailed cash flow projected to the end of financial year 2024/25 with further projections for the next 10+ years. Both documents assume the increasing visitor numbers through the years 2024 and 2025 before broadly stabilising. Planned content to be shown within the museum alongside digital and virtual delivery, developed alongside an Audience Development Plan, gives the Trustees confidence that audiences will be attracted to interesting and relevant displays, blogs, talks and events.

This strategy has been strongly endorsed by various funding bodies who have generously supported The Postal Museum since opening and especially through the pandemic in 2021 and 2022, and it is hoped that this will continue into the future. This strategy was reinforced by the award of National Portfolio Organisation (NPO) status by Arts Council England (ACE) covering the 3 years ending March 2026, and with an expectation that this will continue for further funding rounds..

Supporting analysis

The Trustees, through the delegated responsibility of the Finance and Audit Committee, regularly review budgets, reforecasts, and cash flow scenarios along with underlying assumptions and risks. Scenario planning underpins the budgets set with constructive challenge coming through committees and the Board. Trustees receive regular updates from the Executive Team which make clear the actions that can be taken to mitigate against any downturns by reducing expenditure at relatively short notice and by avoiding any unnecessary long term large financial commitments. They are also assured of the entrepreneurial nature of the organisation through reports on income generating activities.

Going concern

As is reported in note 1b on page 25, the trustees have considered the charitable group's forecasts and projections for a period of 12 months from the approval of the financial statements. After making enquiries, the trustees have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future, a minimum of which is a period of twelve months and, subject to the non-enforcement of the loan repayment obligations and in light of the draft agreement to restructure the loan alongside amendments to the long lease on Calthorpe House as described on page 13. The charity continues to adopt the going concern basis in preparing its financial statements. The Trustees consider that the conditions described in respect of the historical loans as mentioned above, constitute a material uncertainty which may cast doubt over the charitable company's ability to continue as a going concern although substantially mitigated by the Heads of Terms agreement referred to above. The working assumption is that this agreement will be signed in the near future, and that work will shortly be underway to formalise it in the form of binding contracts.

Trustees are clear that The Postal Museum continues to be a going concern despite the hitherto absence of a permanent agreement with Royal Mail and Post Office Ltd to resolve the historic loans. Both lenders have indicated in a series of meetings and other correspondence that their preferred outcome is for the Postal Museum to continue to exist and neither has given any indication of any intention to call back the loans in accordance with their contractual rights.

FUTURE PLANS

In 2023 we will begin delivery of our National Portfolio Organisation Activity Plan and actions outlined in our commitment to ACE's investment principals. This includes exciting projects which will support the museum's progression as welcoming, inclusive, and truly participatory space that is deeply embedded within our local communities. We will also further develop our definitions and work around Equity, Equality, Diversity and Inclusion, and will launch the museum's Environmental Sustainability Framework and Action Plan, which will guide us towards Net Zero by 2040.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE PERIOD ENDED 31 MARCH 2023

Audience

In 2023, we will launch our Audience Development Strategy and Plan which, using the findings from our audience segmentation and audience research, will guide our strategic approach. The strategy will address audiences covering for areas:

1. **Financial** – We will grow paying customers to support the business model through ticket sales and secondary spend, memberships and donations.
2. **Educational or Experiential** – We will engage with all audiences through high-quality experiences that help them learn about the story of postal communication.
3. **Social** – We will reach out to our under-served audiences to better understand their wants and needs, their connections to our stories, and how we can benefit and improve their lives.
4. **Creative / Relevancy / Reputational** – We will collaborate with our under-served audiences to develop our collections, stories and activities and ensure they are relevant to current and future generations.

The plan will be supported by the launch of the 3-year Marketing and Communications Strategy, a Commercial Strategy and a Community Engagement Strategy and Plan, which will deliver the aims of audience development across the four areas listed above.

Community Engagement

The Postal Museum's Community Engagement Strategy will articulate our ambition to develop the museum into a truly participatory organisation, deeply embedded within our local communities. Replicating elements of the successful model used to build our access programme and inspired by the Museum Association's (MA) Manifesto for Learning and Engagement and the Our Museum project, our aim is for our communities in Camden and Islington to become active partners in our work rather than passive beneficiaries. We want to better understand their wants and needs, address local issues, and improve our relevance to and representation of people from different cultural, ethnic and socioeconomic backgrounds.

Content

The King's Stamp exhibition will continue until August 2023, continuing our focus on the rich history of stamp design in the UK, inspired by the new King Charles III definitive stamps.

A new exhibition exploring postal uniforms, Dressed to Deliver, will open in October 2023. This exhibition is curated with audience segment Inquisitive Minds with children, looking at uniforms past and present, identity and functionality. This exhibition includes consultation with postal workers past and present gathered through our Royal Mail Staff Open Days.

New research will be continuing into the Royal Mail Steam Packet Ship company and an academic advisor will be appointed to assist in this research. Work will also begin with communities to ensure this work tells the broader story and from different perspectives. The Museum will work with a community practitioner and an evaluation specialist. This project is being jointly run by the Collections and Community teams will be supported by communities in the Caribbean as well as locally to the Museum.

Environmental Sustainability

In 2023, the museum will publish a 6-year Environmental Sustainability Framework and a 3-year Action Plan. The museum recognises the urgent need to address the climate emergency. We aim to make meaningful changes to our operation and be making tracked progress towards Net Zero emissions by 2040 and embed environmental responsibility within all aspects of our work.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE PERIOD ENDED 31 MARCH 2023

The Framework is developed with support from the museum's appointed consultants, ideas generated by the museum's cross-departmental Sustainability Working Group and responds to our Arts Council England National Portfolio Organisation plan.

Statement of Trustees' Responsibilities

The Trustees (who are also Directors for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable Company and the group and of the movement in funds, including the income and expenditure, of the charitable Company and group for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as we are aware:

- There is no relevant audit information of which the charitable Company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

In making its decisions, Trustees have had due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

This report, which includes both the Directors Report and the Strategic Report for the purposes of company law was approved by the Board on 14 December 2023 and signed on their behalf by:



Richard Wills
Director

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
POSTAL HERITAGE TRUST
FOR THE PERIOD ENDED 31 MARCH 2023**

Opinion

We have audited the consolidated financial statements of Postal Heritage Trust for the period ended 31 March 2023 which comprise the consolidated statement of financial activities, the consolidated and company balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 group 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.

Material uncertainty relating to going concern

We draw attention to note 1b in the financial statements, which indicates that Postal Heritage Trust has defaulted on its loan repayment obligations and, whilst assurances have previously been obtained from the lenders that they will not enforce debt recovery these assurances are not legally binding and expire in March 2023. As stated in note 1b, the directors expect a satisfactory resolution to negotiations with the lenders, but these have not concluded at the date of the approval of the financial statements. These matters indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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 Trustees' Report. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POSTAL HERITAGE TRUST

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 strategic report and the directors' report prepared for the purposes of company law) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees and Strategic Report have 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee and Strategic Report (which incorporates the strategic report and the directors' report prepared for the purpose of company law).

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on pages 16, the trustees (who are also the 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group/charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to registered charities, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and other factors such as income tax, payroll tax and sales tax.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POSTAL HERITAGE TRUST

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to areas of estimation uncertainty and to manual accounting journals. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing manual journals, in particular unusual any unusual items; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located 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.



Richard Weaver (Senior Statutory Auditor)

Date: 19/12/2023

For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London EC4R 1AG

POSTAL HERITAGE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE PERIOD ENDED 31 MARCH 2023

		15 Months to Mar 2023 Unrestricted	15 Months to Mar 2023 Restricted	15 Months to Mar 2023 Total	Year to Dec 2021 Total
	Notes	£	£	£	£
INCOME					
Donations and legacies					
Donations & Grants - Royal Mail Group Ltd	4	1,611,991	-	1,611,991	1,450,024
Donations & Grants - Other	4	293,511	89,139	382,650	743,639
Income from Charitable activities					
Admissions and membership		1,265,626	-	1,265,626	488,269
Outreach and exhibitions		82,808	-	82,808	1,404
Income from other trading activities					
Income of trading company - PHSL	6	1,327,116	-	1,327,116	1,067,074
Income of trading company – PHTL	6	498,399	-	498,399	430,711
Other income		21,148	-	21,148	32,221
Investment Income		4,832	-	4,832	188
TOTAL INCOME		5,105,431	89,139	5,194,570	4,213,530
EXPENDITURE					
Charitable activities:					
Operation of The Postal Museum	5	2,480,785	41,563	2,522,348	1,715,342
Collections	5	879,601	22,266	901,867	610,518
Outreach and exhibitions	5	680,678	10,000	690,678	479,914
Costs of raising funds:					
Expenses of charity – PHT	5	913,430	-	913,430	655,608
Expenses of trading company - PHSL	5	1,369,087	-	1,369,087	1,205,182
Expenses of trading company – PHTL	5	618,698	-	618,698	336,400
TOTAL EXPENDITURE		6,942,279	73,829	7,016,108	5,002,964
Net (expenditure)/income		(1,836,848)	15,310	(1,821,538)	(789,434)
Transfer between funds		-	-	-	-
NET MOVEMENT IN FUNDS		(1,836,848)	15,310	(1,821,538)	(789,434)
Funds brought forward		15,843,730	96,385	15,940,115	16,729,549
FUNDS CARRIED FORWARD		14,006,882	111,695	14,118,577	15,940,115

There were no recognised gains and losses other than those shown in the above Statement of Financial Activities. All income and expenditure of the period was derived from continuing activities. Note 12 on page 37 shows the 2023 Statement of Financial Activities split between funds.

The notes on pages 25 to 41 form part of these financial statements.

POSTAL HERITAGE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE PERIOD ENDED 31 DECEMBER 2021 (comparative)

		Year to Dec 2021 Unrestricted	Year to Dec 2021 Restricted	Year to Dec 2021 Total	Year to Dec 2020 Total
	Notes	£	£	£	£
INCOME					
Donations and legacies					
Donations & Grants - Royal Mail Group Ltd	4	1,450,024	-	1,450,024	1,434,212
Donations & Grants - Other	4	674,975	68,664	743,639	1,411,865
Income from Charitable activities					
Admissions and membership		488,269	-	488,269	447,777
Outreach and exhibitions		1,404	-	1,404	600
Income from other trading activities					
Income of trading company - PHSL	6	1,067,074	-	1,067,074	1,039,384
Income of trading company – PHTL	6	430,711	-	430,711	281,357
Other income		32,221	-	32,221	43,828
Investment Income		188	-	188	771
TOTAL INCOME		4,144,866	68,664	4,213,530	4,659,794
EXPENDITURE					
Charitable activities:					
Operation of The Postal Museum	5	1,670,342	45,000	1,715,342	1,594,797
Collections	5	585,956	24,562	610,518	573,787
Outreach and exhibitions	5	479,914	-	479,914	416,912
Costs of raising funds:					
Expenses of charity – PHT	5	655,608	-	655,608	659,593
Expenses of trading company - PHSL	5	1,205,182	-	1,205,182	1,328,041
Expenses of trading company – PHTL	5	336,400	-	336,400	426,910
TOTAL EXPENDITURE		4,933,402	69,562	5,002,964	5,000,040
Net (expenditure)/income		(788,536)	(898)	(789,434)	(340,246)
Transfer between funds		-	-	-	-
NET MOVEMENT IN FUNDS		(788,536)	(898)	(789,434)	(340,246)
Funds brought forward		16,632,266	97,283	16,729,549	17,069,795
FUNDS CARRIED FORWARD		15,843,730	96,385	15,940,115	16,729,549

There were no recognised gains and losses other than those shown in the above Statement of Financial Activities. All income and expenditure of the period was derived from continuing activities. Note 12 on page 37 shows the 2021 Statement of Financial Activities split between funds.

The notes on pages 25 to 41 form part of these financial statements.

**CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2023**

		Mar 2023		Dec 2021	
	Note	£	£	£	£
FIXED ASSETS					
Tangible fixed assets					
Other fixed assets	7	20,858,376		22,146,917	
Museum Collection	8	<u>81,367</u>		<u>81,367</u>	
			20,939,743		22,228,284
CURRENT ASSETS					
Stock – goods for resale		44,859		50,817	
Debtors and prepayments	10	1,403,279		286,296	
Cash at bank and in hand		<u>1,749,830</u>		<u>2,419,413</u>	
			3,197,968		2,756,526
CREDITORS : amounts falling due within one year	11	<u>(4,410,318)</u>		<u>(3,110,825)</u>	
NET CURRENT (LIABILITIES) / ASSETS			<u>(1,212,350)</u>		<u>(354,299)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			19,727,393		21,873,985
CREDITORS : amounts falling due after more than one year					
Loans	11	<u>(5,608,816)</u>		<u>(5,933,870)</u>	
NET ASSETS			<u>14,118,577</u>		<u>15,940,115</u>
FUNDS					
Restricted funds:	12		111,695		96,385
Unrestricted funds:					
Designated	12		13,740,562		15,415,139
General	12		-		-
Trading subsidiary reserves	12		<u>266,320</u>		<u>428,591</u>
			<u>14,118,577</u>		<u>15,940,115</u>

The notes on pages 25 to 41 form part of these financial statements.

Approved and authorised for issue by the board of directors on 14 December 2023 and signed on their behalf by:



Richard Wills
Director

**CHARITABLE COMPANY BALANCE SHEET
AT 31 MARCH 2023**

		Mar 2023		Dec 2021	
	Note	£	£	£	£
FIXED ASSETS					
Tangible fixed assets					
Other fixed assets	7	20,851,560		22,146,917	
Investment in subsidiary companies at cost	9	<u>2</u>		<u>2</u>	
			20,851,562		22,146,919
CURRENT ASSETS					
Debtors and prepayments	10	1,677,451		949,136	
Cash at bank and in hand		<u>590,079</u>		<u>1,019,644</u>	
			2,267,530		1,968,780
CREDITORS: amounts falling due within one year	11	<u>(3,739,384)</u>		<u>(2,751,668)</u>	
NET CURRENT LIABILITIES			<u>(1,471,854)</u>		<u>(782,888)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			19,379,708		21,364,031
CREDITORS: amounts falling due after more than one year					
Loans	11		<u>(5,608,816)</u>		<u>(5,933,870)</u>
NET ASSETS			<u>13,770,892</u>		<u>15,430,161</u>
FUNDS					
Restricted funds	12		30,330		15,018
Unrestricted funds:					
Designated	12		13,740,562		15,415,143
General	12		<u>-</u>		<u>-</u>
			<u>13,770,892</u>		<u>15,430,161</u>

The notes on pages 25 to 41 form part of these financial statements.

Approved and authorised for issue by the board of directors on 14 December 2023 and signed on their behalf by:



Richard Wills
Director

**CONSOLIDATED CASH FLOW STATEMENT
AT 31 MARCH 2023**

	Mar 2023	Dec 2021
	£	£
Cash flows from operating activities		
Net (expenditure) for the financial year	(1,821,538)	(789,434)
Adjustments for		
Depreciation	1,330,501	1,146,682
Interest received	(4,832)	(188)
Loss disposal of fixed assets	-	-
(Profit) on disposal of heritage assets	-	(1,974)
(Increase) / decrease in stock	5,958	9,821
(Increase) / decrease in debtors	(1,116,982)	156,730
Increase / (decrease) in creditors	974,439	(180,173)
Net cash generated from operating activities	(632,454)	341,464
Cash flows from investing activities		
(Purchase) of tangible fixed assets	(41,962)	(29,510)
(Purchase) of heritage assets	-	-
Proceeds from sale of heritage assets	-	1,974
Proceeds from sale of fixed assets	-	-
Interest received	4,832	188
Net cash from investing activities	(37,129)	(27,348)
Cash flows from financing activities		
Cash inflow from new borrowing	-	-
Net increase / (decrease) in cash and cash equivalents	(669,583)	314,116
Cash and cash equivalents at beginning of the year	2,419,413	2,105,297
Cash and cash equivalents at the end of the year	1,749,830	2,419,413

Movement in net debt

	£	£	£	£
	At 1 January 2022	Cash flows	Non-cash changes	At 31 March 2023
Cash at bank and in hand	2,419,413	(669,583)	-	1,749,830
Loans due within one year	(1,116,130)	-	(325,054)	(1,441,184)
Loans due after one year	(5,933,870)	-	325,054	(5,608,816)
	(4,630,587)	(669,583)	-	(5,300,170)
Total	(4,630,587)	(669,583)	-	(5,300,170)

The notes on pages 25 to 41 form part of these financial statements.

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES

a) Accounting basis

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company and its subsidiaries are a public benefit group for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011, and Regulations made thereunder.

In the view of the trustees in applying the accounting policies adopted, no judgements were required, other than the determination of the appropriateness of the going concern basis as out below, that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

b) Going concern

FRS102 requires the trustees to adopt a going concern basis in preparing the financial statements unless they intend to liquidate the charitable company or have no realistic alternative to do so.

As has been the case since 2018, Postal Heritage Trust, the parent charitable company, and Postal Heritage Services Ltd have defaulted on their loan repayment obligations to Royal Mail Group Ltd and Post Office Ltd. However, the lenders have not exercised their right under the default provisions of the loan agreement, to require immediate repayment of the loan. Following on from letters of comfort and MOU previously received from RM and POL, Trustees have now received the text of a draft Heads of Terms agreement to restructure the loan alongside amendments to the long lease on Calthorpe House. This as yet unsigned document and other details are being reviewed by all connected parties to the original loan agreements. Trustees are viewing this in a positive light and, although some details require further clarification and possibly some amendment, they are in the firm belief that this document is the basis of a viable agreement to secure the museum's long-term future. Pending the outcome of further discussions, neither RM nor POL have indicated any intention to enforce the original loan terms within the next 12 months from the signing of these accounts. Trustees are therefore taking the view that the risk of the museum not being considered as a going concern has been substantially mitigated against.

The non-enforcement of the loan repayment obligations constitutes a material uncertainty that may cast significant doubt as to the charity's ability to continue as a going concern. Nonetheless, the trustees have concluded that going concern is appropriate for the reasons set out below.

In particular the trustees have considered the charitable group's forecasts and projections for a period of 15 months from the approval of these financial statements to 31 March 2025. After making enquiries the trustees have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future, a minimum of which is a period of twelve months and, subject to the non-enforcement of the loan repayment obligations and agreement to revised terms and conditions as set out in the Heads of Terms within the timeframes noted above.

Trustees are clear that The Postal Museum continues to be a going concern despite the hitherto absence of a permanent agreement with Royal Mail and Post Office Ltd to resolve the historic loans. Both lenders have indicated in a series of meetings and other correspondence that their preferred outcome is for the Postal Museum to continue to exist and neither has given any indication of any intention to call back the loans in accordance with their contractual rights.

The museum has undertaken continuous cash flow scenario modelling to help identify the periods when it would be at greatest financial risk. This has helped inform both the timing and the extent of mitigating actions

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES (continued)

required to maintain a cash balance at a level which enables the museum eventually to emerge from the crisis and maintain a suitable and sustainable programme.

c) Consolidation basis

The consolidated financial statements of Postal Heritage Trust (PHT) include the results, assets and liabilities of the charitable company and its wholly owned trading subsidiary companies, Postal Heritage Services Limited and Postal Heritage Trading Limited on a line by line basis. In addition, the consolidated financial statements include Postal Heritage Collection Trust (PHCT), a charitable company under common control, on a similar basis. In prior years, the consolidated financial statements were prepared by PHCT. The charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006 and has not prepared a separate Statement of Financial Activities.

d) Restricted funds

Restricted funds are to be used for specified purposes, as laid down by the grant-making body or donor.

e) Designated funds

Designated funds have been set aside at the Trustees' discretion for a specific purpose.

f) Unrestricted funds

Unrestricted funds include donations, consultancy income and other incoming resources received or generated for unspecified charitable purposes.

g) Donations and gifts

Income received by way of donations and gifts is included in the Statement of Financial Activities when received or there is a high probability of receipt.

h) Revenue grants

Revenue grants are credited to incoming resources in the year for which they are receivable. Revenue grants are deferred where the income represents amounts received for future years and are released to incoming resources in the year for which they have been received.

i) Expenditure

All expenditure is accounted for on the accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Such support costs, including governance costs, are allocated between cost of generating funds and resources expended on charitable activities on basis of time spent.

Salaries are allocated to the Postal Heritage Trust and its trading subsidiaries, Postal Heritage Services Limited and Postal Heritage Trading Limited, on the basis of time spent on each activity.

Governance costs, which are allocated consistently with other costs, are those costs relating to the general running of the charity by its trustees and include audit fees and trustee expenses.

i) Operating leases

The costs of operating leases are charged to the Statement of Financial Activities in the year to which they relate.

k) Heritage assets

The charity holds a collection of assets which reflect the history of the postal system. The museum collection is comprised of items which would fall under the definition of heritage assets in FRS 102 where such a

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES (continued)

heritage asset is defined as an asset “with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture”.

The majority of assets in the collection are not valued on the balance sheet on the basis that appropriate valuations do not exist and could not be obtained at proportionate cost.

A small number of heritage assets were acquired by purchase in relatively recent past and, in the case of these assets, the cost of purchase is known. The aggregate cost of these assets is shown on the balance sheet. No depreciation is charged.

l) Depreciation and amortisation

The costs of fixed assets with a purchase price of £1,000 or more are capitalised and written off on a straight-line basis over their useful lives, as follows:

General office equipment, fixtures, and fittings	5 years
Other equipment	Variable periods depending on deemed useful asset life
Long leasehold property	40 years and 25 years (period of lease)

m) Pension scheme

The charity made employer’s contributions into the Royal Mail Group POS and POPS defined benefit final salary schemes on the behalf of one remaining employee transferred into its employment from Royal Mail Group. The costs are charged to the Statement of Financial Activities when they fall due. The schemes are multi-employer schemes. The employee transferred from the Royal Mail Group schemes and joined TPM’s defined contribution pension scheme on 1 March 2023, whilst maintaining preserved rights for all historic contributions in the Royal Mail Group schemes.

n) Intangible assets

The cost of software and exhibition films are treated as intangible assets where the value exceeds £1,000. The accounting policy is to write down these amounts over a period of 5 years on a straight line basis.

2. STAFF NUMBERS AND COSTS

	15 Months to Mar 2023	Year to Dec 2021
	Number	Number
(a) The average number of employees during the year were as follows:	82	78
(b) For a 12 month period,		
No employee (2021: 0) received remuneration in the band £60,000 - £70,000.		
One employee (2021: 1) received remuneration in the band £70,000 - £80,000.		
One employee (2021: 1) received remuneration in the band £90,000 - £100,000.		
For the purpose of the above disclosure, remuneration refers to salary and taxable benefits in kind only.		
	15 Months to Mar 2023	Year to Dec 2021
	£	£
Wages and salaries	2,594,432	1,863,451
Social security costs	241,172	171,497
Pension costs	164,040	130,467
Termination payments	-	500
	2,999,644	2,165,915

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MARCH 2023

During the 15 month period, reimbursable expenses of £749 (2021: £35) were paid to 3 (2021: 1) trustees for travelling expenses and subsistence.

The charity made payments of £2,104 (2021: £1,615) in the 15 month period for trustees' indemnity insurance.

Laura Wright was employed as CEO and Trustee of the charity. The legal authority for payments to her was a Charity Commission Order. During the 15 month period she received remuneration of £119,048 (2021: £92,000) in respect of her employment. In addition, the charity made contractual pension contributions of £7,143 in respect of her employment.

The total employee benefits of the charity's Key Management Personnel in the 15 month period amounted to £637,422 (2021 (12 months): £489,072).

3. NET MOVEMENT IN FUNDS FOR THE YEAR

	15 Months to Mar 2023	Year to Dec 2021
	£	£
This is stated after charging:		
Auditors' remuneration – audit of parent company	18,525	7,230
– subsidiary company audits	12,625	13,550
– other services	4,700	3,000
Operating leases – land and buildings	267,269	219,127
Depreciation of fixed assets	1,330,502	1,146,682

4. DONATIONS AND LEGACIES

	15 Months to Mar 2023 Unrestricted	15 Months to Mar 2023 Restricted	15 Months to Mar 2023 Total	Year to Dec 2021 Unrestricted	Year to Dec 2021 Restricted	Year to Dec 2021 Total
	£	£	£	£	£	£
Donations & Grants - Royal Mail Group Ltd and Post Office Ltd	1,611,991	-	1,611,991	1,450,024	-	1,450,024
Donations & Grants - Other	293,511	-	293,511	197,649	-	197,649
Arts Council England Grant	-	-	-	430,000	-	430,000
Patron donation for Sorted!	-	5,000	5,000	-	-	-
Post and play	-	27,000	27,000	-	-	-
Sorting Office Maths Challenge	-	16,615	16,615	-	-	-
Jolly Postman virtual sessions	-	13,362	13,362	-	-	-
Patron donation for The King's Stamp exhibition	-	10,000	10,000	-	-	-
Michael Bishop Foundation	-	-	-	-	45,000	45,000
Addressing Health Project	-	17,162	17,162	-	23,664	23,664
Coronavirus Job Retention Scheme	-	-	-	47,326	-	47,326
	1,905,502	89,139	1,994,641	2,124,999	68,664	2,193,663

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MARCH 2023

5. ANALYSIS OF EXPENDITURE

							15 Months to Mar 2023
	PHT	PHSL	PHTL	Collections	Outreach	Operations	Total
	£	£	£	£	£	£	£
DIRECT COSTS							
Staff Costs	435,757	423,599	129,565	373,566	125,781	944,500	2,432,767
Other staff related items & consultancy	9,118	1,062	2,018	14,948	15,997	44,638	87,781
Property costs	114,570	674	-	187,934	201,137	561,136	1,065,451
Direct activity costs	77,150	3,406	165,995	126,556	135,446	377,872	886,426
Depreciation	135,475	446	-	236,283	252,372	705,926	1,330,502
	772,070	429,187	297,578	939,287	730,733	2,634,072	5,802,927
SUPPORT COSTS							
Governance Support Costs							
Staff Costs	9,305	-	-	15,262	16,334	45,570	86,471
Other staff consulting	419	-	-	688	736	2,054	3,897
Auditors remuneration	2,114	6,500	6,125	3,246	3,467	9,698	31,150
Trustee Expenses	573	-	-	964	1,034	2,879	5,450
Other Support Costs							
Staff Costs	57,206	-	-	93,838	100,432	280,187	531,663
Other staff related items & consultancy	2,577	-	11,365	4,228	4,526	12,627	35,323
Insurance	13,701	-	-	22,474	24,051	67,103	127,329
Post, stationery, telephone	1,207	156	3,145	1,978	2,118	5,905	14,509
Office equipment	1,519	4,663	1,320	2,494	2,665	7,439	20,100
IT costs	12,944	5,866	5,711	21,236	22,728	63,404	131,889
Legal & Professional	1,650	2,351	2,456	2,703	2,894	8,075	20,129
Other	3,506	828	7,819	5,749	6,153	17,166	41,221
Loan interest	164,050	-	-	-	-	-	164,050
Gift Aid to charity	(48,420)	355,000	95,000	(79,425)	(85,005)	(237,150)	-
Support cost recharge	(80,991)	564,536	188,179	(132,855)	(142,188)	(396,681)	-
	141,360	939,900	321,120	(37,420)	(40,055)	(111,724)	1,213,181
Total expenditure 2023	913,430	1,369,087	618,698	901,867	690,678	2,522,348	7,016,108
Total expenditure 2021	655,608	1,205,182	336,400	610,518	479,914	1,715,342	5,002,964

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MARCH 2023

ANALYSIS OF EXPENDITURE (2021 comparative note)

	PHT	PHSL	PHTL	Collections	Outreach	Operations	Year to Dec 2021 Total
	£	£	£	£	£	£	£
DIRECT COSTS							
Staff Costs	275,182	302,746	99,112	235,908	79,431	596,455	1,588,834
Other staff related items & consultancy	2,338	741	(681)	3,833	4,102	11,446	21,779
Property costs	80,833	3,676	-	132,594	141,909	395,902	754,914
Direct activity costs	42,304	4,411	89,637	69,395	74,270	207,201	487,218
Depreciation	116,797	-	-	203,707	217,578	608,600	1,146,682
	517,454	311,574	188,068	645,437	517,290	1,819,604	3,999,427
SUPPORT COSTS							
Governance Support Costs							
Staff Costs	5,876	-	-	9,638	10,315	28,778	54,607
Other staff consulting	261	-	-	428	458	1,278	2,425
Auditors remuneration	825	6,575	6,975	1,267	1,353	3,785	20,780
Trustee Expenses	41	-	-	69	74	206	390
Other Support Costs							
Staff Costs	36,126	143,962	47,987	59,259	63,423	176,939	527,696
Other staff related items & consultancy	1,062	-	500	1,742	1,865	5,203	10,372
Insurance	9,858	-	-	16,170	17,305	48,281	91,614
Post, stationery, telephone	612	-	1,013	1,003	1,074	2,994	6,696
Office equipment	692	-	-	1,136	1,214	3,389	6,431
IT costs	8,520	7,595	642	13,976	14,958	41,729	87,420
Legal & Professional	476	1,500	1,555	780	835	2,330	7,476
Other	2,164	880	7,254	3,549	3,798	10,596	28,241
Loan interest	159,389	-	-	-	-	-	159,389
Gift Aid to charity	(52,281)	485,878	-	(85,757)	(91,782)	(256,058)	-
Support cost recharge	(35,467)	247,218	82,406	(58,179)	(62,266)	(173,712)	-
	138,154	893,607	148,332	(34,919)	(37,376)	(104,262)	1,003,537
Total expenditure 2021	655,608	1,205,182	336,400	610,518	479,914	1,715,342	5,002,964
Total expenditure 2020	659,593	1,328,041	426,910	573,787	416,912	1,594,797	5,000,040

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MARCH 2023

6. RESULTS FROM TRADING SUBSIDIARIES

Postal Heritage Services Limited is a wholly owned trading subsidiary of Postal Heritage Trust incorporated in England and Wales.

	15 Months to Mar 2023	Year to Dec 2021
	£	£
Income and Expenditure:		
Turnover	1,322,954	1,067,074
Coronavirus Job Retention Scheme	-	5,131
Cost of sales	(1,014,087)	(719,304)
Gross profit for the year before tax	308,867	352,901
Interest Received	4,162	102
Profit for the year	313,029	353,003
Retained profit at 1 April / 1 January	171,080	303,955
Retained profit for the financial year	313,029	353,003
Donation to parent charity in respect of 2020 profit		(485,878)
Donation to parent charity in respect of 2021 profit	(355,000)	
Retained profit at 31 March / 31 December	129,109	171,080
Balance Sheet:		
Fixed Assets	6,816	-
Debtors	654,677	27,895
Cash	942,776	1,088,133
Creditors	(1,475,159)	(944,948)
Net Assets	129,110	171,080
Funds		
Share Capital	1	1
Reserves	129,109	171,079
Net Assets	129,110	171,080

Postal Heritage Services Limited has produced audited accounts for the year to 31 March 2023.

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MARCH 2023

6. RESULTS FROM TRADING SUBSIDIARIES (continued)

Postal Heritage Trading Limited is a wholly owned trading subsidiary of Postal Heritage Trust incorporated in England and Wales.

	15 Months to Mar 2023	Year to Dec 2021
	£	£
Income and Expenditure:		
Turnover	498,399	430,711
Coronavirus Job Retention Scheme	-	454
Cost of sales	(523,698)	(336,400)
Gross (loss) / profit for the year before tax	(25,299)	94,765
Interest Received		-
(Loss) / profit for the year	(25,299)	94,765
Retained profit at 1 April / 1 January	257,208	162,743
(Loss) / profit for the financial year	(25,299)	94,765
Donation to parent charity in respect of 2021 profit	95,000	-
Retained profit at 31 March / 31 December	137,209	257,508
Balance Sheet:		
Stock	44,859	50,816
Debtors	21,390	16,751
Cash	216,975	311,636
Creditors	(146,015)	(121,694)
Net Current Assets	137,209	257,509
Creditors fallings due after more than one year	-	-
Net Assets	137,209	257,509
Funds		
Share Capital	1	1
Reserves	137,208	257,508
Net Assets	137,209	257,509

Postal Heritage Trading Limited has produced audited accounts for the year to 31 March 2023.

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MARCH 2023

7. FIXED ASSETS

Group	Long term Lease	Fixtures, fittings and equipment	Plant & Equipment	Intangible Assets	Total
	£	£	£	£	£
Cost					
At 31 December 2021	21,796,159	2,754,612	2,584,735	214,661	27,350,167
Additions during the period	-	7,262	34,699	-	41,962
Disposals	-	-	-	-	-
At 31 March 2023	21,796,159	2,761,874	2,619,434	214,661	27,392,129
Depreciation					
At 31 December 2021	2,393,807	1,359,439	1,272,898	177,107	5,203,250
Charged during the period	681,663	338,749	309,673	418	1,330,502
Disposals	-	-	-	-	-
At 31 March 2023	3,075,470	1,698,188	1,582,571	177,524	6,533,752
Net Book Value					
At 31 March 2023	18,720,690	1,063,686	1,036,864	37,137	20,858,376
At 31 December 2021	19,402,352	1,395,173	1,311,837	37,554	22,146,917
Charitable Company					
	Long term Lease	Fixtures, fittings and equipment	Plant & Equipment	Intangible Assets	Total
	£	£	£	£	£
Cost					
At 31 December 2021	21,796,159	2,691,192	2,584,735	214,661	27,286,747
Additions during the period	-	-	34,699	-	34,699
Disposals	-	-	-	-	-
At 31 March 2023	21,796,159	2,691,192	2,619,434	214,661	27,321,446
Depreciation					
At 31 December 2021	2,393,807	1,296,019	1,272,898	177,107	5,139,830
Charged during the period	681,663	338,303	309,673	418	1,330,056
Disposals	-	-	-	-	-
At 31 March 2023	3,075,470	1,634,322	1,582,571	177,524	6,469,886
Net Book Value					
At 31 March 2023	18,720,690	1,056,870	1,036,864	37,137	20,851,560
At 31 December 2021	19,402,352	1,395,173	1,311,837	37,554	22,146,917

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MARCH 2023

8. MUSEUM COLLECTION / HERITAGE ASSETS

The collection was transferred by Royal Mail at the time the charity was established. No value has been attributed to this collection as stated in the accounting policies note. Subsequent additions to the collection have been valued at cost. There were no additions to the collection during the year (2020: nil). No formal valuation has been made of the collection.

Nature and scale of the assets

The museum's collection, which comprises over 60,000 objects and thousands of documents, is classified under the following categories:

- Postal history
- Duplicate registration sheets of stamps
- Letter boxes
- Paintings, prints and engravings
- Vehicles
- Uniform
- Postal Tools and Equipment (including machines and furniture)
- Ephemera collection
- Photographs and film
- Oral history

All aspects of acquisition and disposal are outlined in the Acquisition and Disposal Policy 2010 which has the approval of the Board of Trustees.

Policy for the acquisition, preservation, management and disposal of heritage assets

The heritage assets of The Postal Heritage Collections Trust are the objects that form the museum collection. The majority of the museum collection was gifted to the Trust in 2004 by Royal Mail Group. Further acquisitions have since been made, by purchase through private sale and auction; and by donation, from Royal Mail and members of the public. The collection is managed to the Accreditation Standard, a national standard managed by the Arts Council England, the government body responsible for Museums and Libraries. Preservation of the museum collection in perpetuity is fundamental to the work of museums and this is undertaken through good collection knowledge, safe packing and housing and good house-keeping. Proactive conservation is undertaken where appropriate; usually related to a project. Disposal from the museum collections is undertaken in line with professional standards, including the Accreditation standard and all disposals are in line with the Museums Association's Code of Ethics for Museums. Disposals from the museum collection are never financially motivated.

Assets reported on the balance sheet

Heritage assets reported on the balance sheet are all reported at cost.

	Additions	Cost of Disposals
Period to 31 March 2023	Nil	Nil
Year to 31 December 2021	Nil	Nil
Year to 31 December 2020	Nil	Nil
Year to 31 December 2019	£12,875	Nil
Year to 31 December 2018	£25	Nil
Year to 31 December 2017	£8,850	Nil

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MARCH 2023

Transactions relating to heritage assets

From time to time, the trustees approve the transfer of certain duplicate philatelic material for the purposes of sale in support of the capital project to deliver a new Postal Museum / Mail Rail centre. No material from the museum's unique collections has ever been transferred, only duplicate material has been affected. The proceeds from the sale of this material to the Postal Heritage Trust was nil (2020: nil). The sales took place in a way that valued the material solely for the transaction and no realistic extension of the valuation to any other material is possible.

9. INVESTMENTS

**15 Months
to Mar
2023**

**Year to Dec
2021**

Investments in subsidiary undertakings at cost

£
2

£
2

The investments in subsidiary undertakings represent:

(i) The £1 issued share capital in Postal Heritage Services Limited, a company registered in England and Wales.

(ii) The £1 issued share capital of Postal Heritage Trading Limited, a company registered in England and Wales.

The results of both companies are shown in note 6 together with balance sheet information.

10. DEBTORS

	31 March 2023		31 December 2021	
	Group	Charity	Group	Charity
	£	£	£	£
Trade debtors	1,162,391	522,528	64,854	64,854
Due from subsidiary undertakings	-	924,158	-	-
Prepayments and accrued income	188,604	178,481	196,657	196,657
VAT	12,301	12,301	18,770	18,770
Other debtors	39,983	39,983	6,015	6,015
	1,403,279	1,677,451	286,296	286,296

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MARCH 2023

11. CREDITORS

Amounts falling due within one year	31 March 2023		31 December 2021	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	155,617	145,082	177,272	170,977
Taxation and social security	56,805	56,805	48,178	48,178
Accruals	848,337	821,568	757,645	729,632
Deferred income	1,067,344	544,154	373,354	34,300
VAT	110,441	-	-	-
Loan interest	712,002	712,002	547,953	547,953
Loans	1,441,184	1,441,184	1,116,130	1,116,130
Due to subsidiary undertakings	-	-	-	14,205
Other creditors	18,588	18,589	90,293	90,293
	4,410,318	3,739,384	3,110,825	2,751,668
Amounts falling due after more than one year	31 March 2023		31 December 2021	
	Group	Charity	Group	Charity
	£	£	£	£
Deferred income	-	-	-	-
Loans	5,608,816	5,608,816	5,933,870	5,933,870
The above loans are repayable:				
In less than one year	1,441,184	1,441,184	1,116,130	1,116,130
Between one and two years	333,855	333,855	281,819	281,819
Between two and five years	1,052,808	1,052,808	888,713	888,713
After more than five years	4,222,153	4,222,153	4,763,338	4,763,338
	7,050,000	7,050,000	7,050,000	7,050,000

With the exception of an interest free amount of £550,000, interest on the loans is payable at an annual rate of 2.5%. Interest did not start to accrue until the first anniversary of practical completion of the Postal Museum project. Practical completion occurred on 17 August 2017. The loans are secured over four bank accounts, at the balance sheet date. The Trust's trading subsidiary, Postal Heritage Services Ltd, has also provided a guarantee in respect of the loans.

The Trust and Postal Heritage Services Ltd have defaulted on their loan repayment obligations to Royal Mail Group Ltd and Post Office Ltd. However, the lenders have not exercised their right under the default provisions of the loan agreement, to require immediate repayment of the loan. The lenders have issued a Heads of Terms agreement which is expected to form the basis of a final settlement agreement as further disclosed in note 1b of the accounting policies on page 25. It is expected that a satisfactory resolution that is acceptable to all parties will be reached in the near future following the signing off of these accounts and on that basis the trustees continue to consider it appropriate in order for the accounts to show a true and fair view to disclose an element of the loans as repayable after one year.

Trustees are clear that The Postal Museum continues to be a going concern despite the hitherto absence of a permanent agreement with Royal Mail and Post Office Ltd to settle the historic loans. Both lenders have indicated in a series of meetings and other correspondence that their preferred outcome is for the Postal Museum to continue to exist and neither has given any indication of any intention to call back the loans in accordance with their contractual rights.

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MARCH 2023

12. FUNDS 2022/23	Brought forward	Income	Expenditure	Transfers	Carried forward
	£	£	£	£	£
RESTRICTED					
Postal Heritage Collection Trust	81,367	-	-	-	81,367
Digitised memorial books	5,914	-	-	-	5,914
Addressing Health Project	9,104	17,162	(22,266)	-	4,000
The King's Stamp exhibition	-	10,000	(10,000)	-	-
Sorted upgrade	-	5,000	-	-	5,000
Post and play	-	27,000	(15,284)	-	11,716
Sorting Office Maths Challenge	-	16,615	(12,917)	-	3,698
Jolly Postman virtual sessions	-	13,362	(13,362)	-	-
	96,385	89,139	(73,829)	-	111,695
UNRESTRICTED - DESIGNATED					
Collection fund	876	-	-	-	876
Tangible fixed assets	15,414,264	-	-	(1,674,578)	13,739,686
	15,415,140	-	-	(1,674,578)	13,740,562
UNRESTRICTED - GENERAL					
Postal Heritage Trust	-	3,279,916	(5,404,494)	2,124,578	-
Postal Heritage Services Limited	171,081	1,327,116	(1,014,087)	(355,000)	129,110
Postal Heritage Trading Limited	257,509	498,399	(523,698)	(95,000)	137,210
	428,590	5,105,431	(6,942,279)	1,674,578	266,320
	15,940,115	5,194,570	(7,016,108)	-	14,118,577

RESTRICTED FUNDS

Postal Heritage Collection Trust holds the value of the collection owned by the museum. The value in the Balance Sheet represents the items of known value.

The balance against digitised memorial books represents the value of the unspent grant received for this activity.

The Addressing Health Project represents the remainder of funds received towards a joint project with Kings College and the University of Derby.

The King's Stamp exhibition was partly funded by a corporate donation.

Funding for upgrading Sorted! was provided by a Patron. The work is due to be carried out in the next financial year.

Post and Play is a learning activity funded by the John Lyons Charitable Trust.

Sorting Office Maths Challenge is a learning activity funded by The Portal Trust.

The Jolly Postman virtual sessions were funded with the support of Royal Mail.

12. FUNDS (continued)

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MARCH 2023

DESIGNATED FUNDS

Collection Fund – Income from the disposal of collection assets held against future collection purchases or collection preservation expenditure.

Tangible fixed assets – funds tied up in the fixed asset and related loans of the parent charitable company.

UNRESTRICTED FUNDS

General fund – funds available to the charity for unrestricted use, which include grant income in respect of the period to 31 December 2021.

COMPANY

The funds of charitable company only are as above, excluding the general funds related to Postal Heritage Services Limited and Postal Heritage Trading Limited, and the restricted fund related to Postal Heritage Collection Trust.

FUNDS 2021	Brought forward	Income	Expenditure	Transfers	Carried forward
	£	£	£	£	£
RESTRICTED					
Postal Heritage Collection Trust	81,367	-	-	-	81,367
Digitised memorial books	5,914	-	-	-	5,914
Arts Fund Reimagine Project	10,002	-	(10,002)	-	-
Addressing Health Project	-	23,664	(14,560)	-	9,104
Mail Rail train upgrade	-	45,000	(45,000)	-	-
	97,283	68,664	(69,562)	-	96,385
UNRESTRICTED - DESIGNATED					
Collection fund	876	-	-	-	876
Tangible fixed assets	16,164,690	-	-	(750,427)	15,414,263
	16,165,566	-	-	(750,427)	15,415,139
UNRESTRICTED - GENERAL					
Postal Heritage Trust	-	3,162,967	(4,399,272)	1,236,305	-
Postal Heritage Services Limited	303,956	1,072,307	(719,304)	(485,878)	171,081
Postal Heritage Trading Limited	162,744	431,165	(336,400)	-	257,510
	466,700	4,666,440	(5,454,976)	750,427	428,590
	16,729,549	4,735,103	(5,524,538)	-	15,940,115

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS 2023

General	Designated	Restricted	Total
---------	------------	------------	-------

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MARCH 2023

	£	£	£	£
Fixed Assets	1,509,874	19,348,502	81,367	20,939,743
Net Current Assets/(Liabilities)	(1,243,554)	876	30,328	(1,212,350)
Long term liabilities - loans	-	(5,608,816)	-	(5,608,816)
	266,320	13,740,562	111,695	14,118,577

ANALYSIS OF NET ASSETS BETWEEN FUNDS 2021

	General £	Designated £	Restricted £	Total £
Fixed Assets	798,784	21,348,133	81,367	22,228,284
Net Current Assets/(Liabilities)	(370,193)	876	15,018	(354,299)
Long term liabilities - loans	-	(5,933,870)	-	(5,933,870)
	428,591	15,415,139	96,385	15,940,115

14. FINANCIAL COMMITMENTS

At 31 March 2023 the group had the following commitments under non-cancellable operating leases.

	Mar 2023 £	Dec 2021 £
Due in less than 1 year	189,985	219,127
Due 2-5 Years	-	-

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MARCH 2023

15. RELATED PARTY TRANSACTIONS

Postal Heritage Trust (PHT) has taken advantage of the exemptions within FRS102 from disclosing related party transactions with Postal Heritage Collection Trust (PHCT), Postal Heritage Services Limited (PHSL) and Postal Heritage Trading Limited (PHTL). The charities SORP requires disclosure of the results and balance sheet positions of the subsidiaries. This information is provided in note 6 in respect of PHSL and PHTL. PHCT has minimal activity. In 2021 it received no grants of heritage assets (2020: nil) and at the balance sheet date held heritage assets at a cost of £81,367 (2020: £81,367).

Royal Mail Group (RMG) and Post Office Ltd (POL) have a funding agreement to 2040 to provide PHT with £1,611,991 in the 15 months to 31 March 2023 (2021: £1,450,024) of unrestricted funds, for the general purpose of meeting its charitable objectives. RMG has also transferred some of its intellectual rights to PHT.

RMG and POL have an Archive Services Agreement with PHT and its trading subsidiary, PHSL, which provided the latter with £1,293,291 in the 15 months to 31 March 2023 (2021: £1,018,436) of unrestricted funds for the purposes of maintaining the Royal Mail archives.

RMG and Post Office Limited (POL) have both signed legal agreements with PHT and PHSL related to the museum and to future funding, which will provide income to PHT in the form of unrestricted funds, index linked, until 2040.

RMG provides services to PHT and as at the year end, there was a balance owing of £10,014 (2021: £82,854).

The disclosures around related parties should be read in conjunction with Note 1 (b) Going concern on page 25 which states that the Trust and Postal Heritage Services Ltd have defaulted on their loan repayment obligations to Royal Mail Group Ltd and Post Office Ltd. In the event of such a default, the Loan Agreements provide Royal Mail Group Ltd and Post Office Ltd with rights to demand immediate repayment. However, whilst reserving their rights, both Royal Mail Group Ltd and the Post Office Ltd have confirmed to the Trust that they are not presently intending to exercise those rights in the next 12 months, subject to the Trust meeting the deadlines even though the deadlines as set out in the MOU through no fault of the museum, have not been achieved. It is expected that a satisfactory resolution that is acceptable to all parties will be reached in the near future following the signing off of these accounts.

Trustees are clear that The Postal Museum continues to be a going concern despite the hitherto absence of a permanent agreement with Royal Mail and Post Office Ltd to settle the historic loans. Both lenders have indicated in a series of meetings and other correspondence that their preferred outcome is for the Postal Museum to continue to exist and neither has given any indication of any intention to call back the loans in accordance with their contractual rights.

16. PENSIONS

For the purposes of FRS102 the group cannot identify its share of the underlying assets and liabilities of the defined benefit schemes in which it participates in respect of seven employees. PHT makes pension contributions based on the advice of a qualified independent actuary whose calculations are based upon total scheme membership. A fundamental change in the defined benefit schemes occurred as a result of the passage of the Postal Services Act 2011, with the transfer of all the historic liabilities of the Royal Mail Pension Plan (RMPP) to the new government-backed Royal Mail Statutory Pension Scheme (RMSPS) as at 31 March 2012. Those already receiving a pension, and those who had left service but contributed to the pension prior to 31 March 2012, will receive it from the RMSPS; those who continue to contribute after 31 March 2012 will, upon retirement, receive pensions from both schemes. The public accounts of both RMG and POL schemes indicate that currently these pension schemes are both in surplus. PHT is not exposed to variations in the rate of contributions as the excess of the rate payable over that in respect of employees not in the Royal Mail schemes is reimbursed by the Royal Mail.

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 MARCH 2023

PHT makes pension payments of at least 6% as an employer contribution to a defined contribution scheme for the remainder of its eligible employees who have opted into the scheme.

17 LIABILITY OF MEMBERS

The Postal Heritage Collection Trust is a company limited by guarantee. The liability of each member in the event of a winding up amounts to £1.

18. CAPITAL COMMITMENTS

At 31 March 2023 the group had no capital commitments (2021: nil).

POSTAL HERITAGE TRUST

England & Wales - Charity number 1102360

Accounts

POSTAL HERITAGE TRUST
(A company limited by guarantee)

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

Charity Number: 1102360
Company Number: 4896056

POSTAL HERITAGE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Contents	Page
Legal and administrative information	1
Trustees' report (including Strategic report)	2 - 15
Auditors' report	16 - 18
Consolidated Statement of financial activities	19 - 20
Consolidated Balance Sheet	21
Charitable company balance sheet	22
Consolidated cash flow statement	23
Notes to the financial statements	24 - 40

POSTAL HERITAGE TRUST

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees

Richard Wills
Julian Barker
David Gold
Mike Russell
Paola Barbarino
Susan Raikes
Peter Walls
Laura Wright

Chairman

Chief Executive

Laura Wright

Secretary

Lawrence Melinek

Bankers

NatWest Bank
Holborn Circus Branch
P O Box No. 204
London
EC1P 1DU

Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Solicitors

Russell Cooke
2 Putney Hill
London
SW15 6AB

Bates Wells
10 Queen Street Place
London
EC4R 1BE

Registered office

Calthorpe House
15-20 Phoenix Place
London
WC1X 0DA

Organisation

Postal Heritage Trust is a registered charity (number: 1102360) and company limited by guarantee (number: 4896056). The charity is governed by its articles of association.

Website

www.postalmuseum.org

POSTAL HERITAGE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees, who are also directors for the purposes of charity law present the annual report and the audited financial statements of the company for the year ended 31 December 2021. The Trustees' Annual Report includes both the Directors' Report and the Strategic Report for the purposes of company law.

STRUCTURE, GOVERNANCE & MANAGEMENT

NAME AND REGISTERED OFFICE OF THE CHARITY

Postal Heritage Trust (PHT) is a company limited by guarantee, company number 04896056 and a registered charity in England & Wales charity number 1102360. Its registered address is 15-20 Phoenix Place, London WC1X 0DL.

ORGANISATIONAL STRUCTURE

Postal Heritage Trust (PHT) heads the group of companies which collectively are known, and trade, as The Postal Museum (TPM). Postal Heritage Collection Trust, the other charity in the group, owns the collection of historic material known as The Postal Museum Collection but otherwise, it is not engaged in any trading activities. PHT and PHCT share the same Board members. PHT manages the collection held by PHCT. PHT also owns the entire share capital of two trading subsidiaries, Postal Heritage Services Limited (PHSL), which is engaged in archive services, and Postal Heritage Trading Limited (PHTL), which engages in commercial trading. These financial statements are the accounts of PHT and the consolidated financial statements for the group. This trustees' report therefore refers to both the work of PHT and to the other constituent members of the group.

The group workforce is conventionally organised through a line management structure, set by the Board of Trustees. The Chief Executive has an Executive Team that meet weekly. There are regular full staff meetings and team meetings for each of TPM's departments.

The Board of Trustees sets the remuneration of the Chief Executive, who in turn sets the remuneration of the senior staff in consultation with the Trustee Board's Audit and Finance subcommittee.

DIRECTORS/TRUSTEES

The Board of Trustees (the Board) is composed of up to fifteen members: ten selected by the Trust via an open selection policy, up to three nominated by Royal Mail Group (RMG), and up to two nominated by Post Office Limited (POL), both following their own internal selection policies. At present, there are eight trustees.

The Board can be added to by co-option, but at present there are no co-opted trustees. Trustees joining the Board receive a full introduction to PHT's purpose and premises. In addition to a personal briefing, they receive the trustees' handbook which includes links to the Charities Commission best practice documentation.

In 2021, the Board met bimonthly, with other meetings, including conference calls, taking place as and when necessary. The following committees report to the Board: An Audit and Finance sub-committee, reporting on internal and external audit factors and risk, which meets at least four times per year; a Collections sub-committee which meets to consider issues related to the management of TPM's heritage material.

The PHSL and PHTL boards of directors comprise PHT trustees together with TPM's Head of Collections (PHSL) and Head of Commercial (PHTL). There is a professional advisory board for Archive supplying external expertise in this area.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

OUR PURPOSE

Who We Are:

The Postal Museum tells the story of postal communication and its impact on a global society.

What We Do:

We use our collection to explore stories around communication, and to inspire everyone to make richer and more meaningful connections in their lives.

Our Values Are:

- Openness
- Generosity
- Innovation
- Curiosity
- Playfulness

We Will:

Be open and generous in spirit and action

Deliver innovation

Communicate our stories with clarity and playfulness

Be curious about people's stories and experiences

Strategic Objectives:

- Create welcoming experiences for anyone to connect with the museum and each other.
- Collaborate creatively to deliver content that inspires our audiences and meets their needs.
- Look after, develop and be curious about our collections to connect audiences with a relevant, inspiring and inclusive story of postal communication.
- Reach Net Zero emissions by 2050 and actively advocate environmental responsibility.
- Develop a sustainable and dynamic business model to enable our charitable work.

CHARITABLE OBJECTIVES AND ACTIVITIES

The objectives of the Postal Heritage Trust (adopted 12 October 2010 and re-adopted in 2013) are:

- *to advance the education* of the public particularly in the history of postal communication and related services and of the activities of the British Post Office and its successors and the postal and communications systems worldwide;
- *to establish and maintain museum(s) and/or archive(s) for the benefit of the public*, and in pursuit of that object:
 - collect artefacts and archives including postal artefacts and archives which may be British or international to a published policy agreed by the Charity;
 - manage, document, conserve and safeguard the national postal collections and other collections and holdings to the highest appropriate professional standards;
 - exhibit, interpret and provide access to the collections.
- *to restore, exhibit and preserve objects*, (including vehicles and where appropriate buildings and other structures) particularly those objects associated with the history of postal and related services and the activities of the British Post Office and its successors
- to undertake any other charitable purpose.

ACTIVITIES AND PUBLIC BENEFIT- MEETING THE CHARITABLE OBJECTS

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity. The public benefit delivered by the group is set out in more detail in the review below.

REVIEW OF THE YEAR

What we have done in 2021

The Postal Museum reopened to the public on 20 May 2021 after a period of several closures and re-openings throughout 2020 caused by the Covid-19 pandemic. Some of the key areas of work delivered in 2021 included:

- Delivery of a new temporary exhibition, *Wish You Were Here: 151 Years of the British Postcard*, with supporting virtual content including live virtual events and a virtual tour of the exhibition.
- Development of a new season of activities exploring the introduction of the postcard in Britain.
- Development of access resources and programmes online and in person for autistic and neurodiverse visitors; British Sign Language (BSL) tours and storytelling; audio-described (AD) tours; and resources for people with a variety of additional needs.
- Hybrid delivery of the Family and Schools programmes, with on-site delivery recommencing and new virtual resources developed.
- Further development of the Addressing Health project, including launching the first phase of a public data mapper.
- Delivery of Audience Development research to better understand current and potential audiences for the museum to increase participation and awareness.
- Investment in diversity and inclusion, and in environmental sustainability across the museum's activities, both audience-facing and internal.
- Began a refresh of the Postal Museum's brand, to better align our visual and verbal language with the museum's mission, vision and values, and to Audience Development insights.
- Won Best Accessible Museum in the Kids in Museums awards.

Reacting to Covid-19

With the museum's reopening to the public in May 2021, staff were delighted to welcome visitors back after such a long time, and visitors were very positive about being able to return. The museum opened initially for four days per week, increasing to five and then six as the year progressed.

Operational changes to the museum, ticketing, and workforce infrastructure

The museum reopened in line with government guidance under a Covid-secure environment. The changing guidance throughout 2021 was responded to promptly, and clearly communicated to staff and visitors via the website, newsletters, weekly memos, and email. To support this, the Health & Safety and Security Committee met more frequently, and Covid-19 became a standing agenda item, along with ensuring the Covid-19 risk assessment remained up to date. Additionally, colleagues across the organisation reached out to their networks and participated in conferences to understand the plans of other museums and sector bodies.

All the adaptations to the museum, including dedicated staff rooms for 'bubbled' staff working on either site, and barriers defining the prescribed visitor flow in place from the museum's brief re-openings in 2020 were retained in 2021.

For the duration of the year, all museum areas operated at a reduced capacity to maintain social distancing, and mask wearing (unless exempt) remained in place for all staff and visitors. The physical Covid-19 measures such as train and till screens, signage/floor-markings, hand-sanitisers etc. were retained throughout the museum. Operational hours were also reduced, with public access being limited to purchased tickets online only from Thursday to Sunday and pre-

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

arranged commercial/community activities taking place on Tuesdays and Wednesdays. As restrictions were eased later in the summer, staff were recruited to support greater opening hours, and Wednesdays were included for public access.

The train capacity and process to board/disembark visitors remained as per 2020's plans and dictated ticketing capacity. The number of trains per hour had to be reduced to allow for the extra time it took for each household bubble to separately get on and off the train. Staff were deployed into galleries to promote social distancing, and hand-sanitising, and the reduced visitor numbers supported visitors to maintain social distancing across both museum sites. Visitor feedback remained positive, with many commenting that the museum felt very safe, and that the Covid-19 measures were good, noting that staff were very helpful, friendly and welcoming.

Exhibitions

During 2021 The Postal Museum's Exhibitions, Access and Learning and Collections teams worked together to research and develop the 2022 temporary exhibition titled *Sorting Britain: The Power of Postcodes*. The two main themes for the *Sorting Britain* exhibition and wider programme of events and activities were:

- Why do you have a postcode? – focusing on the historical and functional origins of the postcode as a language through which to deliver instructions to machines designed to sort the mail.
- What does your postcode say about you? – focusing on the contemporary use of postcodes to identify social and economic groups for the purposes of tailoring products, marketing, messaging, etc.

Production work for the exhibition began towards the end of the year and was carried out by The Circus (designers), Heritage Interactive (digital interactives) and Chocolate Films (video production). Key contributors included: Dame Stephanie Shirley CH (former employee of the Post Office Research Station at Dollis Hill), Professor Richard Webber (inventor of the Mosaic geodemographic classification system), Alan Harrison (Royal Mail Head of Innovation), Matthew Mangan (former coding desk operator for Royal Mail), Paul Diggins (former Royal Mail marketer and inventor of Poco the Postcode Elephant), Alison Turnbull (painter and sculptor), and BA Hons Animation Students from Middlesex University.

The Postal Museum team also worked with a range of partner organisations to carry out research and development work, including Experian, Royal Mail's Address Management Unit, Swindon Mail Centre, Mount Pleasant Mail Centre, BT Heritage and Archives, and the Science Museum.

Access and Family Programmes

In 2021 we continued to work closely with disabled people to better understand their wants and needs and develop resources and events to meet these. To support the gradual reopening of the museum we worked with disability charities Ambitious about Autism (AaA) and VocalEyes to adapt existing resources and information to reflect safety-related changes made onsite because of the Covid-19 pandemic. We worked with a group of 10 autistic Youth Patrons from AaA to amend pre-visit visual story resources and with VocalEyes to plan and deliver an adapted audio described introduction to the museum. We also updated information on the museum website and carried out training with Box Office and Visitor Experience Teams to further enhance the accessibility of our offer.

Our work with AaA and the Youth Patrons continued with development of virtual learning resources to support the home learning experiences of autistic and neurodiverse children and their parents. A research report was produced based on the findings of a survey completed remotely by parent and carers and used to guide production of the learning resources with the youth patrons through a series of virtual planning sessions. The first resource was a sensory audio story and transcript with storyteller Olivia Armstrong and was made available to access on the museum website.

The Post Early: Relaxed Events at The Postal Museum recommenced in the middle of 2021 in collaboration with AaA and the Youth Patrons. Although the capacity of the events was scaled back to ensure the safety of staff and visitors,

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

the experience was enhanced for attendees through self-guided resources and activities. The three events reached a total of just under 200 people and feedback was very positive, particularly in relation to the extended opening hours, as compared to the morning-only events held previously.

The temporary exhibition *Wish You Were Here: 151 Years of the British Postcard* was supported by a further range of resources for disabled people. This included an exhibition large print book and audio described content for visually impaired people, produced in collaboration with VocalEyes.

We shared our experiences of developing and delivering the access programme through a series of virtual conferences. This included the Kids in Museums 'Welcoming Families and Young People with Autism' training; the Kids in Museums Virtual Annual Conference; and the Group for Education in Museums (GEM) Annual Conference. In June 2021 the museum took part in the Kids in Museums Digital Takeover Day. Two of the AaA Youth Patrons, Lucy and Ieuan, took over our Twitter and wrote a blog post, sharing their experiences of working with TPM. The content was well received and encouraged a good level of engagement on the channel.

The museum's approach to accessibility was recognised by being awarded Best Accessible Museum at the 2021 Kids in Museums Family Friendly Museum Awards. The museum was visited by undercover family judges during the summer holidays who assessed us against the Kids in Museums Manifesto. The families with additional needs were impressed by the "patient and understanding staff" and our range of services, including Changing Places toilet, sensory bags and online information and resources designed with families and young people.

Our family offer during the first half of 2021 focused on virtual activities and remote engagements. We developed a self-guided 'Holiday from Home' postcard activity aimed at families to complete together at home and schools who take part in the online *Jolly Postman, Once Upon a Bicycle* session. We also collaborated with the Literacy Trust and Usborne Books to develop the 'Kids of 2020' project. This was a competition in which children were invited to write to a child in 2030 telling them about their experience of the Covid-19 pandemic. Entrants were inspired by letter-writing tips from P.G. Bell, the author of the bestselling book series *A Train to Impossible Places Adventures*. The project was incredibly successful with 1,400 children submitting a letter. A selection of entrants were picked as winners and their letters acquired into the collection.

The onsite family programme relaunched for the October half-term 2021. The activities were delivered in collaboration with Usborne, celebrating the launch of *Delivery to the Lost City* by P.G. Bell – the final book in the bestselling *A Train to Impossible Places Adventures*. The events reached around 400 people and included a special meet-the-author event (during which visitors met P.G. Bell and listened to him read an excerpt from his book), an interactive storytelling event in the depot with storyteller Olivia Armstrong and facilitated arts and crafts workshops.

The onsite family programme for Christmas 2021 was delivered over 3 Saturdays in December, reaching around 420 adults and children. Families were invited to design their own embroidered postcard, pop-up card and origami letter, inspired by the Letters to Santa display and the Christmas embroidered postcards sent by soldiers during the First World War. A festive 'Tibs the Postal Cat' trail supported and enhanced the visits of young children and families during the Christmas period. The trail provided a focus to the visit and aimed to encourage engagement with the new Letters to Santa display.

Towards the end of 2021 we developed a 'create-your-own-sensory-story' resource for families. Illustrator Vicky Scott was commissioned to provide artwork for the resource, including a suite of postal illustrations representing the diversity of the Post Office and Royal Mail workforce, the diversity of the communities living local to the museum, and the disabled audiences we engage with. The 10 illustrations include, a 1940s postwoman, black mail sorters, a female South Asian clerk wearing the Post Office uniform sari and a mail coach guard.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

Schools

During the first half of 2021 we worked to adapt our successful Jolly Postman programme for delivery to schools in their classrooms via video conferencing software. This new virtual delivery model enabled the museum to engage with schools during the closure periods due to Covid-19. Between January and July 2021, the sessions reached a total of 404 students in 14 classes from 10 different schools – 8 of which had previously visited the museum. The programme was supported by Royal Mail who funded the cost of writing packs sent to participating schools following the sessions. Feedback from teachers included:

- *"An engaging and fun session which can be used as a springboard for so many different class-based learning experiences."*
- *"Rosie Postie captured the attention of all the children for the beginning. A workshop full of wonder, suspense and inclusion- lots of the children are keen to teach others the sign language we learnt!"*
- *"The children were able to access at least some aspect of the experience they would have had if they had actually visited The Postal Museum. Moreover, that they were able to begin to become aware of the importance of how the post in different forms can impact on lives."*

In early 2021 we partnered with media company Digital-Works to deliver *On the Post* project, funded by the National Lottery Heritage Fund (NLHF). This inter-generational project connected a Year 6 class a primary school in Islington with 24 retired postal workers. Students visited TPM to find out about the history of the post and interviewed the workers about their experiences of working for the post office. The footage was turned into a 50-minute film. The museum hosted a film screening in Mail Rail. Attendees included the school students, their teachers, the former postal workers, and key stakeholders from the museum, National Lottery Heritage Fund (NLHF), the Communications Workers Union (CWU) and Royal Mail.

Visits to the museum re-launched for the Autumn Term, beginning in September 2021. Bookings opened with an option for up to two classes from the same school to visit the museum on Tuesdays when the museum was closed to the general public. Visits were marketed as a 'Postal Package' including a session, Mail Rail ride, Exhibition Galleries and option to add Sorted! Slots were quickly booked up for October, November and December. This trend supported the findings of a teacher survey conducted earlier in the year, which indicated that schools were keen to return to museums and take part in facilitated sessions. Towards the end of the term, we trialled school visits on Wednesdays, with teachers and students visiting alongside general visitors to the museum.

A total of 20 primary school classes visited the museum during the Autumn Term of 2021. Of those, 5 were repeat visits and 4 were new schools. Bookings included local schools in Camden and Islington and schools from Hertfordshire and Watford. Bookings were a 50/50 split of KS2 (7-11) and Reception / KS1 (4-7) classes. The breakdown of booked sessions is as below:

Museum visits – Postal Packages			
Interactive session	Classes	Students	Adults
Mail Rail Science Show	7	182	33
The Jolly Postman – Once Upon a Bicycle	1	30	7
The Jolly Christmas Postman	12	345	96
Totals	20	557	136

Feedback from teachers was very positive. 100% of survey respondents reported feeling 'Quite safe' in the museum and did not feel we could have done more to put in place Covid-related safety measures. Comments included:

- *"The children had a fantastic day. Great range of hands on activities to keep all the children interested."*

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

- *"A magical place where modern engineering is shown to have a place in this world and a real purpose!"*
- *"Our aim was for students explore and learn about mail rail engineers. Students got a chance to learn about a type of engineering that they did not know about. The interactive show was fantastic."*
- *"The children thoroughly enjoyed their visit and it rounded off our literacy unit on the Jolly Postman nicely. It also got the children excited about Christmas."*
- *"Very good interactive session and the facilitator took on board the fact that we had a hearing-impaired child within our group."*

Bookings for virtual sessions during Autumn Term also opened in June 2021, with capacity for up to 3 classes for the same or different schools to book on Wednesdays. Bookings were initially slower than for onsite visits but picked up for the latter half of the term, with all available slots being booked out. Schools were from Glasgow, Surrey, Bishops Cleeve, Norwich as well as Greater London. Booking enquiries were received from Barnsley and Wales after the available slots had filled. Feedback received included:

- *"I was very impressed with how professional the whole session was set up - and the engaging way it was delivered to keep the children engaged and learning."*
- *"I think the virtual session was well thought out and covered a lot of ground in a relatively short piece of time and that it matched the needs of the audience by keeping them engaged throughout the session."*

Virtual content and online engagement

2021 continued to be a year of development between audiences and cultural venues. Visitors continued to demand engagement in both virtual and physical spaces, as the reliance on physical visits continued to be disrupted until May 2021. For many, visiting venues in person was a challenge throughout the year.

A continued focus on online content coupled with reopening activity driving ticket sales through the website led to a 50% increase in sessions on the website in 2021 versus 2020. From May 2021, when the museum reopened to the public, web traffic consistently outperformed 2019's pre-pandemic levels.

Cross-departmental virtual content developed for the temporary exhibition Wish You Were Here: 151 Years of the British Postcard was well received by audiences. Across all videos published there were over 800,000 views, including YouTube advertising to boost our reach. Notably, the museum produced its first ever virtual tour of a temporary exhibition. This long-form, curator-led tour was designed to give audiences access to the exhibition who could not visit in person, particularly vulnerable audiences and audiences outside of London. This was viewed 1,000 times in 2021. We also published an audio-described version of this tour for blind and partially sighted people, which was played 80 times. An audio-described version of our Mail Rail from Home experience played 960 times.

We delivered the museum's first live virtual events, with 74 people purchasing tickets and tuning in from across the UK and as far afield as India and the US to two events with external speakers on the topic of postcards.

Whilst the Discovery Room was closed to general visitors for much of 2021 and operated on reduced capacity and opening hours for the remainder of the year, nevertheless over 200 researchers came in and accessed original material from the Archive. The team dealt remotely with over 1400 enquiries and arranged sending out 4100 boxes as part of the records management role for Post Office Limited.

Fundraising

The museum installed contactless donation points for onsite donations in late summer 2021. This resulted in a little over £300 in small donations in the year.

We were delighted to receive £45,000 from the Michael Bishop Foundation in support of the maintenance of our trains. We thank all our supporters, named and anonymous, for their generosity to the museum, especially as we move on from the pandemic.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

Projects and partnerships

Our Addressing Health partnership, looking at links between working conditions, health and retirement in urban and rural 19th century Britain, continued throughout 2021 despite delays and changes caused by the pandemic. The Museum undertook digitisation of records to allow remote transcription, and a highly successful volunteer engagement project took place where over 1000 volunteers got involved in transcribing records that had been digitised.

We began a partnership with Ancestry, the family history research company, which is digitising around 800 pension records and establishment books which will be made available on its website and to researchers on the Addressing Health project.

HR and staff support

Museum staff were unfurloughed for the period covered by the emergency funding received in October 2020 which ran until March 2021. During that time, almost the entire team worked from home and took part in cross departmental activity such as the Equality, Equity, Diversity and Inclusion (EEDI) Group and the Sustainability Group. From the beginning of April and through to the end of the Coronavirus Job Retention Scheme scheme at the end of September 2021, a number of staff continued to be furloughed on either a full or part time basis, with the total number of furloughed hours reducing as the year progressed.

During the entire time, staff were sent weekly wellness bulletins with the opportunity to take part in mental and physical health workshops. They were also kept in constant touch with activities across the museum and the sector.

As staff returned to work, they undertook a risk assessment to ensure that they were fully equipped for hybrid working. Equipment was purchased to enable safe and comfortable homeworking where this was possible. Staff continued to socially distance when in the office, and on-site transmission of Covid was negligible. Staff felt well looked after and informed, and the retention of staff was high throughout 2021.

The EEDI group continued to meet monthly through 2021. In the autumn, an invitation to tender was sent out to ten companies inviting them to support TPM's EEDI development. A panel consisting of members of the committee plus the CEO selected Full Colour following interviews with the three shortlisted companies.

Most of the volunteering at the museum was put on hold for much of 2021 but some long-standing volunteers did return, especially those involved in collections care and with schools' service delivery.

Collections

Activities centred on the collections continued to be impacted by effects of the pandemic and lockdowns. Team members returned from furlough and work began to clear backlogs of documentation work that had built up due to reduced working time on site in late 2020.

In August, the team's Assistant Curator went on maternity leave and a maternity cover role was recruited. This allowed a back log of documentation to be fully cleared and work to begin again on more day-to-day collections management work.

The team had the addition of an Archivist on a 12-month contract to increase resource and allow them to focus on urgent records appraisals work required under the 20-year rule. The National Archives and Archives Advisory Council have been kept up to date with the progress of this work.

Work on collecting digital records was moved up the priority list in 2021 and a considerable amount of new material was added to the collection. The team also improved the systems in place for managing digital records to ensure that the collection is managed in line with national best practice.

The Archive reading room remained busy despite operating on reduced hours with general researchers making appointments through a booking system and regular use being made of the Archive by lawyers working on a major case.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

As visitors returned slowly to physical events, we developed a series of online talks which were well attended and allowed people from all over the world to take part.

The conservation team undertook a major assignment conserving over a hundred books for a commercial client which will complete in 2022, as well as working on all the material for the Wish You Were Here exhibition. During a period of remote working, they completely rehoused a large collection of hundreds of letters that the Museum acquired in 2017.

Research continued on the history of the postcode which will form the basis of the 2022 temporary exhibition and content season.

The digitisation studio continued to bring in commercial work as well as supporting digitisation of the Museum's own collections. More work was carried out on digitising the stamp registration sheet collection and some pension records were digitised to support work being conducted on the Addressing Health project.

In September, the team attended Stampex, the annual stamp show, the first to be held in person following its cancellation in 2020 and early 2021 due to the pandemic.

A small change was made in the gallery in the run up to Christmas with a display of letters to Santa. This was curated by a member of the marketing team, the first time a member of staff outside the collections team has put together a display like this.

FINANCIAL REVIEW

Reserves

Postal Heritage Trust's reserves position is under constant monitoring and management. The general policy of the Trustees is to maintain at least five months' worth of operating expenditure plus foreseeable capital commitments as working capital in the form of unrestricted cash, to safeguard The Postal Museum's efficient running and its ability to meet current commitments and to provide stakeholders with assurance about its financial resilience. The nature of the timing of voluntary funding receipts based on agreements with Royal Mail Group and Post Office Ltd, means that this is not always the case but the agreements themselves provide comfort that the museum can continue its normal operations. The reserves policy will be kept under regular review to ensure the museum has sufficient resources to continue to meet its strategic aims and objectives.

Of the total funds of £15,940k (2020: £16,730k) at the year end, £96k (2020: £97k) were restricted, as detailed below, and £15,844k (2020: £16,632k) were unrestricted, £15,415k of which was designated as detailed below. The designated funds represent the net asset valuation following completion of the capital project.

Overall, the museum made a deficit of £789k (2020: £340k deficit) for the year after the depreciation provision of £1,147k (2020: £1,144k). Excluding depreciation there was a surplus of £357k (2020: £804k surplus).

Restricted funds

- Funds represented by the book value of the Collection held by PHCT: £81k (2020: £81k).
- Funds received for the digitisation of Post Office records which was £6k at year end (2020: £6k).
- Addressing Health Project, the remaining balance of which at year end was £9k.

Unrestricted funds

Designated funds

- Funds designated related to fixed assets and The Postal Museum capital project: £15,415k (2020: £16,165k).

General funds

- General unrestricted funds: £429k (2020: £467k). As the museum in effect, is still a relatively new start-up, we are in the process of experimenting and developing services and processes. The stated aim is to build on the successful launch and generate reserves to establish long term sustainability. This involves the development

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

of strong partnerships with key stakeholders including Royal Mail Group and Post Office Limited. It is expected that this process will stabilise in the next two years before sustainable reserves start to build.

Analysis of the funds detailed above in terms of their representation is as follows:

	General	Designated	Restricted	Total
	£	£	£	£
Fixed Assets	798,784	21,348,133	81,367	22,228,284
Net Current Assets/(Liabilities)	(370,194)	876	15,018	(354,299)
Long term liabilities - loans	-	(5,933,870)	-	(5,933,870)
- deferred income	-	-	-	-
	-	15,415,139	96,385	15,940,115

Cash flow

As can be seen on the cash flow statement on page 23, the cash balance at the year end had increased by £314k to £2,419k. This increase is derived from the final instalments of emergency funding grants received to support the museum's charitable purposes during the pandemic followed by the museum reopening to the public in May 2021.

Emergency unrestricted grant income comprised £430k being the second half of the £860k grant from Arts Council England and a further £47k from the Job Retention Scheme (furlough).

Visitor numbers are expected to remain much lower than pre-pandemic levels, with the expectation of a slow recovery running through to 2023. This will inevitably result in much lower levels of income generated from visitors. In line with its purpose, the cash surplus will therefore be used to develop and support the museum's programme of activities and its other normal operations over this period.

Related parties

Postal Heritage Trust (PHT) was formed from the Heritage Services department of Royal Mail in 2004, from whom it received fixed assets and staff.

Royal Mail Group (RMG) originally nominated two members on the Trust's board upon foundation, and, like Post Office Ltd., (POL) retains the right to nominate at least one board member.

Both RMG and POL have Funding Agreements to 2040 which provide the charity with £1.45m (2020: £1.43m), but index linked in future years) of unrestricted funds, payable over the year to December 2021, for the general purpose of meeting its charitable objectives. They have also transferred some of their intellectual property rights to the group.

POL and RMG have an Archive Services Agreement with PHT via its trading subsidiary, Postal Heritage Services Ltd, which provided the latter with £1,018k of income over the year to December 2021 (2020: £1,012k), for the purpose of maintaining, and providing public access to the RMG /POL archives. This agreement runs until 2040.

The charity and the Postal Heritage Collection Trust (PHCT) are under joint control of the board of trustees. PHCT is a company limited by guarantee. It is a holding entity into which the Royal Mail Museum Collection was transferred on 29 March 2004.

Principal risks and uncertainties

Principal risks

The primary risk is the ability to resolving satisfactorily the historical loans relating to the capital project made to The Postal Museum by Post Office Ltd and Royal Mail. Following on from letters of comfort and MOU previously received

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

from RM and POL, Trustees have now received the text of a draft agreement dated 3 August 2022, to restructure the loan alongside amendments to the long lease on Calthorpe House. This document and other details are being reviewed by all connected parties to the original loan agreements. Trustees are viewing this in a positive light and, although some details require further clarification and possibly some amendment, they are in the firm belief that this document is the basis of a viable agreement to secure the museum's long-term future. Pending the outcome of further discussions, neither RM nor POL have indicated any intention to enforce the original loan terms within the next 12 months from the signing of these accounts. Trustees are therefore taking the view that the risk of the museum not being considered as a going concern has been substantially mitigated against.

Trustees consider that the other main risk over this period relates to cash. They are assured by the £2m cash balance at the end of August 2022 and the projected budgets and cash flow as outlined above provided that agreement can be reached on renegotiating the repayment terms of the loan. Currently the loans are classified in these accounts split between being due within one year and due within more than one year as, whilst the initial terms and conditions were breached as at the year end date, neither RM nor POL have sought repayment of the loan up to September 2022. Additionally, they are reassured by the tight spending controls that the museum has demonstrated since 2018, including a revised operating model which tightly manages third-party contracts in-house and the levers that the museum can pull to increase at quick notice the capacity of the museum, thus driving admissions income.

The Postal Museum's operational risk profile can be measured against its dependence in a normal year of operations, on income from the following income streams: 12% from admissions income, 52% from fundraising, 25% from services and 10% from commercial activity. The major risks associated with each are as follows:

Admissions Income – The principle financial risks to admissions income are the reliability of the Mail Rail attraction, including the trains, and the demand for tickets from the public. As the museum is established, the visitor profile is understood and train reliability has improved, these are rated as "low" in the TPM risk register. TPM's reputation is also a key factor in attracting visitors, centred on its ability to meet legal standards, and in particular, health, safety, and security obligations.

Fundraising – Much of the fundraising target has been secured through long term agreements with RM and POL but that still leaves a significant sum to be raised each year from various sources. A shortfall in fundraising income is rated "low" in the TPM risk register following mitigating actions. A membership scheme was introduced in 2019 to help build long term loyalty across a broader donor base.

Commercial Income – This income derives from three components: Retail, Food & Beverage (F&B) and Events. F&B is the smallest component and is considered to be of low risk. Retail performance is dependent on a combination of forecast attendance and spend per head being achieved. The novelty of the TPM sites ensures that our Events operation continues to attract new business in a very challenging market. Based on expected value, the performance of the Events offer is rated "low" in the TPM risk register and competitive pricing seems to be the key to achieving sufficient volume to meet our targets.

Services Income – This mainly derives from our management of the archives and public records of both POL and RM. These services are governed by and funded through a long-term agreement, and so the principal risks relate to failure to deliver services to the defined SLA's and/or loss or damage to the collections; both these eventualities are rated as "low to moderate" risks due to their likelihood of failure following mitigating actions.

Risk management

The Audit & Finance Sub-Committee oversee the risk management process. The TPM Risk Registers are reviewed by the executive team on a periodical basis with a highlight report being provided to the full Board for following each review. The Audit & Finance sub-committee aims to review the full set of registers at least quarterly.

The trustees have considered the financial position of the museum in great detail and note the following:

Lookout period

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

The strategy and direction of the museum has been outlined in the Forward Plan, the current version of which runs through to 2023 and will be updated to 2029 shortly. Sitting alongside this is a detailed cash flow projected to the end of 2023 with further projections for the next 10+ years. Both documents assume the gradual return of visitors through the years 2023 and 2024 before broadly stabilising at or around the number last seen in 2019, the last full year pre-pandemic. Planned content to be shown within the museum alongside digital and virtual delivery, developed alongside an Audience Development Plan, gives the Trustees confidence that audiences will be attracted to interesting and relevant displays, blogs, talks and events.

This strategy has been strongly endorsed by various funding bodies who have generously supported The Postal Museum since opening and especially through the pandemic in 2021 and 2022, and it is hoped that this will continue into the future.

Supporting analysis

The Trustees, through the delegated responsibility of the Finance and Audit Committee, regularly review budgets, reforecasts, and cash flow scenarios along with underlying assumptions and risks. Scenario planning underlies the budgets set with constructive challenge coming through committees and the Board. Trustees receive regular updates from the Executive Team which make clear the actions that can be taken to mitigate against any downturns by reducing expenditure at relatively short notice and by avoiding any unnecessary long term large financial commitments. They are also assured of the entrepreneurial nature of the organisation through reports on income generating activities.

Going concern

As is reported in note 1b on page 24, the trustees have considered the charitable group's forecasts and projections for a period of 12 months from the approval of the financial statements. After making enquiries the trustees have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future, a minimum of which is a period of twelve months and, subject to the non-enforcement of the loan repayment obligations and in light of the draft agreement to restructure the loan alongside amendments to the long lease on Calthorpe House as described on page 12. The charity continues to adopt the going concern basis in preparing its financial statements. The Trustees consider that the conditions described in respect of the historical loans as mentioned above, constitute a material uncertainty which may cast doubt over the charitable company's ability to continue as a going concern although substantially mitigated by the draft agreement that is currently under consideration.

Trustees are clear that The Postal Museum continues to be a going concern despite the hitherto absence of a permanent agreement with Royal Mail and Post Office Ltd to resolve the historic loans. Both lenders have indicated in a series of meetings and other correspondence that their preferred outcome is for the Postal Museum to continue to exist and neither has given any indication of any intention to call back the loans in accordance with their contractual rights.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

FUTURE PLANS

In 2022 we will apply to Arts Council England (ACE) to become a National Portfolio Organisation. This application will articulate our vision towards becoming a welcoming, inclusive and truly participatory museum that is deeply embedded within our local communities. It will also outline the steps we will take with our work on Equity, Equality, Diversity and Inclusion, and in our journey to be Net Zero by 2050. We will update our Forward Plan in light of this ambitious three-year strategy and will be accredited by the autumn of 2022.

Audience

In 2022, we will roll out the insights gathered by DJS Research in 2021 through a new audience segmentation system. The segmentation, based on extensive research including a population survey and focus groups, allows us to better understand our audience's motivations, needs, barriers, interests and commercial opportunities.

The insights gathered in the new segmentation will allow the museum to further develop our Audience Development Plan and a supporting Community Engagement Plan. We will identify our leading, core, growth and targeted audiences and the actions we will take to:

- improve the relevancy of the museum to our core and growth audiences
- improve the recognition of the museum with leading audiences
- deepen engagement with the museum with targeted audiences, including identified communities

These audience insights will also inform a new Commercial Plan and Marketing and Communication Strategy, to reach our audiences effectively and support our charitable work.

Content

The content plan for 2022 will focus on the story of the development of the postcode. This story will be told through a temporary exhibition at the museum and virtual content shared through our website and social media channels, including new videos, blogs and online interactives. The temporary exhibition will provide excellent opportunity to attract audiences back into the Museum in 2022.

In early 2022 a new Senior Curator will join the collections team. Her role will be to help develop the framework for content development within the collections team and ensure this is rolled out across the organisation. Longer term content plans will also be developed in 2022.

Sustainability

In 2022, the museum will appoint a consultant to support the development of an Environmental Sustainability Framework and Strategy with short, medium and long-term actions laid out to achieve Net Zero emissions by 2050. We will also refresh our strategic objectives to include our commitment to reaching this goal and championing good communication about environmental responsibility. Our work with any appointed consultant will include an evaluation of our current emissions and environmental impacts.

Our Environmental Sustainability Working Group will continue to draw together expertise from across the museum and unify projects relating to environmental sustainability.

Statement of Trustees' Responsibilities

The Trustees (who are also Directors for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable Company and the group and of the movement in funds, including the income and expenditure, of the charitable Company and group for that period.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as we are aware:

- There is no relevant audit information of which the charitable Company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

In making its decisions, Trustees have had due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

This report, which includes both the Directors Report and the Strategic Report for the purposes of company law was approved by the Board on 16 September 2022 and signed on their behalf by:



Richard Wills
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

POSTAL HERITAGE TRUST

Opinion

We have audited the financial statements of Postal Heritage Trust for the year-ended 31 December 2021 which comprise the consolidated statement of financial activities, the consolidated and company balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent] charitable company's affairs as at 31 December 2021 and of the group's and parent charitable company's net movement in funds, including the 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 requirements of 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 group 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.

Material uncertainty relating to going concern

We draw attention to note 1b in the financial statements, which indicates that Postal Heritage Trust has defaulted on its loan repayment obligations and, whilst assurances have previously been obtained from the lenders that they will not enforce debt recovery these assurances are not legally binding and expire in December 2021. As stated in note 1b, the directors expect a satisfactory resolution to negotiations with the lenders, but these have not concluded at the date of the approval of the financial statements. These matters indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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 Trustee and Strategic Report. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

POSTAL HERITAGE TRUST

-
- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
 - the strategic report and the directors' report included within the Trustees and Strategic Report have 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee and Strategic Report (which incorporates the strategic report and the directors' report prepared for the purpose of company law).

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on pages 14-15, the trustees (who are also the 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group/charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to registered charities, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and other factors such as income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to areas of estimation uncertainty and to manual accounting journals. Audit procedures performed by the engagement team included:

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
POSTAL HERITAGE TRUST**

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing manual journals, in particular unusual any unusual items; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located 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.



Richard Weaver (Senior Statutory Auditor)
20 September 2022

For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London EC4R 1AG

POSTAL HERITAGE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2021

		Year to Dec 2021 Unrestricted	Year to Dec 2021 Restricted	Year to Dec 2021 Total	Year to Dec 2020 Total
	Notes	£	£	£	£
INCOME					
Donations and legacies					
Donations & Grants - Royal Mail Group Ltd	4	1,450,024	-	1,450,024	1,434,212
Donations & Grants - Other	4	674,975	68,664	743,639	1,411,865
Income from Charitable activities					
Admissions and membership		488,269	-	488,269	447,777
Outreach and exhibitions		1,404	-	1,404	600
Income from other trading activities					
Income of trading company - PHSL	6	1,067,074	-	1,067,074	1,039,384
Income of trading company – PHTL	6	430,711	-	430,711	281,357
Other income		32,221	-	32,221	43,828
Investment Income		188	-	188	771
TOTAL INCOME		4,144,866	68,664	4,213,530	4,659,794
EXPENDITURE					
Charitable activities:					
Operation of The Postal Museum	5	1,670,342	45,000	1,715,342	1,594,797
Collections	5	585,956	24,562	610,518	573,787
Outreach and exhibitions	5	479,914	-	479,914	416,912
Costs of raising funds:					
Expenses of charity – PHT	5	655,608	-	655,608	659,593
Expenses of trading company - PHSL	5	1,205,182	-	1,205,182	1,328,041
Expenses of trading company – PHTL	5	336,400	-	336,400	426,910
TOTAL EXPENDITURE		4,933,402	69,562	5,002,964	5,000,040
Net (expenditure)/income		(788,536)	(898)	(789,434)	(340,246)
Transfer between funds		-	-	-	-
NET MOVEMENT IN FUNDS		(788,536)	(898)	(789,434)	(340,246)
Funds brought forward		16,632,266	97,283	16,729,549	17,069,795
FUNDS CARRIED FORWARD		15,843,730	96,385	15,940,115	16,729,549

There were no recognised gains and losses other than those shown in the above Statement of Financial Activities. All income and expenditure of the period was derived from continuing activities. Note 12 on page 36 shows the 2021 Statement of Financial Activities split between funds.

The notes on pages 24 to 40 form part of these financial statements.

POSTAL HERITAGE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2021

		Year to Dec 2020 Unrestricted	Year to Dec 2020 Restricted	Year to Dec 2020 Total	Year to Dec 2019 Total
	Notes	£	£	£	£
INCOME					
Donations and legacies					
Donations & Grants - Royal Mail Group Ltd	4	1,434,212	-	1,434,212	1,406,907
Donations & Grants - Other	4	1,384,865	27,000	1,411,865	547,423
Income from Charitable activities					
Admissions and membership		447,777	-	447,777	1,339,317
Outreach and exhibitions		600	-	600	45,036
Income from other trading activities					
Income of trading company - PHSL	6	1,039,384	-	1,039,384	1,045,527
Income of trading company – PHTL	6	281,357	-	281,357	848,318
Other income		43,828	-	43,828	137,126
Investment Income		771	-	771	1,814
TOTAL INCOME		4,632,794	27,000	4,659,794	5,371,468
EXPENDITURE					
Charitable activities:					
Operation of The Postal Museum	5	1,594,797	-	1,594,797	2,165,388
Collections	5	573,787	-	573,787	762,201
Outreach and exhibitions	5	399,914	16,998	416,912	631,530
Costs of raising funds:					
Expenses of charity – PHT	5	659,593	-	659,593	717,402
Expenses of trading company - PHSL	5	1,328,041	-	1,328,041	891,424
Expenses of trading company – PHTL	5	426,910	-	426,910	856,425
TOTAL EXPENDITURE		4,983,042	16,998	5,000,040	6,067,370
Net (expenditure)/income		(350,248)	10,002	(340,246)	(695,903)
Transfer between funds		-	-	-	-
NET MOVEMENT IN FUNDS		(350,248)	10,002	(340,246)	(695,903)
Funds brought forward		16,982,514	87,281	17,069,795	17,765,698
FUNDS CARRIED FORWARD		16,632,266	97,283	16,729,549	17,069,795

There were no recognised gains and losses other than those shown in the above Statement of Financial Activities. All income and expenditure of the period was derived from continuing activities. Note 12 on page 37 shows the 2020 Statement of Financial Activities split between funds.

The notes on pages 24 to 40 form part of these financial statements.

**CONSOLIDATED BALANCE SHEET
AT 31 DECEMBER 2021**

		Dec 2021		Dec 2020	
	Note	£	£	£	£
FIXED ASSETS					
Tangible fixed assets					
Other fixed assets	7	22,146,917		23,264,089	
Museum Collection	8	<u>81,367</u>		<u>81,367</u>	
			22,228,284		23,345,456
CURRENT ASSETS					
Stock – goods for resale		50,817		60,638	
Debtors and prepayments	10	286,296		443,026	
Cash at bank and in hand		<u>2,419,413</u>		<u>2,105,297</u>	
			2,756,526		2,608,961
CREDITORS : amounts falling due within one year	11	<u>(3,110,825)</u>		<u>(2,882,014)</u>	
NET CURRENT (LIABILITIES) / ASSETS			<u>(354,299)</u>		<u>(273,053)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			21,873,985		23,072,403
CREDITORS : amounts falling due after more than one year					
Loans	11		(5,933,870)		(6,226,187)
Deferred income	11		<u>-</u>		<u>(116,667)</u>
NET ASSETS			<u>15,940,115</u>		<u>16,729,549</u>
FUNDS					
Restricted funds:	12		96,385		97,283
Unrestricted funds:					
Designated	12		15,415,139		16,165,566
General	12		-		-
Trading subsidiary reserves	12		<u>428,591</u>		<u>466,700</u>
			<u>15,940,115</u>		<u>16,729,549</u>

The notes on pages 24 to 40 form part of these financial statements.

Approved and authorised for issue by the board of directors on 16 September 2022 and signed on their behalf by:



Richard Wills
Director

**CHARITABLE COMPANY BALANCE SHEET
AT 31 DECEMBER 2021**

		Dec 2021	Dec 2020
	Note	£	£
FIXED ASSETS			
Tangible fixed assets			
Other fixed assets	7	22,146,917	23,264,089
Investment in subsidiary companies at cost	9	2	2
		22,146,919	23,264,091
CURRENT ASSETS			
Debtors and prepayments	10	949,136	803,133
Cash at bank and in hand		1,019,644	854,285
		1,968,780	1,657,418
CREDITORS: amounts falling due within one year	11	(2,751,668)	(2,479,538)
NET CURRENT LIABILITIES		(782,888)	(822,120)
TOTAL ASSETS LESS CURRENT LIABILITIES		21,364,031	22,441,971
CREDITORS: amounts falling due after more than one year			
Loans	11	(5,933,870)	(6,226,187)
Deferred income	11	-	(34,300)
NET ASSETS		15,430,161	16,181,484
FUNDS			
Restricted funds	12	15,018	15,916
Unrestricted funds:			
Designated	12	15,415,143	16,165,568
General	12	-	-
		15,430,161	16,181,484

The notes on pages 24 to 40 form part of these financial statements.

Approved and authorised for issue by the board of directors on 16 September 2022 and signed on their behalf by:



Richard Wills
Director

**CONSOLIDATED CASH FLOW STATEMENT
AT 31 DECEMBER 2021**

	Dec 2021	Dec 2020
	£	£
Cash flows from operating activities		
Net (expenditure) for the financial year	(789,434)	(340,246)
Adjustments for		
Depreciation	1,146,682	1,144,232
Interest received	(188)	(771)
Loss disposal of fixed assets	-	-
(Profit) on disposal of heritage assets	(1,974)	-
(Increase) / decrease in stock	9,821	2,574
(Increase) / decrease in debtors	156,730	177,807
(Increase) / decrease in creditors	(180,173)	145,966
Net cash generated from operating activities	341,464	1,129,562
Cash flows from investing activities		
(Purchase) of tangible fixed assets	(29,510)	(127,633)
(Purchase) of heritage assets	-	-
Proceeds from sale of heritage assets	1,974	-
Proceeds from sale of fixed assets	-	14,000
Interest received	188	771
Net cash from investing activities	(27,348)	(112,862)
Cash flows from financing activities		
Cash inflow from new borrowing	-	-
Net increase / (decrease) in cash and cash equivalents	314,116	1,016,700
Cash and cash equivalents at beginning of the year	2,105,297	1,088,597
Cash and cash equivalents at the end of the year	2,419,413	2,105,297

Movement in net debt

	£	£	£	£
	At 1 January 2021	Cash flows	Non-cash changes	At 31 December 2021
Cash at bank and in hand	2,105,297	314,116	-	2,419,413
Loans due within one year	(823,813)	-	(292,317)	(1,116,130)
Loans due after one year	(6,226,187)	-	292,317	(5,933,870)
	(4,944,703)	314,116	-	(4,630,587)
Total	(4,944,703)	314,116	-	(4,630,587)

The notes on pages 24 to 40 form part of these financial statements.

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES

a) Accounting basis

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company and its subsidiaries are a public benefit group for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011, and Regulations made thereunder.

In the view of the trustees in applying the accounting policies adopted, no judgements were required, other than the determination of the appropriateness of the going concern basis as out below, that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

b) Going concern

FRS102 requires the trustees to adopt a going concern basis in preparing the financial statements unless they intend to liquidate the charitable company or have no realistic alternative to do so.

As has been the case since 2018, Postal Heritage Trust, the parent charitable company, and Postal Heritage Services Ltd have defaulted on their loan repayment obligations to Royal Mail Group Ltd and Post Office Ltd. However, the lenders have not exercised their right under the default provisions of the loan agreement, to require immediate repayment of the loan. Following on from letters of comfort and MOU previously received from RM and POL, Trustees have now received the text of a draft agreement dated 3 August 2022, to restructure the loan alongside amendments to the long lease on Calthorpe House. This document and other details are being reviewed by all connected parties to the original loan agreements. Trustees are viewing this in a positive light and, although some details require further clarification and possibly some amendment, they are in the firm belief that this document is the basis of a viable agreement to secure the museum's long-term future. Pending the outcome of further discussions, neither RM nor POL have indicated any intention to enforce the original loan terms within the next 12 months from the signing of these accounts, or at any time after that for the foreseeable future. Trustees are therefore taking the view that the risk of the museum not being considered as a going concern has been substantially mitigated against. It is expected that a satisfactory resolution that is acceptable to all parties will be reached in the near future following the signing off of these accounts, and on that basis the trustees continue to consider it appropriate in order for the accounts to show a true and fair view to disclose an element of the loans as repayable after one year.

The non-enforcement of the loan repayment obligations constitutes a material uncertainty that may cast significant doubt as to the charity's ability to continue as a going concern. Nonetheless, the trustees have concluded that going concern is appropriate for the reasons set out below.

In particular the trustees have considered the charitable group's forecasts and projections for a period of 15 months from the approval of these financial statements to 31 December 2023. After making enquiries the trustees have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future, a minimum of which is a period of twelve months and, subject to the non-enforcement of the loan repayment obligations and agreement to revised terms and conditions as set out by the MOU within the timeframes noted above.

Trustees are clear that The Postal Museum continues to be a going concern despite the hitherto absence of a permanent agreement with Royal Mail and Post Office Ltd to resolve the historic loans. Both lenders have indicated in a series of meetings and other correspondence that their preferred outcome is for the Postal Museum to continue to exist and neither has given any indication of any intention to call back the loans in accordance with their contractual rights.

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (continued)

c) Consolidation basis

The consolidated financial statements of Postal Heritage Trust (PHT) include the results, assets and liabilities of the charitable company and its wholly owned trading subsidiary companies, Postal Heritage Services Limited

and Postal Heritage Trading Limited on a line by line basis. In addition, the consolidated financial statements include Postal Heritage Collection Trust (PHCT), a charitable company under common control, on a similar basis. In prior years, the consolidated financial statements were prepared by PHCT. The charity has taken

advantage of the exemption afforded by section 408 of the Companies Act 2006 and has not prepared a separate Statement of Financial Activities.

d) Restricted funds

Restricted funds are to be used for specified purposes, as laid down by the grant-making body or donor.

e) Designated funds

Designated funds have been set aside at the Trustees' discretion for a specific purpose.

f) Unrestricted funds

Unrestricted funds include donations, consultancy income and other incoming resources received or generated for unspecified charitable purposes.

g) Donations and gifts

Income received by way of donations and gifts is included in the Statement of Financial Activities when received or there is a high probability of receipt.

No value is placed on donated services and facilities in the financial statements on the basis of immateriality.

h) Revenue grants

Revenue grants are credited to incoming resources in the year for which they are receivable. Revenue grants are deferred where the income represents amounts received for future years and are released to incoming resources in the year for which they have been received.

i) Expenditure

All expenditure is accounted for on the accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Such support costs, including governance costs, are allocated between cost of generating funds and resources expended on charitable activities on basis of time spent.

Salaries are allocated to the Postal Heritage Trust and its trading subsidiaries, Postal Heritage Services Limited and Postal Heritage Trading Limited, on the basis of time spent on each activity.

Governance costs, which are allocated consistently with other costs, are those costs relating to the general running of the charity by its trustees and include audit fees and trustee expenses.

i) Operating leases

The costs of operating leases are charged to the Statement of Financial Activities in the year to which they relate.

k) Heritage assets

The charity holds a collection of assets which reflect the history of the postal system. The museum collection is comprised of items which would fall under the definition of heritage assets in FRS 102 where such a

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (continued)

heritage asset is defined as an asset “with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture”.

The majority of assets in the collection are not valued on the balance sheet on the basis that appropriate valuations do not exist and could not be obtained at proportionate cost.

A small number of heritage assets were acquired by purchase in relatively recent past and, in the case of these assets, the cost of purchase is known. The aggregate cost of these assets is shown on the balance sheet. No depreciation is charged.

l) Depreciation and amortisation

The costs of fixed assets with a purchase price of £1,000 or more are capitalised and written off on a straight-line basis over their useful lives, as follows:

General office equipment, fixtures, and fittings	5 years
Other equipment	Variable periods depending on deemed useful asset life
Long leasehold property	40 years and 25 years (period of lease)

m) Pension scheme

The charity makes employer’s contributions into the Royal Mail Group POS and POPS defined benefit final salary schemes on the behalf of two employees transferred into its employment from Royal Mail Group. The costs are charged to the Statement of Financial Activities when they fall due. The schemes are multi-employer schemes.

n) Intangible assets

The cost of software and exhibition films are treated as intangible assets where the value exceeds £1,000. The accounting policy is to write down these amounts over a period of 5 years on a straight line basis.

2. STAFF NUMBERS AND COSTS

	Year to Dec 2021	Year to Dec 2020
	Number	Number
(a) The average number of employees during the year were as follows:	78	92

(b) No employee (2020: 1) received remuneration in the band £60,000 - £70,000.

One employee (2020: 0) received remuneration in the band £70,000 - £80,000.

One employee (2020: 1) received remuneration in the band £90,000 - £100,000.

For the purpose of the above disclosure, remuneration refers to salary and taxable benefits in kind only.

	Year to Dec 2021	Year to Dec 2020
	£	£
Wages and salaries	1,863,451	2,147,278
Social security costs	171,497	181,365
Pension costs	130,467	137,117
Termination payments	500	-
	2,165,915	2,465,760

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

During the year reimbursable expenses of £35 (2020: £62) were paid to 1 (2020: 1) trustee for travelling expenses and subsistence.

The charity made payments of £1,615 (2020: £1,466) in the year for trustees' indemnity insurance.

Laura Wright was employed as CEO and Trustee of the charity. The legal authority for payments to her was a Charity Commission Order. During the year she received remuneration of £92,000 in respect of her employment. In addition, the charity made contractual pension contributions of £5,520 in respect of her employment.

The total employee benefits of the charity's Key Management Personnel were £441,400 (2020: £425,471).

3. NET MOVEMENT IN FUNDS FOR THE YEAR

	Year to Dec 2021 £	Year to Dec 2020 £
This is stated after charging:		
Auditors' remuneration – audit of parent company	7,230	12,530
– subsidiary company audits	13,550	12,950
– other services	3,000	7,806
Operating leases – land and buildings	219,127	180,964
Depreciation of fixed assets	1,146,682	1,144,232

4. DONATIONS AND LEGACIES

	Year to Dec 2021 Unrestricted £	Year to Dec 2021 Restricted £	Year to Dec 2021 Total £	Year to Dec 2020 Unrestricted £	Year to Dec 2020 Restricted £	Year to Dec 2020 Total £
Donations & Grants - Royal Mail Group Ltd and Post Office Ltd	1,450,024	-	1,450,024	1,434,212	-	1,434,212
Donations & Grants - Other	197,649	-	197,649	67,250	-	67,250
Arts Council England Grant	430,000	-	430,000	430,000	-	430,000
National Heritage Lottery Fund Grant	-	-	-	250,000	-	250,000
Arts Fund Grant	-	-	-	-	27,000	27,000
Michael Bishop Foundation	-	45,000	45,000	-	-	-
University of Derby	-	23,664	23,664	-	-	-
Coronavirus Job Retention Scheme	47,326	-	47,326	637,615	-	637,615
	2,124,999	68,664	2,193,663	2,819,077	27,000	2,846,077

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

5. ANALYSIS OF EXPENDITURE

	PHT	PHSL	PHTL	Collections	Outreach	Operations	Year to Dec 2021 Total
	£	£	£	£	£	£	£
DIRECT COSTS							
Staff Costs	275,182	302,746	99,112	235,908	79,431	596,455	1,588,834
Other staff related items & consultancy	2,338	741	(681)	3,833	4,102	11,446	21,779
Property costs	80,833	3,676	-	132,594	141,909	395,902	754,914
Direct activity costs	42,304	4,411	89,637	69,395	74,270	207,201	487,218
Depreciation	116,797	-	-	203,707	217,578	608,600	1,146,682
	517,454	311,574	188,068	645,437	517,290	1,819,604	3,999,427
SUPPORT COSTS							
Governance Support Costs							
Staff Costs	5,876	-	-	9,638	10,315	28,778	54,607
Other staff consulting	261	-	-	428	458	1,278	2,425
Auditors remuneration	825	6,575	6,975	1,267	1,353	3,785	20,780
Trustee Expenses	41	-	-	69	74	206	390
Other Support Costs							
Staff Costs	36,126	143,962	47,987	59,259	63,423	176,939	527,696
Other staff related items & consultancy	1,062	-	500	1,742	1,865	5,203	10,372
Insurance	9,858	-	-	16,170	17,305	48,281	91,614
Post, stationery, telephone	612	-	1,013	1,003	1,074	2,994	6,696
Office equipment	692	-	-	1,136	1,214	3,389	6,431
IT costs	8,520	7,595	642	13,976	14,958	41,729	87,420
Legal & Professional	476	1,500	1,555	780	835	2,330	7,476
Other	2,164	880	7,254	3,549	3,798	10,596	28,241
Loan interest	159,389	-	-	-	-	-	159,389
Gift Aid to charity	(52,281)	485,878	-	(85,757)	(91,782)	(256,058)	-
Support cost recharge	(35,467)	247,218	82,406	(58,179)	(62,266)	(173,712)	-
	138,154	893,607	148,332	(34,919)	(37,376)	(104,262)	1,003,537
Total expenditure 2021	655,608	1,205,182	336,400	610,518	479,914	1,715,342	5,002,964
Total expenditure 2020	659,593	1,328,041	426,910	573,787	416,912	1,594,797	5,000,040

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

ANALYSIS OF EXPENDITURE (2020 comparative note)

	PHT	PHSL	PHTL	Collections	Outreach	Operations	Year to Dec 2020 Total
	£	£	£	£	£	£	£
DIRECT COSTS							
Staff Costs	315,589	285,720	132,258	267,797	90,168	680,324	1,771,856
Other staff related items & consultancy	3,233	970	1,585	5,384	5,749	16,089	33,010
Property costs	64,630	3,997	-	107,696	115,006	321,809	613,138
Direct activity costs	22,403	116	68,027	36,749	39,330	109,725	276,350
Depreciation	116,221	326	-	203,272	217,113	607,300	1,144,232
	522,076	291,129	201,870	620,898	467,366	1,735,247	3,838,586
SUPPORT COSTS							
Governance Support Costs							
Staff Costs	5,733	-	-	9,123	9,737	27,450	52,043
Other staff consulting	250	-	-	407	436	1,217	2,310
Auditors remuneration	1,601	9,150	10,100	2,460	2,626	7,349	33,286
Trustee Expenses	7	-	-	11	12	32	62
Other Support Costs							
Staff Costs	50,333	149,292	49,764	82,563	88,364	246,520	666,836
Other staff related items & consultancy	1,614	-	-	2,648	2,833	7,905	15,000
Insurance	9,700	-	-	15,912	17,030	47,510	90,152
Post, stationery, telephone	857	-	978	1,405	1,503	4,194	8,937
Office equipment	256	-	-	420	449	1,253	2,378
IT costs	8,674	4,658	3,859	14,227	15,227	42,481	89,126
Legal & Professional	1,797	-	-	2,948	3,156	8,804	16,705
Other	1,651	690	2,632	2,706	2,897	8,082	18,658
Loan interest	165,961	-	-	-	-	-	165,961
Gift Aid to charity	(86,080)	700,000	100,000	(141,200)	(151,120)	(421,600)	-
Support cost recharge	(24,837)	173,122	57,707	(40,741)	(43,604)	(121,647)	-
	137,517	1,036,912	225,040	(47,111)	(50,454)	(140,450)	1,161,454
Total expenditure 2020	659,593	1,328,041	426,910	573,787	416,912	1,594,797	5,000,040
Total expenditure 2019	717,402	891,424	856,425	762,201	631,530	2,165,388	6,067,370

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

6. RESULTS FROM TRADING SUBSIDIARIES

Postal Heritage Services Limited is a wholly owned trading subsidiary of Postal Heritage Trust incorporated in England and Wales.

	Year to Dec 2021	Year to Dec 2020
	£	£
Income and Expenditure:		
Turnover	1,067,074	1,039,384
Coronavirus Job Retention Scheme	5,131	73,691
Cost of sales	(719,304)	(628,041)
Gross profit	352,901	485,034
Interest Received	102	518
Profit for the year	353,003	485,552
Retained profit at 1 January	303,955	518,403
Retained profit for the financial year	353,003	485,552
Donation to parent charity in respect of 2020 profit	(485,878)	-
Donation to parent charity in respect of 2019 profit		(700,000)
Retained profit at 31 December	171,080	303,955
Balance Sheet:		
Fixed Assets	-	-
Debtors	27,895	45,088
Cash	1,088,133	1,068,326
Creditors	(944,948)	(809,458)
Net Assets	171,080	303,956
Funds		
Share Capital	1	1
Reserves	171,079	303,955
Net Assets	171,080	303,956

Postal Heritage Services Limited has produced audited accounts for the year to 31 December 2021.

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

6. RESULTS FROM TRADING SUBSIDIARIES (continued)

Postal Heritage Trading Limited is a wholly owned trading subsidiary of Postal Heritage Trust incorporated in England and Wales.

	Year to Dec 2021	Year to Dec 2020
	£	£
Income and Expenditure:		
Turnover	430,711	281,357
Coronavirus Job Retention Scheme	454	30,879
Cost of sales	(336,400)	(326,910)
Gross (loss) / profit and profit for the year before tax	94,765	(14,674)
Interest Received	-	-
Retained profit / (loss) at 1 January	162,743	277,417
Profit / (loss) for the financial year	94,765	(14,674)
Donation to parent charity in respect of 2019 profit	-	(100,000)
Retained profit at 31 December	257,508	162,743
Balance Sheet:		
Stock	50,816	60,638
Debtors	16,751	201,322
Cash	311,636	182,686
Creditors	(121,694)	(199,535)
Net Current Assets	257,509	245,111
Creditors fallings due after more than one year	-	(82,367)
Net Assets	257,509	162,744
Funds		
Share Capital	1	1
Reserves	257,508	162,743
Net Assets	257,509	162,744

Postal Heritage Trading Limited has produced audited accounts for the year to 31 December 2021.

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

7. FIXED ASSETS

Group	Long term Lease	Fixtures, fittings and equipment	Plant & Equipment	Intangible Assets	Total
	£	£	£	£	£
Cost					
At 31 December 2020	21,771,159	2,750,102	2,584,735	214,661	27,320,657
Additions during the year	25,000	4,510	-	-	29,510
Disposals	-	-	-	-	-
At 31 December 2021	21,796,159	2,754,612	2,584,735	214,661	27,350,167
Depreciation					
At 31 December 2020	1,848,641	1,081,382	990,169	136,376	4,056,568
Charged during the year	545,166	278,057	282,729	40,731	1,146,682
Disposals	-	-	-	-	-
At 31 December 2021	2,393,807	1,359,439	1,272,898	177,107	5,203,250
Net Book Value					
At 31 December 2021	19,402,352	1,395,173	1,311,837	37,554	22,146,917
At 31 December 2020	19,992,518	1,668,719	1,594,566	78,285	23,264,089

Charitable Company	Long term Lease	Fixtures, fittings and equipment	Plant & Equipment	Intangible Assets	Total
	£	£	£	£	£
Cost					
At 31 December 2020	21,771,159	2,686,682	2,584,735	214,661	27,257,237
Additions during the year	25,000	4,510	-	-	29,510
Disposals	-	-	-	-	-
At 31 December 2021	21,796,159	2,691,192	2,584,735	214,661	27,286,747
Depreciation					
At 31 December 2020	1,848,641	1,017,963	990,169	136,376	3,993,148
Charged during the year	545,166	278,056	282,729	40,731	1,146,682
Disposals	-	-	-	-	-
At 31 December 2021	2,393,807	1,296,019	1,272,898	177,107	5,139,830
Net Book Value					
At 31 December 2021	19,402,352	1,395,173	1,311,837	37,554	22,146,917
At 31 December 2020	19,992,518	1,668,719	1,594,566	78,285	23,264,089

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

8. MUSEUM COLLECTION / HERITAGE ASSETS

The collection was transferred by Royal Mail at the time the charity was established. No value has been attributed to this collection as stated in the accounting policies note. Subsequent additions to the collection have been valued at cost. There were no additions to the collection during the year (2020: nil). No formal valuation has been made of the collection.

Nature and scale of the assets

The museum's collection, which comprises over 60,000 objects and thousands of documents, is classified under the following categories:

- Postal history
- Duplicate registration sheets of stamps
- Letter boxes
- Paintings, prints and engravings
- Vehicles
- Uniform
- Postal Tools and Equipment (including machines and furniture)
- Ephemera collection
- Photographs and film
- Oral history

All aspects of acquisition and disposal are outlined in the Acquisition and Disposal Policy 2010 which has the approval of the Board of Trustees.

Policy for the acquisition, preservation, management and disposal of heritage assets

The heritage assets of The Postal Heritage Collections Trust are the objects that form the museum collection. The majority of the museum collection was gifted to the Trust in 2004 by Royal Mail Group. Further acquisitions have since been made, by purchase through private sale and auction; and by donation, from Royal Mail and members of the public. The collection is managed to the Accreditation Standard, a national standard managed by the Arts Council England, the government body responsible for Museums and Libraries. Preservation of the museum collection in perpetuity is fundamental to the work of museums and this is undertaken through good collection knowledge, safe packing and housing and good house-keeping. Proactive conservation is undertaken where appropriate; usually related to a project. Disposal from the museum collections is undertaken in line with professional standards, including the Accreditation standard and all disposals are in line with the Museums Association's Code of Ethics for Museums. Disposals from the museum collection are never financially motivated.

Assets reported on the balance sheet

Heritage assets reported on the balance sheet are all reported at cost.

	Additions	Cost of Disposals
Year to 31 December 2021	Nil	Nil
Year to 31 December 2020	Nil	Nil
Year to 31 December 2019	£12,875	Nil
Year to 31 December 2018	£25	Nil
Year to 31 December 2017	£8,850	Nil

Transactions relating to heritage assets

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

From time to time, the trustees approve the transfer of certain duplicate philatelic material for the purposes of sale in support of the capital project to deliver a new Postal Museum / Mail Rail centre. No material from the museum's unique collections has ever been transferred, only duplicate material has been affected. The proceeds from the sale of this material to the Postal Heritage Trust was nil (2020: nil). The sales took place in a way that valued the material solely for the transaction and no realistic extension of the valuation to any other material is possible.

9. INVESTMENTS

	Year to Dec 2021	Year to Dec 2020
	£	£
Investments in subsidiary undertakings at cost	2	2

The investments in subsidiary undertakings represent:

- (i) The £1 issued share capital in Postal Heritage Services Limited, a company registered in England and Wales.
- (ii) The £1 issued share capital of Postal Heritage Trading Limited, a company registered in England and Wales.

The results of both companies are shown in note 6 together with balance sheet information.

10. DEBTORS

	Year to Dec 2021		Year to Dec 2020	
	Group	Charity	Group	Charity
	£	£	£	£
Trade debtors	64,854	46,692	50,390	49,008
Due from subsidiary undertakings	-	671,627	-	415,068
Prepayments and accrued income	196,657	192,574	242,608	241,185
VAT	18,770	32,378	142,931	90,775
Other debtors	6,015	5,865	7,097	7,097
	286,296	949,136	443,026	803,133

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

11. CREDITORS

Amounts falling due within one year

	Year to Dec 2021		Year to Dec 2020	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	177,272	170,977	231,061	223,850
Taxation and social security	48,178	48,178	48,233	48,233
Accruals	757,645	729,632	737,244	713,348
Deferred income	373,354	34,300	448,375	58,800
VAT	-	-	130,040	-
Loan interest	547,953	547,953	388,564	388,564
Loans	1,116,130	1,116,130	823,813	823,813
Due to subsidiary undertakings	-	14,205	-	148,246
Other creditors	90,293	90,293	74,684	74,684
	3,110,825	2,751,668	2,882,014	2,479,538

Amounts falling due after more than one year

	Year to Dec 2021		Year to Dec 2020	
	Group	Charity	Group	Charity
	£	£	£	£
Deferred income	-	-	116,667	34,300
Loans	5,933,870	5,933,870	6,226,187	6,226,187
The above loans are repayable:				
In less than one year	1,116,130	1,116,130	823,813	823,813
Between one and two years	281,819	281,819	281,819	281,819
Between two and five years	888,713	888,713	888,713	888,713
After more than five years	4,763,338	4,763,338	5,055,655	5,055,655
	7,050,000	7,050,000	7,050,000	7,050,000

With the exception of an interest free amount of £550,000, interest on the loans is payable at an annual rate of 2.5%. Interest did not start to accrue until the first anniversary of practical completion of the Postal Museum project. Practical completion occurred on 17 August 2017. The loans are secured over four bank accounts, at the balance sheet date. The Trust's trading subsidiary, Postal Heritage Services Ltd, has also provided a guarantee in respect of the loans.

The Trust and Postal Heritage Services Ltd have defaulted on their loan repayment obligations to Royal Mail Group Ltd and Post Office Ltd. However, the lenders have not exercised their right under the default provisions of the loan agreement, to require immediate repayment of the loan. The lenders have issued a draft loan restructure and property lease reset agreement which is expected to form the basis of a final settlement agreement as further disclosed in note 1b of the accounting policies on page 24. Even though the deadlines as set out in the previous MOU through no fault of the museum, have not been achieved, it is expected that a satisfactory resolution that is acceptable to all parties will be reached in the near future following the signing off of these accounts and on that basis the trustees continue to consider it appropriate in order for the accounts to show a true and fair view to disclose an element of the loans as repayable after one year.

Trustees are clear that The Postal Museum continues to be a going concern despite the hitherto absence of a permanent agreement with Royal Mail and Post Office Ltd to settle the historic loans. Both lenders have indicated in a series of meetings and other correspondence that their preferred outcome is for the Postal Museum to continue to exist and neither has given any indication of any intention to call back the loans in accordance with their contractual rights.

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

12. FUNDS 2021	Brought forward	Income	Expenditure	Transfers	Carried forward
	£	£	£	£	£
RESTRICTED					
Postal Heritage Collection Trust	81,367	-	-	-	81,367
Digitised memorial books	5,914	-	-	-	5,914
Arts Fund Reimagine Project	10,002	-	(10,002)	-	-
Addressing Health Project	-	23,664	(14,560)	-	9,104
Mail Rail train upgrade	-	45,000	(45,000)	-	-
	97,283	68,664	(69,562)	-	96,385
UNRESTRICTED - DESIGNATED					
Collection fund	876	-	-	-	876
Tangible fixed assets	16,164,690	-	-	(750,427)	15,414,263
	16,165,566	-	-	(750,427)	15,415,139
UNRESTRICTED - GENERAL					
Postal Heritage Trust	-	3,162,967	(4,399,272)	1,236,305	-
Postal Heritage Services Limited	303,956	1,072,307	(719,304)	(485,878)	171,081
Postal Heritage Trading Limited	162,744	431,165	(336,400)	-	257,510
	466,700	4,666,440	(5,454,976)	750,427	428,590
	16,729,549	4,735,103	(5,524,538)	-	15,940,115

RESTRICTED FUNDS

Postal Heritage Collection Trust holds the value of the collection owned by the museum. The value in the Balance Sheet represents the items of known value.

The balance against digitised memorial books represents the value of the unspent grant received for this activity.

The Arts Fund Reimagine Project represents the remaining funds balance, the purpose of which is to support the museum's reinterpretation of its exhibitions in a post-Covid world.

The Addressing Health Project represents the remainder of funds received towards a joint project with Kings College and the University of Derby.

The Michael Bishop Foundation provided funds for the Mail Rail train upgrade.

DESIGNATED FUNDS

Collection Fund – Income from the disposal of collection assets held against future collection purchases or collection preservation expenditure.

Tangible fixed assets – funds tied up in the fixed asset and related loans of the parent charitable company.

UNRESTRICTED FUNDS

General fund – funds available to the charity for unrestricted use, which include grant income in respect of the period to 31 December 2021.

12. FUNDS (continued)

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

COMPANY

The funds of charitable company only are as above, excluding the general funds related to Postal Heritage Services Limited and Postal Heritage Trading Limited, and the restricted fund related to Postal Heritage Collection Trust.

FUNDS 2020	Brought forward	Income	Expenditure	Transfers	Carried forward
	£	£	£	£	£
RESTRICTED					
Postal Heritage Collection Trust	81,367	-	-	-	81,367
Digitised memorial books	5,914	-	-	-	5,914
Arts Fund Reimagine Project	-	27,000	(16,998)	-	10,002
	87,281	27,000	(16,998)	-	97,283
UNRESTRICTED - DESIGNATED					
Collection fund	876	-	-	-	876
Tangible fixed assets	16,185,816	-	-	(21,126)	16,164,690
	16,186,692	-	-	(21,126)	16,165,566
UNRESTRICTED - GENERAL					
Postal Heritage Trust	-	3,636,851	(4,457,977)	821,126	-
Postal Heritage Services Limited	518,404	1,113,593	(628,041)	(700,000)	303,956
Postal Heritage Trading Limited	277,418	312,236	(326,910)	(100,000)	162,744
	795,822	5,062,680	(5,412,928)	21,126	466,700
	17,069,795	5,089,680	(5,429,926)	-	16,729,549

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS 2021

	General	Designated	Restricted	Total
	£	£	£	£
Fixed Assets	798,784	21,348,133	81,367	22,228,284
Net Current Assets/(Liabilities)	(370,193)	876	15,018	(354,299)
Long term liabilities - loans	-	(5,933,870)	-	(5,933,870)
- deferred income	-	-	-	-
	428,591	15,415,139	96,385	15,940,115

ANALYSIS OF NET ASSETS BETWEEN FUNDS 2020

	General	Designated	Restricted	Total
	£	£	£	£
Fixed Assets	325,145	22,857,577	81,367	23,264,089
Net Current Assets/(Liabilities)	(208,478)	876	15,916	(191,686)
Long term liabilities - loans	-	(6,226,187)	-	(6,226,187)
- deferred income	(116,667)	-	-	(116,667)
	-	16,632,266	97,283	16,729,549

14. FINANCIAL COMMITMENTS

At 31 December 2021 the group had the following commitments under non-cancellable operating leases.

	Dec 2021	Dec 2020
	£	£
Due in less than 1 year	219,127	180,672
Due 2-5 Years	-	-

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

15. RELATED PARTY TRANSACTIONS

Postal Heritage Trust (PHT) has taken advantage of the exemptions within FRS102 from disclosing related party transactions with Postal Heritage Collection Trust (PHCT), Postal Heritage Services Limited (PHSL) and Postal Heritage Trading Limited (PHTL). The charities SORP requires disclosure of the results and balance sheet positions of the subsidiaries. This information is provided in note 6 in respect of PHSL and PHTL. PHCT has minimal activity. In 2021 it received no grants of heritage assets (2020: nil) and at the balance sheet date held heritage assets at a cost of £81,367 (2020: £81,367).

Royal Mail Group (RMG) and Post Office Ltd (POL) have a funding agreement to 2040 to provide PHT with £1,450,024 (2020: £1,434,212) of unrestricted funds, payable over the year to December 2021, for the general purpose of meeting its charitable objectives. RMG has also transferred some of its intellectual rights to PHT.

RMG and POL have an Archive Services Agreement with PHT and its trading subsidiary, PHSL, which provides the latter with £1,018,436 (2020: £1,011,544) of unrestricted funds over the year to December 2021, for the purposes of maintaining the Royal Mail archives.

RMG and Post Office Limited (POL) have both signed legal agreements with PHT and PHSL related to the museum and to future funding, which will provide income to PHT in the form of unrestricted funds, index linked, until 2040.

RMG provides services to PHT and as at the year end, there was a balance owing of £82,854 (2020: £123,073).

The disclosures around related parties should be read in conjunction with Note 1 (b) Going concern which states that the Trust and Postal Heritage Services Ltd have defaulted on their loan repayment obligations to Royal Mail Group Ltd and Post Office Ltd. In the event of such a default, the Loan Agreements provide Royal Mail Group Ltd and Post Office Ltd with rights to demand immediate repayment. However, whilst reserving their rights, both Royal Mail Group Ltd and the Post Office Ltd have confirmed to the Trust that they are not presently intending to exercise those rights in the next 12 months, subject to the Trust meeting the deadlines even though the deadlines as set out in the MOU through no fault of the museum, have not been achieved. It is expected that a satisfactory resolution that is acceptable to all parties will be reached in the near future following the signing off of these accounts.

Trustees are clear that The Postal Museum continues to be a going concern despite the hitherto absence of a permanent agreement with Royal Mail and Post Office Ltd to settle the historic loans. Both lenders have indicated in a series of meetings and other correspondence that their preferred outcome is for the Postal Museum to continue to exist and neither has given any indication of any intention to call back the loans in accordance with their contractual rights.

16. PENSIONS

For the purposes of FRS102 the group cannot identify its share of the underlying assets and liabilities of the defined benefit schemes in which it participates in respect of seven employees. PHT makes pension contributions based on the advice of a qualified independent actuary whose calculations are based upon total scheme membership. A fundamental change in the defined benefit schemes occurred as a result of the passage of the Postal Services Act 2011, with the transfer of all the historic liabilities of the Royal Mail Pension Plan (RMPP) to the new government-backed Royal Mail Statutory Pension Scheme (RMSPS) as at 31 March 2012. Those already receiving a pension, and those who had left service but contributed to the pension prior to 31 March 2012, will receive it from the RMSPS; those who continue to contribute after 31 March 2012 will, upon retirement, receive pensions from both schemes. The public accounts of both RMG and POL schemes indicate that currently these pension schemes are both in surplus. PHT is not exposed to variations in the rate of contributions as the excess of the rate payable over that in respect of employees not in the Royal Mail schemes is reimbursed by the Royal Mail.

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

PHT makes pension payments of at least 6% as an employer contribution to a defined contribution scheme for the remainder of its eligible employees who have opted into the scheme.

17 LIABILITY OF MEMBERS

The Postal Heritage Collection Trust is a company limited by guarantee. The liability of each member in the event of a winding up amounts to £1.

18. CAPITAL COMMITMENTS

At 31 December 2021 the group had no capital commitments.

19. POST BALANCE SHEET EVENTS

The museum has undertaken continuous cash flow scenario modelling to help identify the periods when it would be at greatest financial risk. This has helped inform both the timing and the extent of mitigating actions required to maintain a cash balance at a level which enables the museum eventually to emerge from the crisis and maintain a suitable and sustainable programme.

POSTAL HERITAGE TRUST

England & Wales - Charity number 1102360

Accounts

POSTAL HERITAGE TRUST
(A company limited by guarantee)

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

Charity Number: 1102360
Company Number: 4896056

POSTAL HERITAGE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Contents	Page
Legal and administrative information	1
Trustees' report (including Strategic report)	2 - 14
Auditors' report	15 - 17
Consolidated Statement of financial activities	18-19
Consolidated Balance Sheet	20
Charitable company balance sheet	21
Consolidated cash flow statement	22
Notes to the financial statements	23 - 39

POSTAL HERITAGE TRUST

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees

Richard Wills
Jonathan Evans
Julian Barker
David Gold
Mike Russell
Paola Barbarino
Susan Raikes
Kathryn Sherratt
Peter Walls
Laura Wright

Chairman
Vice Chairman, Retired 28th January 2021

Resigned 12th January 2021

Chief Executive

Laura Wright

Secretary

Lawrence Melinek

Bankers

NatWest Bank
Holborn Circus Branch
P O Box No. 204
London
EC1P 1DU

Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Solicitors

Russell Cooke
2 Putney Hill
London
SW15 6AB

Registered office

Calthorpe House
15-20 Phoenix Place
London
WC1X 0DA

Organisation

Postal Heritage Trust is a registered charity (number: 1102360) and company limited by guarantee (number: 4896056). The charity is governed by its articles of association.

Website

www.postalmuseum.org

POSTAL HERITAGE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees, who are also directors for the purposes of charity law present the annual report and the audited financial statements of the company for the year ended 31 December 2020. The Trustees' Annual Report includes both the Directors' Report and the Strategic Report for the purposes of company law.

STRUCTURE, GOVERNANCE & MANAGEMENT

NAME AND REGISTERED OFFICE OF THE CHARITY

Postal Heritage Trust (PHT) is a company limited by guarantee, company number 04896056 and a registered charity in England & Wales charity number 1102360. Its registered address is 15-20 Phoenix Place, London WC1X 0DL.

ORGANISATIONAL STRUCTURE

Postal Heritage Trust (PHT) heads the group of companies which collectively are known, and trade, as The Postal Museum (TPM). Postal Heritage Collection Trust, the other charity in the group, owns the collection of historic material known as The Postal Museum Collection but otherwise, it is not engaged in any trading activities. PHT and PHCT share the same Board members. PHT manages the collection held by PHCT. PHT also owns the entire share capital of two trading subsidiaries, Postal Heritage Services Limited (PHSL), which is engaged in archive services, and Postal Heritage Trading Limited (PHTL) (formerly Mail Rail Trading Limited (MRTL), which engages in commercial trading. These financial statements are the accounts of PHT and the consolidated financial statements for the group. This trustees' report therefore refers to both the work of PHT and to the other constituent members of the group.

The group workforce is conventionally organised through a line management structure, set by the Board of Trustees. The Chief Executive has an Executive Team that meet weekly. There are regular full staff meetings and team meetings for each of the TPM's departments.

The Board of Trustees sets the remuneration of the Chief Executive, who in turn sets the remuneration of the senior staff in consultation with the Trustee Board's Audit and Finance subcommittee.

DIRECTORS/TRUSTEES

The Board of Trustees (the Board) is composed of up to fifteen members: ten selected by the Trust via an open selection policy, up to three nominated by Royal Mail Group (RMG), and up to two nominated by Post Office Limited (POL), both following their own internal selection policies. At present, there are nine trustees. RM and POL have the right to appoint one trustee each

The Board can be added to by co-option, but at present there are no co-opted trustees. Trustees joining the Board receive a full introduction to PHT's purpose and premises. In addition to a personal briefing, they receive the trustees' handbook which includes links to the Charities Commission best practice documentation.

In 2020, the Board met bimonthly, with other meetings, including conference calls, taking place as and when necessary. The following committees report to the Board: An Audit and Finance sub-committee, reporting on internal and external audit factors and risk, which meets at least four times per year; a Collections sub-committee which meets to consider issues related to the management of TPM's heritage material.

The PHSL and PHTL boards of directors comprise PHT trustees together with TPM's Head of Collections (PHSL) and Head of Commercial (PHTL). There is a professional advisory board for Archive supplying external expertise in this area.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

OUR PURPOSE

Who We Are:

The Postal Museum tells the story of postal communication and its impact on a global society.

What We Do:

We use our collection to explore stories around communication, and to inspire everyone to make richer and more meaningful connections in their lives.

Our Values Are:

- Openness
- Generosity
- Innovation
- Curiosity
- Playfulness

We Will:

Be open and generous in spirit and action

Deliver innovation

Communicate our stories with clarity and playfulness

Be curious about people's stories and experiences

Strategic Objectives:

Core

- Champion good communication and connections in individuals, families, communities, and society
- Look after our collection and expand access to it
- Grow an increasingly diverse audience and enrich their lives

Supporting:

- Develop and maintain a sustainable financial model.
- Grow our partnerships across the country and around the world.

CHARITABLE OBJECTIVES AND ACTIVITIES

The objectives of the Postal Heritage Trust (adopted 12 October 2010 and re-adopted in 2013) are:

- *to advance the education* of the public particularly in the history of postal communication and related services and of the activities of the British Post Office and its successors and the postal and communications systems worldwide;
- *to establish and maintain museum(s) and/or archive(s) for the benefit of the public*, and in pursuit of that object:
 - collect artefacts and archives including postal artefacts and archives which may be British or international to a published policy agreed by the Charity;
 - manage, document, conserve and safeguard the national postal collections and other collections and holdings to the highest appropriate professional standards;
 - exhibit, interpret and provide access to the collections.
- *to restore, exhibit and preserve objects*, (including vehicles and where appropriate buildings and other structures) particularly those objects associated with the history of postal and related services and the activities of the British Post Office and its successors
- to undertake any other charitable purpose.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

ACTIVITIES AND PUBLIC BENEFIT- MEETING THE CHARITABLE OBJECTS

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity. The public benefit delivered by the group is set out in more detail in the review below.

REVIEW OF THE YEAR

What we have done in 2020

The Museum closed due to Covid-19 restrictions from 18 March 2020 after strong visitor numbers during the previous months, particularly the February half term. Subsequently, the museum was open to visitors for just 10 days in the year, between the end of October and early December, with severely reduced capacity owing to social distancing.

During the summer months, the museum ran tunnel walks to provide some access to the site for the public and to generate income. These walks were popular, and we welcomed 328 participants on Tunnel Walks over 35 tours in 2020, compared with 218 participants in 2019.

Reacting to Covid-19

The museum secured £250,000 emergency funding from the National Lottery Heritage Fund and £860,000 from the Arts Council England Cultural Recovery Fund. This vital funding supported the museum to continue its work, bring staff back from furlough, retain staff numbers, adapt the museum, continue vital projects around diversity and inclusion audience development and sustainability, and to rebuild reserves.

Operational changes to the museum, ticketing, and workforce infrastructure

Following the museum's closure, a programme of work was developed to support all staff to work from home. Office access was limited to a few hours per week to enable work that could not be carried out at home and to reduce overhead costs. During such time, building maintenance, cleaning and security services continued as required.

The museum's insurers were engaged to provide guidance on a variety of matters, including security whilst the museum was closed. The museum maintained on-site security once a week and remote monitoring was in place at other times.

In line with government guidance and Visit Britain's Good to Go industry standard (achieved in September 2020), plans commenced to reopen the museum in October 2020 under Covid-secure conditions. This included developing a Covid-19 risk assessment, modifying both sites and the trains to manage a reduced capacity and provide a more prescriptive one-way route for visitors including starting the visit in Mail Rail. Pre-visit information for visitors, delivered via the website and a remote Box Office service highlighted the changes to the museum that included encouraging the wearing of face covers, directional/queuing floor graphics, till and train protective screens, installation of hand sanitising units, pre-booked online tickets only, use of NHS track and trace system etc.

Ticketing was defined by the reduced capacity on the train. with the number of trains in service reduced from three to two per hour. At the end of the train ride, visitors exited, one household bubble at a time. This slowed the flow rate of visitors through the galleries, supporting social distancing and providing a safer environment for staff and visitors.

The museum's opening hours were based on existing staffing levels. The Front of House team and other support staff were placed in to two bubbles, one per museum building. The sites were adapted to provide dedicated break-out areas with defined capacities for staff, cleaners, and security to support social distancing. Prior to Front of House staff returning to work, a site induction, dedicated Covid-safety, and refresher training was provided. Back of House staff were notified of strict access requirements.. The reduced visitor numbers supported staff to ease back in to work – visitor feedback indicated that staff were great, and they felt the Covid-safe measures across the museum were excellent.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

Programming

The Postal Museum's third temporary exhibition *The Great Train Robbery: Crime & the Post* was open to the public from the beginning of October 2019 to March 2020, and then for a few days between the end of October and early December 2020. The exhibition revealed the untold story of the Post Office Investigation Branch and the role it played in The Great Train Robbery of 1963 – in which a gang stole £2.6 million from a Royal Mail train travelling from Glasgow to London.

Up to 50,000 people visited the exhibition between 11th October 2019 and the end of December 2020, with around one third of those visiting the museum specifically to see the displays and 88% of all visitors to the exhibition being first-time visitors to TPM.

Visitor feedback about the exhibition was very positive – 62% of responders rated their experience of the temporary exhibition as 'Excellent' and 34% as 'Good'. Positive comments to support ratings focused on:

- Informative and / or interesting content;
- Quality of the exhibition design;
- Interactive and / or immersive exhibits;
- Content / activities for all ages;
- Personal relevance.

In February 2020, the fourth and final Post Early: Relaxed Mornings at The Postal Museum event, funded by City Bridge Trust and The D'Oyly Carte Charitable Trust, targeted at autistic and neurodiverse adults and children, took place. The event attracted a record 131 people – a huge increase from previous relaxed events. Feedback was excellent and we will use findings to inform the development of the future programme.

The Post Early programme delivered the following outputs over the 1-year pilot project:

- Five full-day creative workshops with the Youth Patrons to co-produce the TPM programme and resources for autistic and neurodiverse people. Youth Patrons were shown behind the scenes at the Museum to discover how it is run and took part in activities to learn new heritage-focussed skills such as cataloguing and interpretation.
- A programme of Post Early relaxed morning events, reaching 291 adults and children. Co-developed and co-delivered by the Youth Patrons and informed by the Advisory Panel, these events provided exclusive access to the Museum for autistic and neurodiverse adults and children and their families. Elements included adaptations to the museum environment (e.g., reduced sound levels and increased staff levels), tailored workshops and a sensory quiet space.
- Resources to support and enhance visits for autistic and neurodiverse people, including, sensory activity satchels and visual communication cards to help visitors locate key objects, interactive exhibits, and facilities.
- Pre-visit information produced with the Youth Patrons, including visual stories and 2 films scripted, narrated, and performed by the Youth Patrons.
- Autism Awareness training for 45 staff and volunteers from the Museum.

Focus groups, interviews, questionnaires and observations with stakeholders and Post Early attendees showed impactful outcomes:

The Youth Patrons developed their communication and decision-making skills and they reported increased confidence. They felt ownership of the project because their voices were heard and valued.

"I enjoyed using my experiences to improve The Postal Museum. I loved helping create the resources and having a direct impact on a project I have thoroughly enjoyed."

Georgia, Youth Patron.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

"I'm so proud that as a group of autistic individuals, simply by being honest and sharing what works for us we have created something I never had as a child, such a unique and inclusive experience for individuals and families."

Bella, Youth Patron.

By sustaining our relationship with Ambitious about Autism (AaA) and co-producing the programme with the Youth Patrons, we successfully understood and met the wants, needs and expectations of autistic and neurodiverse visitors. Stakeholders and Post Early attendees reported increased feelings of belonging and wellbeing, increased confidence, and high levels of engagement as a result of taking part.

"It has been a real delight being involved in this partnership work and we are yet to find another museum more willing and enthusiastic about making changes and improving their offer for all."

Emily, AaA.

"When I came in and saw the young people running the event, it was so obvious the event was important to the museum. It's important for me that Henry has role models, and those young people showed me that. We've never had that anywhere else, it made me feel like it was a community event catered for us. You can't explain that feeling of belonging."

Parent, Post Early event.

Public Programme events delivered for adults at the beginning of 2020 included:

- Post Mortem: a hands-on workshop giving attendees an insight into skills and techniques used in forensic crime scene investigation:
"My partner and I had a great time at the workshop and thought that on the whole it was excellent. Overall, we thought it was great, the content covered exciting aspects of being a CSI/SOCO and it was pitched at the right level – we're really pleased we did it."
- Friday Late: Valentines at Mail Rail event on Valentine's Day. This was The Postal Museum's first trial at a Late evening opening event for adults. The Museum teamed up with The Mental Health Collective who run an initiative around Valentine's Day known as The Great British Valentine. This programme encourages individuals to make and send a non-romantic Valentine's Day card to a stranger who is experiencing loneliness at that time of year. The event was very successful with 100 tickets selling very quickly.
- *Diaries of a Private Investigator*, a talk by Charlotte Thornber, Director and Founder of private investigation firm, Taylor Investigations. The talk looked into historic crimes, such as The Great Train Robbery, and considered the techniques used to bring the criminals to justice and how modern resources could have resulted in a faster result. Feedback included:
"Amazing event. Super interesting content – especially her stories of real work. Also – an inspiring female speaker – hurrah!"
"Very enjoyable event. I learnt things I did not know."

February Half-Term was our busiest school-holiday family programme since opening in 2017, with 1,045 people reached during the week of activity, which included storytelling and a range of arts and crafts activities.

The first few weeks of 2020 were also a busy period for the schools programme. In January, 31 classes visited TPM, and 5 classes took part in The Jolly Postman Programme. By comparison, in January 2019, 20 classes visited TPM and 3 took part in The Jolly Postman Programme.

February 2020 was even busier, with school visits nearing capacity. In 2020, 21 classes visited TPM and 5 took part in The Jolly Postman programme. By comparison, in February 2019 20 classes visited and 2 took part in The Jolly Postman programme.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

March 2020 was set to be another packed month for schools – 44 classes were booked to visit, with 4 booked to take part in The Jolly Postman programme. In 2019, 26 classes visited, and 1 class took part in The Jolly Postman programme. In the end, 10 visits went ahead before the Covid-19 situation developed.

Most school visits in early 2020 were from primary school children – Key Stage 1 students (5-7 years), followed by Key Stage 2 students (7 –11 years), and then Early Years Foundation Stage students (3 – 4 years). Many schools (90% in January 2020) were repeat visitors, with Science, Technology, Engineering, and Maths (STEM) such as the Mail Rail Science Show and literacy-focused Jolly Postman Programme proving to be especially popular.

Teachers consistently rate their visit 9 or 10/10. Interactive sessions, Mail Rail, Sorted! and our staff and volunteers all score between 8 – 10/10. Teachers frequently comment on how interactive, informative, and engaging our sessions are, with how our staff can differentiate for learning styles. Comments included:

"Thoroughly enjoyed the day! The staff were very helpful. Children wished they had a longer time there."

"The students LOVED all the hands-on, interactive activities it was nice that they get to explore freely"

"An educational experience, fully interactive visually for children to learn from"

"All of our kids who are often hard to challenge or difficult to engage were totally engaged."

"We saw a usually mute child come alive."

In December 2020, we launched our new Virtual Learning Programmes – adapting the successful Jolly Postman sessions for delivery to schools via the Zoom videoconferencing platform:

"Captured the attention of all the children from the beginning. A workshop full of wonder, suspense, and inclusion- lots of the children are keen to teach others the sign language we learnt! These little posties cannot wait to visit the team very soon!"

"Even when you did the test call and I logged in and saw it, it was so much more engaging even for an adult! It is great for the kids, the use of visual representation, especially if English is not their first language, pictures, text, signs, and the facilitator in costume all in the same place. It was magic how things appeared and changed. They didn't realise it was another Zoom, it was much more engaging."

"A really engaging session for ALL learners that was a great alternative to the real-life outreach programme."

"The Jolly Postman is usually our highlight of the year; we're so happy you set this up."

Virtual content and online engagement

2020 has been a year of changing relationships between audiences and cultural venues across the world. Visitors' behaviours shifted to engage in new ways online, as the reliance on physical visits was disrupted.

A huge cross-organisational effort to develop unique, intriguing, and diverse stories during closure led to a 192% increase in visits to our blog, with a steady increase in blog readers in the age group 18-24. There have been close to 2000 downloads of school resources, hundreds of downloads of family activities, and over 100,000 videos views, including 15,000 views of the Mail Rail from Home virtual experience, published to provide virtual access to Mail Rail during closure.

We continued to provide access to the Discovery Room virtually, with 1,018 archive inbox emails answered and 382 Records Centre emails answered.

Fundraising

The museum was successful in several applications for project funding, as well as the emergency grants received. In July, the museum received £250,000 from the National Lottery Heritage Fund and in October, Arts Council England awarded a grant of £860,000 to cover the period from 1 October to 31 March.

Respond and Reimagine Grant, Art Fund: The museum was successful in its application to Art Fund, securing £30,000 towards physical changes to the museum's interactives and environment to ensure a Covid-19 safe visit. This was particularly focussed on adapting interactives to be touch free, to ensure the participatory visit was not compromised for children and autistic visitors. The funding enabled the museum to work with a long-standing partner,

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

Ambitious about Autism, to consult on the changes with autistic young people and update our pre-visit resources with their valuable input.

Projects and partnerships

Several partnerships have been continued during 2020 and new partnerships developed. We have continued our relationship with the Addressing Health project, working in partnership with several universities to use our collections to help study the link between working condition, health, and retirement in urban and rural late 19th Century Britain. The pandemic altered the way we have had to go about this project and some rethinking has taken place, but work has continued building a digital catalogue of pension records that will allow future transcription by volunteers.

To coincide with the 75th anniversary of the end of the Second World War in Europe we relaunched the GPO War Heroes website with improved data and promoted this online alongside national commemorations. This led to a new partnership with Ancestry.co.uk which resulted in them updating links to the pages from the website to their site in November 2020, resulting in significant increase in usage of the website.

In late 2020 we also renewed a relationship with students of Central St Martins College of Art. Over several years we have welcomed students from their course and in 2020 a new cohort of students engaged with us on a project to find new ways to allow audiences to engage with postcards, linked to the new exhibition, considering the changes brought about by the pandemic. Some of this work will be used in a season of activities being launched in 2021.

HR and staff support

From the beginning of the pandemic, two priorities shaped the museum's actions – those of the financial security of the organisation and the safety and wellbeing of its staff. The furlough scheme was a huge safety net for both priorities and the majority of staff were furloughed as soon as the scheme was introduced. 85% of staff were full or part time furloughed from March 2020 through to September 2021.

Various mechanisms were put in place to stay in touch with furloughed staff, including connecting with them through their preferred means of communication, whether that be text, email or WhatsApp. Weekly memos were sent by the CEO covering work news and personal updates. A variety of ways of keeping in touch socially were trialled as well. Nevertheless, it was a relief to be able to bring the whole team back to work from October 2020 following the receipt of emergency funding. This also gave some time to allow the reestablishment of working practices and the development of new projects around content development and Diversity and Inclusion, for example.

The museum ran a staff survey in the summer of 2020 which indicated that staff members had felt very well looked after during the period of lockdown. This was followed by discussion groups and feedback about the museum Forward Plan in Autumn 2020. Again, feedback was almost entirely constructive and positive with the majority of staff excited about the future vision of the museum and keen to proactively contribute to its development. This feedback will be incorporated into the planning round in 2021.

Collections

The pandemic forced a rethink in how and what we collect. The massive impact of the pandemic on the postal service meant we had to ensure we captured this story but reduced access to building and collections meant we had to work differently. New items continued to be offered to the collections and we accepted a selection of them. We also began to proactively seek material that reflects the use of the post during the pandemic through our Covid-19 and the Post project involving collected physical objects and recorded interviews. We are exploring ways of developing this to reflect the ongoing impact of the virus on the postal service.

We have also worked with the businesses we support, Royal Mail and Post Office Limited, to ensure the official record has been collected. Despite reduced building access throughout the pandemic there has been a continued need to provide access to certain records for our stakeholders. This has been managed carefully with consideration to the rules in place at the time. We also continue to engage with both businesses around digital collecting exploring how best to ensure long term preservation of records, including those we generate ourselves.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

Practical conservation and digitisation were reduced in 2020 as the teams involved were furloughed at various times. Nevertheless, conservation and digitisation took place for the new postcard exhibition and some commercial work was also carried out when restrictions allowed. Working practices were also adapted to allow for working from home where possible.

Our conservation team has supported the ongoing care and management of the collections and building, especially during periods of lockdown, to ensure all areas where the collections are stored and exhibited are safe, secure and remain environmentally stable.

FINANCIAL REVIEW

Reserves

Postal Heritage Trust's reserves position is under constant monitoring and management. The general policy of the Trustees is to maintain at least three months' worth of operating expenditure as working capital, to safeguard The Postal Museum's efficient running and its ability to meet current commitments and providing stakeholders with assurance about its financial resilience. The nature of the timing of voluntary funding receipts based on agreements with Royal Mail Group and Post Office Ltd, means that this is not always the case but the agreements themselves provide comfort that the museum can continue its normal operations. The reserves policy will be kept under regular review to ensure the museum has sufficient resources to continue to meet its strategic aims and objectives.

Of the total funds of £16,730k (2019: £17,070k) at the year end, £97k (2019: £87k) were restricted, as detailed below, and £16,632k (2019: £16,983k) were unrestricted, all of which were designated as detailed below. The designated funds represent the net asset valuation following completion of the capital project.

Overall, the museum made a deficit of £340k (2019: £696k deficit) for the year after the depreciation provision of £1,144k (2019: £1,149k). Excluding depreciation there was a surplus of £804k (2019: £453k surplus).

Restricted funds

- Funds represented by the book value of the Collection held by PHCT: £81k (2019: £81k).
- Funds received for the digitisation of Post Office records which was £6k at year end.
- Arts Fund Reimagine Project, the remaining balance of which at year end was £10k.

Unrestricted funds

Designated funds

- Funds designated related to fixed assets and The Postal Museum capital project: £16,165k (2019: £16,187k).

General funds

- General unrestricted funds: £Nil (2019: £Nil). As the museum in effect, is a new start-up, we are in the process of experimenting and developing services and processes. The stated aim is to build on the successful launch and generate reserves to establish long term sustainability. This involves the development of strong partnerships with key stakeholders including Royal Mail Group and Post Office Limited. It is expected that this process will stabilise in the next two years before sustainable reserves start to build.

Analysis of the funds detailed above in terms of their representation is as follows:

	General £	Designated £	Restricted £	Total £
Fixed Assets	325,145	22,857,577	81,367	23,264,089
Net Current Assets/(Liabilities)	(208,478)	876	15,916	(191,686)
Long term liabilities - loans	-	(6,226,187)	-	(6,226,187)
- deferred income	(116,667)	-	-	(116,667)
	-	16,632,266	97,283	16,729,549

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

Cash flow

As can be seen on the cash flow statement on page 21, the cash balance at the year end had increased by £1,017k to £2,105k. This welcome increase is largely derived from emergency funding grants received to support the museum's charitable purposes during the pandemic.

Emergency unrestricted grant income comprised £250k from the National Lottery Heritage Fund; £860k grant from Arts Council England, split in equal halves between 2020 and 2021; £638k from the Job Retention Scheme (furlough).

Visitor numbers are expected to remain much lower than pre-pandemic levels, with the expectation of a slow recovery running through to 2023. This will inevitably result in much lower levels of income generated from visitors. In line with its purpose, the cash surplus will therefore be used to develop and support the museum's programme of activities and its other normal operations over this period.

Related parties

Postal Heritage Trust (PHT) was formed from the Heritage Services department of Royal Mail in 2004, from whom it received fixed assets and staff.

Royal Mail Group (RMG) originally nominated two members on the Trust's board upon foundation, and, like Post Office Ltd., (POL) retains the right to nominate at least one board member.

Both RMG and POL have Funding Agreements to 2040 which provide the charity with £1.43m (2019: £1.41m), but index linked in future years) of unrestricted funds, payable over the year to December 2020, for the general purpose of meeting its charitable objectives. They have also transferred some of their intellectual property rights to the group.

POL and RMG have an Archive Services Agreement with PHT via its trading subsidiary, Postal Heritage Services Ltd, which provided the latter with £1,012k of income over the year to December 2019 (2019: £1,012k), for the purpose of maintaining, and providing public access to the RMG /POL archives. This agreement runs until 2040.

The charity and the Postal Heritage Collection Trust (PHCT) are under joint control of the board of trustees. PHCT is a company limited by guarantee. It is a holding entity into which the Royal Mail Museum Collection was transferred on 29 March 2004.

Principal risks and uncertainties

Principal risks

The primary risk is the ability to resolving satisfactorily the historical loans relating to the capital project made to The Postal Museum by Post Office Ltd and Royal Mail. Trustees received non-binding letters of comfort from both lenders dated 23 December 2020, which run for a period of 12 months subject to meeting the deadlines as set out in the memorandum of understanding (MOU), in which all three parties commit to resolving the loans issue in a satisfactory long-term fashion. Although these letters are due to expire, further letters of comfort have not been forthcoming but that is understood to be for administrative reasons rather than as a reflection of a change of intent by either lender. The trustees are committed to working collaboratively with Post Office Ltd and Royal Mail even though the deadlines as set out in the MOU through no fault of the museum, have not been achieved. It is expected that a satisfactory resolution that is acceptable to all parties will be reached in the near future following the signing off of these accounts.

Trustees consider that the other main risk over this period relates to cash. They are assured by the cash balance at the end of August 2021 and the projected budgets and cash flow as outlined above provided that agreement can be reached on renegotiating the repayment terms of the loan. Currently the loans are classified as due within more than one year as whilst the initial terms and conditions were breached as at the year end date, neither RM nor POL have sought to seek repayment of the loan up to September 2021. Additionally, they are reassured by the tight spending controls that the museum has demonstrated since 2018, including a revised operating model which tightly manages third-party contracts in-house and the levers that the museum can pull to increase at quick notice the capacity of the museum, thus driving admissions income.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

The Postal Museum's operational risk profile can be measured against its dependence in a normal year of operations, on income from the following income streams: 25% from admissions income, 36% from fundraising, 16% from services and 19% from commercial activity. The major risks associated with each are as follows:

Admissions Income – The principle financial risks to admissions income are the reliability of the Mail Rail attraction, including the trains, and the demand for tickets from the public. As the museum is established, the visitor profile is understood and train reliability has improved, these are rated as “low” in the TPM risk register. TPM's reputation is also a key factor in attracting visitors, centred on its ability to meet legal standards, and in particular, health, safety, and security obligations.

Fundraising – Much of the fundraising target has been secured through long term agreements with RM and POL but that still leaves a significant sum to be raised each year from various sources. A shortfall in fundraising income is rated “low” in the TPM risk register following mitigating actions. A membership scheme was introduced in 2019 to help build long term loyalty across a broader donor base.

Commercial Income – This income derives from three components: Retail, Food & Beverage (F&B) and Events. F&B is the smallest component and is considered to be of low risk. Retail performance is dependent on a combination of forecast attendance and spend per head being achieved. The novelty of the TPM sites ensures that our Events operation continues to attract new business in a very challenging market. Based on expected value, the performance of the Events offer is rated “low” in the TPM risk register and competitive pricing seems to be the key to achieving sufficient volume to meet our targets.

Services Income – This mainly derives from our management of the archives and public records of both POL and RM. These services are governed by and funded through a long-term agreement, and so the principal risks relate to failure to deliver services to the defined SLA's and/or loss or damage to the collections; both these eventualities are rated as “low to moderate” risks due to their likelihood of failure following mitigating actions.

Risk management

The Audit & Finance Sub-Committee oversee the risk management process. The TPM Risk Registers are reviewed by the executive team on a periodical basis with a highlight report being provided to the full Board for following each review. The Audit & Finance sub-committee aims to review the full set of registers at least quarterly.

As a condition of our funding, we continue to report on specific key risks to the Heritage Lottery Fund as part of their monitoring process.

The trustees have considered the financial position of the museum in great detail and note the following:

Lookout period

The strategy and direction of the museum has been outlined in the Forward Plan which runs through to 2023. Sitting alongside this is a cash flow projected to the end of 2022. Both assume the return of visitors through the years 2021 and 2022 building to a conservative estimate of 80% of actual 2019 totals by the end of 2022, ensuring a healthy cash balance at the end of that year. Planned content to be shown within the museum alongside digital and virtual delivery, developed alongside an Audience Development Plan, gives the Trustees confidence that audiences will be attracted to interesting and relevant displays, blogs, talks and events.

This strategy has been strongly endorsed by various funding bodies who have generously supported The Postal Museum since opening and especially through the pandemic in 2021 and 2022.

Supporting analysis

The Trustees, through the delegated responsibility of the Finance and Audit Committee, regularly review budgets, reforecasts, and cash flow scenarios along with underlying assumptions and risks. Scenario planning underlies the budgets set with constructive challenge coming through committees and the Board. Trustees receive regular updates from the Executive Team which make clear the actions that can be taken to mitigate against any downturns by reducing expenditure at relatively short notice and by avoiding any unnecessary long term large financial

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

commitments. They are also assured of the entrepreneurial nature of the organisation through reports on income generating activities.

Going concern

As is reported in note 1b on page 23, the trustees have considered the charitable group's forecasts and projections for a period of 12 months from the approval of the financial statements. After making enquiries the trustees have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future, a minimum of which is a period of twelve months and, subject to the non-enforcement of the loan repayment obligations. The charity therefore continues to adopt the going concern basis in preparing its financial statements, but the Trustees consider that the conditions described in respect of the historical loans as mentioned above, constitute a material uncertainty which may cast significant doubt over the charitable company's ability to continue as a going concern.

Trustees are clear that The Postal Museum continues to be a going concern despite the hitherto absence of a permanent agreement with Royal Mail and Post Office Ltd to resolve the historic loans. Both lenders have indicated in a series of meetings and other correspondence that their preferred outcome is for the Postal Museum to continue to exist and neither has given any indication of any intention to call back the loans in accordance with their contractual rights.

Post Balance Sheet Event – Covid-19

To safeguard staff and visitors in response to the coronavirus outbreak, the museum was once again required by law to close to the public from 14 December 2020 until 20 May 2021. This resulted the cessation of admissions and commercial income for the first 4½ months of the year.

The museum has undertaken continuous cash flow scenario modelling to help identify the periods when it would be at greatest financial risk. This has helped inform both the timing and the extent of mitigating actions required to maintain a cash balance at a level which enables the museum eventually to emerge from the crisis and maintain a suitable and sustainable programme.

Covid-19 has put the museum sector at extra risk but many of long-term issues are mitigated for The Postal Museum. The museum commenced 2021 with a healthy cash balance and has assured funding of £2.1 million which meant that reliance on other sources of income was minimised. Its visitor base is heavily skewed to the domestic market which will recover more quickly than in-bound tourism. It is attractive to families who are keen consumers of visitor attractions with pent up demand to be satisfied.

FUTURE PLANS

The events of 2020 have galvanised and clarified the work that we had started in 2018 and continued through 2019, which centred around using our collection to generate stories which we can tell in different ways to different audiences.

Generating Content which appeals to diverse audiences, and which can be delivered in varied ways is fundamental to The Postal Museum's continued relevance. This has become ever more important during 2020 and will be at the heart of our activity over the next few years.

Alongside content, a key guiding principle will be Diversity and Inclusion, at all levels, in the governance, staffing and audiences of TPM, and in all outputs of the organisation.

These two priorities will shape all our activity in 2021 and beyond, as we move through and beyond the impacts of Covid-19. Our ambition is that this time will challenge us to work differently and better; that we will be relevant and interesting to a wide range of audiences; that we will model inclusive partnership working with our local communities and that we will continue to innovate our ways of serving our audiences and in the ways that we work.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

Audience

In 2021, we will initiate a new long-term audience development plan identifying specific groups of people with whom we would like to engage and the proactive steps that we will take to attract and retain their interest. It will build on work done to date but take a fresh look at our core purpose and the goals for audiences that inspires – striving to find a balance between social purpose, financial sustainability, and creative ambitions.

The work will be led by the Executive Team and involve everyone across the organisation. The finalised strategic plan will be based on the findings from talking and listening to current and potential audiences, creating a shared understanding of those groups of people and our aspirations for engaging with them. This will help guide our activities, ensure that they are coherent, and that they align to work towards the same objectives. It will enable us to prioritise activities and allocate resources to those activities.

Brand

Brand is much more than a logo and a visual identity. It is about a set of values and behaviours, underpinned by a core purpose (a mission and a vision) that should inform everything that we do. The brand has already naturally moved on since the original proposition and toolkits were developed, resulting in a degree of fragmentation and lack of a definitive documentation outlining the key brand elements in succinct form to support staff.

In late 2019/early 2020 a brand audit was conducted by a brand consultant. This comprised both stakeholder consultation with selected staff and a review of existing brand documentation, to ascertain understanding of brand and its current practical applications. This work was paused during 2020, due to Covid-19.

In 2021, the recommendations of this audit will inform brand development internally, led by the Marketing and Communications team working with the whole organisation. This work runs hand in hand with Audience Development and the development of the Museum's approach to content.

Content

Much of our content delivery will be guided by seasonal Collection Themes. Each theme is an area The Postal Museum wishes to expand understanding of and develop public engagement with.

In 2021, the theme is 'the influence of the postcard'. The Museum is launching a new season of activities to mark the introduction of the British Postcard, 151 years ago. The centre piece of this will be a new temporary exhibition and public programme around this. It will form the basis of plans to support the reopening of the Museum post the lockdown. Due to the changed ways of operating brought about by the pandemic we shall also explore new ways to engage with audiences, making use of virtual content and embedding virtual delivery into our day to day thinking.

This work will be guided by a Virtual Delivery Group, established in 2020 and central to delivering virtual content through 2020/21.

Sustainability

In 2021, the museum will establish a Sustainability Working Group, to draw together expertise from across the museum and unify projects that are underway to reduce the museum's carbon emissions. The group will engage staff, gather insights, champion change in practices for our staff and visitors and ultimately to deliver a green roadmap for the museum.

Statement of Trustees' Responsibilities

The Trustees (who are also Directors for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable Company and the group and of the movement in funds, including the income and expenditure, of the charitable Company and group for that period.

POSTAL HERITAGE TRUST

TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as we are aware:

- There is no relevant audit information of which the charitable Company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report, which includes both the Directors Report and the Strategic Report for the purposes of company law was approved by the Board on 27 September 2021 and signed on their behalf by:



Richard Wills
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

POSTAL HERITAGE TRUST

Opinion

We have audited the financial statements of Postal Heritage Trust for the year-ended 31 December 2020 which comprise the consolidated statement of financial activities, the consolidated and company balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2020 and of the group's and parent charitable company's net movement in funds, including the 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 requirements of 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 group 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.

Material uncertainty related to going concern

We draw attention to note 1b in the financial statements, which indicates that Postal Heritage Trust has defaulted on its loan repayment obligations and, whilst assurances have previously been obtained from the lenders that they will not enforce debt recovery these assurances are not legally binding and expire in December 2021. As stated in note 1b, the directors expect a satisfactory resolution to negotiations with the lenders but these have not concluded at the date of the approval of the financial statements. These matters indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report (which includes the Strategic Report). 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

POSTAL HERITAGE TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report prepared for the purpose of company law).

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on pages 13-14, the trustees (who are also the 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to registered charities, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and other factors such as income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to areas of estimation uncertainty and to manual accounting journals. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

POSTAL HERITAGE TRUST

-
- Identifying and testing manual journals, in particular unusual any unusual items; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

A further description of our responsibilities for the audit of the financial statements is located 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.



Richard Weaver (Senior Statutory Auditor)
29 September 2021

For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London EC4R 1AG

POSTAL HERITAGE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2020

		Year to Dec 2020 Unrestricted	Year to Dec 2020 Restricted	Year to Dec 2020 Total	Year to Dec 2019 Total
	Notes	£	£	£	£
INCOME					
Donations and legacies					
Donations & Grants - Royal Mail Group Ltd	4	1,434,212	-	1,434,212	1,406,907
Donations & Grants - Other	4	1,384,865	27,000	1,411,865	547,423
Income from Charitable activities					
Admissions and membership		447,777	-	447,777	1,339,317
Outreach and exhibitions		600	-	600	45,036
Income from other trading activities					
Income of trading company - PHSL	6	1,039,384	-	1,039,384	1,045,527
Income of trading company – PHTL	6	281,357	-	281,357	848,318
Other income		43,828	-	43,828	137,126
Investment Income		771	-	771	1,813
TOTAL INCOME		4,632,794	27,000	4,659,794	5,371,468
EXPENDITURE					
Charitable activities:					
Operation of The Postal Museum	5	1,594,797	-	1,594,797	2,165,388
Collections	5	573,787	-	573,787	762,201
Outreach and exhibitions	5	399,914	16,998	416,912	631,530
Costs of raising funds:					
Expenses of charity – PHT	5	659,593	-	659,593	717,402
Expenses of trading company - PHSL	5	1,328,041	-	1,328,041	891,424
Expenses of trading company – PHTL	5	426,910	-	426,910	856,425
TOTAL EXPENDITURE		4,983,042	16,998	5,000,040	6,067,370
Net (expenditure)/income		(350,248)	10,002	(340,246)	(695,903)
Transfer between funds		-	-	-	-
NET MOVEMENT IN FUNDS		(350,248)	10,002	(340,246)	(695,903)
Funds brought forward		16,982,514	87,281	17,069,795	17,765,698
FUNDS CARRIED FORWARD		16,632,266	97,283	16,729,549	17,069,795

There were no recognised gains and losses other than those shown in the above Statement of Financial Activities. All income and expenditure of the period was derived from continuing activities. Note 12 on page 34 shows the 2020 Statement of Financial Activities split between funds.

The notes on pages 23 to 39 form part of these financial statements.

POSTAL HERITAGE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2019

		Year to Dec 2019 Unrestricted	Year to Dec 2019 Restricted	Year to Dec 2019 Total	Year to Dec 2018 Total
	Notes	£	£	£	£
INCOME					
Donations and legacies					
Donations & Grants - Royal Mail Group Ltd	4	1,406,907	-	1,406,907	1,399,960
Donations & Grants - Other	4	441,947	105,476	547,423	490,093
Income from Charitable activities					
Admissions and membership		1,339,317	-	1,339,317	1,523,248
Outreach and exhibitions		45,036	-	45,036	23,967
Income from other trading activities					
Income of trading company - PHSL	6	1,045,527	-	1,045,527	1,038,724
Income of trading company – PHTL	6	848,318	-	848,318	967,348
Other income		137,126	-	137,126	40,729
Investment Income		1,813	-	1,813	950
TOTAL INCOME		5,265,991	105,476	5,371,468	5,485,019
EXPENDITURE					
Charitable activities:					
Operation of The Postal Museum	5	2,165,388	-	2,165,388	2,246,968
Collections	5	762,201	-	762,201	812,836
Outreach and exhibitions	5	520,328	111,202	631,530	839,041
Costs of raising funds:					
Expenses of charity – PHT	5	717,402	-	717,402	1,080,256
Expenses of trading company - PHSL	5	891,424	-	891,424	867,011
Expenses of trading company – PHTL	5	856,425	-	856,425	616,985
TOTAL EXPENDITURE		5,956,168	111,202	6,067,370	6,463,097
Net (expenditure)/income		(690,177)	(5,726)	(695,903)	(978,078)
Transfer between funds		-	-	-	-
NET MOVEMENT IN FUNDS		(690,177)	(5,726)	(695,903)	(978,078)
Funds brought forward		17,672,691	93,007	17,765,698	18,743,776
FUNDS CARRIED FORWARD		16,982,514	87,281	17,069,795	17,765,698

There were no recognised gains and losses other than those shown in the above Statement of Financial Activities. All income and expenditure of the period was derived from continuing activities. Note 12 on page 35 shows the 2019 Statement of Financial Activities split between funds.

The notes on pages 23 to 39 form part of these financial statements.

**CONSOLIDATED BALANCE SHEET
AT 31 DECEMBER 2020**

		Dec 2020		Dec 2019	
	Note	£	£	£	£
FIXED ASSETS					
Tangible fixed assets					
Other fixed assets	7	23,264,089		24,294,688	
Museum Collection	8	<u>81,367</u>		<u>81,367</u>	
			23,345,456		24,376,055
CURRENT ASSETS					
Stock – goods for resale		60,638		63,212	
Debtors and prepayments	10	443,026		620,833	
Cash at bank and in hand		<u>2,105,297</u>		<u>1,088,597</u>	
		2,608,961		1,772,642	
CREDITORS : amounts falling due within one year	11	<u>(2,882,014)</u>		<u>(2,250,529)</u>	
NET CURRENT (LIABILITIES) / ASSETS			<u>(273,053)</u>		<u>(477,887)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			23,072,403		23,898,168
CREDITORS : amounts falling due after more than one year					
Loans	11		(6,226,187)		(6,511,706)
Deferred income	11		<u>(116,667)</u>		<u>(316,667)</u>
NET ASSETS			<u>16,729,549</u>		<u>17,069,795</u>
FUNDS					
Restricted funds:	12		97,283		87,281
Unrestricted funds:					
Designated	12		16,165,566		16,186,692
General	12		-		-
Trading subsidiary reserves	12		<u>466,700</u>		<u>795,822</u>
			<u>16,729,549</u>		<u>17,069,795</u>

The notes on pages 23 to 39 form part of these financial statements.

Approved and authorised for issue by the board of directors on 27 September 2021 and signed on their behalf by:



Richard Wills
Director

CHARITABLE COMPANY BALANCE SHEET
AT 31 December 2020

		Dec 2020	Dec 2019
	Note	£	£
FIXED ASSETS			
Tangible fixed assets			
Other fixed assets	7	23,264,089	24,294,362
Investment in subsidiary companies at cost	9	<u>2</u>	<u>2</u>
		23,264,091	24,294,364
CURRENT ASSETS			
Debtors and prepayments	10	803,133	552,859
Cash at bank and in hand		<u>854,285</u>	<u>178,029</u>
		1,657,418	730,888
CREDITORS: amounts falling due within one year	11	<u>(2,479,538)</u>	<u>(2,120,464)</u>
NET CURRENT LIABILITIES		<u>(822,120)</u>	<u>(1,389,576)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		22,441,971	22,904,788
CREDITORS: amounts falling due after more than one year			
Loans	11	(6,226,187)	(6,511,706)
Deferred income	11	<u>(34,300)</u>	<u>(200,474)</u>
NET ASSETS		<u>16,181,484</u>	<u>16,192,608</u>
FUNDS			
Restricted funds	12	15,916	5,916
Unrestricted funds:			
Designated	12	16,165,568	16,186,692
General	12	<u>-</u>	<u>-</u>
		<u>16,181,484</u>	<u>16,192,608</u>

The notes on pages 23 to 39 form part of these financial statements.

Approved and authorised for issue by the board of directors on 27 September 2021 and signed on their behalf by:



Richard Wills
Director

CONSOLIDATED CASH FLOW STATEMENT
AT 31 December 2020

	Dec 2020	Dec 2019
	£	£
Cash flows from operating activities		
Net (expenditure) for the financial year	(340,246)	(695,904)
Adjustments for		
Depreciation	1,144,232	1,148,946
Interest received	(771)	(1,813)
Loss disposal of fixed assets	-	-
(Profit) on disposal of heritage assets	-	(3,941)
(Increase) / decrease in stock	2,574	(26,574)
(Increase) / decrease in debtors	177,807	(202,604)
(Increase) / decrease in creditors	145,966	135,766
Net cash generated from operating activities	1,129,562	353,876
Cash flows from investing activities		
(Purchase) of tangible fixed assets	(127,633)	(142,872)
(Purchase) of heritage assets	-	(12,875)
Proceeds from sale of heritage assets	-	3,941
Proceeds from sale of fixed assets	14,000	-
Interest received	771	1,813
Net cash from investing activities	(112,862)	(149,993)
Cash flows from financing activities		
Cash inflow from new borrowing	-	-
Net increase / (decrease) in cash and cash equivalents	1,016,700	203,884
Cash and cash equivalents at beginning of the year	1,088,597	884,714
Cash and cash equivalents at the end of the year	2,105,297	1,088,597

Movement in net debt

	£	£	£	£
	At 1 January 2020	Cash flows	Non-cash changes	At 31 December 2020
Cash at bank and in hand	1,088,597	1,016,700	-	2,105,297
Loans due within one year	(538,294)	-	(285,519)	(823,813)
Loans due after one year	(6,511,706)	-	285,519	(6,226,187)
	(5,961,403)	1,016,700	-	(4,944,703)
Total	(4,872,806)	1,016,700	-	(4,944,703)

The notes on pages 23 to 39 form part of these financial statements.

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

a) Accounting basis

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company and its subsidiaries are a public benefit group for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011, and Regulations made thereunder.

In the view of the trustees in applying the accounting policies adopted, no judgements were required, other than the determination of the appropriateness of the going concern basis as set out below, that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

b) Going concern

FRS102 requires the trustees to adopt a going concern basis in preparing the financial statements unless they intend to liquidate the charitable company or have no realistic alternative to do so.

As has been the case since 2018, Postal Heritage Trust, the parent charitable company, and Postal Heritage Services Ltd have defaulted on their loan repayment obligations to Royal Mail Group Ltd and Post Office Ltd. However, the lenders have not exercised their right under the default provisions of the loan agreement, to require immediate repayment of the loan. Trustees received non-binding letters of comfort from both lenders dated 23 December 2020, which run for a period of 12 months subject to meeting the deadlines as set out in the memorandum of understanding (MOU), in which all three parties commit to resolving the historic loans in a satisfactory long-term fashion. Although these letters are due to expire, further letters of comfort have not been forthcoming but that is understood to be for administrative reasons rather than a reflection of a change of intent by either lender. The trustees are committed to working collaboratively with Post Office Ltd and Royal Mail even though the deadlines as set out in the MOU through no fault of the museum, have not been achieved. It is expected that a satisfactory resolution that is acceptable to all parties will be reached in the near future following the signing off of these accounts, and on that basis the trustees continue to consider it appropriate in order for the accounts to show a true and fair view to disclose an element of the loans as repayable after one year.

The non-enforcement of the loan repayment obligations constitutes a material uncertainty that may cast significant doubt as to the charity's ability to continue as a going concern. Nonetheless, the trustees have concluded that going concern is appropriate for the reasons set out below.

In particular the trustees have considered the charitable group's forecasts and projections for a period of 15 months from the approval of these financial statements to 31 December 2022. After making enquiries the trustees have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future, a minimum of which is a period of twelve months and, subject to the non-enforcement of the loan repayment obligations and agreement to revised terms and conditions as set out by the MOU within the timeframes noted above.

Trustees are clear that The Postal Museum continues to be a going concern despite the hitherto absence of a permanent agreement with Royal Mail and Post Office Ltd to resolve the historic loans. Both lenders have indicated in a series of meetings and other correspondence that their preferred outcome is for the Postal Museum to continue to exist and neither has given any indication of any intention to call back the loans in accordance with their contractual rights.

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

c) Consolidation basis

The consolidated financial statements of Postal Heritage Trust (PHT) include the results, assets and liabilities of the charitable company and its wholly-owned trading subsidiary companies, Postal Heritage Services Limited

and Postal Heritage Trading Limited on a line by line basis. In addition, the consolidated financial statements include Postal Heritage Collection Trust (PHCT), a charitable company under common control, on a similar basis. In prior years, the consolidated financial statements were prepared by PHCT. The charity has taken

advantage of the exemption afforded by section 408 of the Companies Act 2006 and has not prepared a separate Statement of Financial Activities.

d) Restricted funds

Restricted funds are to be used for specified purposes, as laid down by the grant-making body or donor.

e) Designated funds

Designated funds have been set aside at the Trustees' discretion for a specific purpose.

f) Unrestricted funds

Unrestricted funds include donations, consultancy income and other incoming resources received or generated for unspecified charitable purposes.

g) Donations and gifts

Income received by way of donations and gifts is included in the Statement of Financial Activities when received or there is a high probability of receipt.

No value is placed on donated services and facilities in the financial statements on the basis of immateriality.

h) Revenue grants

Revenue grants are credited to incoming resources in the year for which they are receivable. Revenue grants are deferred where the income represents amounts received for future years and are released to incoming resources in the year for which they have been received.

i) Expenditure

All expenditure is accounted for on the accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Such support costs, including governance costs, are allocated between cost of generating funds and resources expended on charitable activities on basis of time spent.

Salaries are allocated to the Postal Heritage Trust and its trading subsidiaries, Postal Heritage Services Limited and Postal Heritage Trading Limited, on the basis of time spent on each activity.

Governance costs, which are allocated consistently with other costs, are those costs relating to the general running of the charity by its trustees and include audit fees and trustee expenses.

i) Operating leases

The costs of operating leases are charged to the Statement of Financial Activities in the year to which they relate.

k) Heritage assets

The charity holds a collection of assets which reflect the history of the postal system. The museum collection is comprised of items which would fall under the definition of heritage assets in FRS 102 where such a

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

heritage asset is defined as an asset “with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture”.

The majority of assets in the collection are not valued on the balance sheet on the basis that appropriate valuations do not exist and could not be obtained at proportionate cost.

A small number of heritage assets were acquired by purchase in relatively recent past and, in the case of these assets, the cost of purchase is known. The aggregate cost of these assets is shown on the balance sheet. No depreciation is charged.

l) Depreciation and amortisation

The costs of fixed assets with a purchase price of £1,000 or more are capitalised and written off on a straight-line basis over their useful lives, as follows:

Office equipment, fixtures, and fittings	5 years
Long leasehold property	40 years and 25 years (period of lease)

m) Pension scheme

The charity makes employer's contributions into the Royal Mail Group POS and POPS defined benefit final salary schemes on the behalf of seven employees transferred into its employment from Royal Mail Group. The costs are charged to the Statement of Financial Activities when they fall due. The schemes are multi-employer schemes.

2. STAFF NUMBERS AND COSTS

	Year to Dec 2020	Year to Dec 2019
	Number	Number
(a) The average number of employees during the year were as follows:	92	95

- (b) One employee (2019: 0) received remuneration in the band £60,000 - £70,000.
No employee (2019: one) received remuneration in the band £70,000 - £80,000.
One employee (2019: 0) received remuneration in the band £100,000 - £110,000.
No employee (2018: 1) received remuneration the band £120,000 - £130,000.
For the purpose of the above disclosure, remuneration refers to salary and taxable benefits in kind only.
The employers' pension contributions for the same employees were £10,543.

	Year to Dec 2020	Year to Dec 2019
	£	£
Wages and salaries	2,147,278	2,183,999
Social security costs	181,365	199,538
Pension costs	137,117	148,918
Termination payments	-	3,000
	2,465,760	2,535,455

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

During the year reimbursable expenses of £62 (2019: £1,121) were paid to 1 (2019: 3) trustee for travelling expenses and subsistence.

The charity made payments of £1,466 (2019: £1,337) in the year for trustees' indemnity insurance.

Laura Wright was employed as CEO and Trustee of the charity. The legal authority for payments to her was a Charity Commission Order. During the year she received remuneration of £105,859 in respect of her employment. In addition, the charity made contractual pension contributions of £6,352 in respect of her employment.

The total employee benefits of the charity's Key Management Personnel were £425,471 (2019: £459,406).

3. NET MOVEMENT IN FUNDS FOR THE YEAR

	Year to Dec 2020	Year to Dec 2019
	£	£
This is stated after charging:		
Auditors' remuneration – audit of parent company	12,530	22,300
– subsidiary company audits	12,950	8,250
– other services	7,806	8,150
Operating leases – land and buildings	180,964	225,059
Depreciation of fixed assets	1,144,232	1,148,946

4. DONATIONS AND LEGACIES

	Year to Dec 2020 Unrestricted £	Year to Dec 2020 Restricted £	Year to Dec 2020 Total £	Year to Dec 2019 Unrestricted £	Year to Dec 2019 Restricted £	Year to Dec 2019 Total £
Donations & Grants - Royal Mail Group Ltd and Post Office Ltd	1,434,212	-	1,434,212	1,406,907	-	1,406,907
Donations & Grants - Other	67,250	-	67,250	441,947	105,476	547,423
Arts Council England Grant	430,000	-	430,000	-	-	-
National Heritage Lottery Fund Grant	250,000	-	250,000	-	-	-
Arts Fund Grant	-	27,000	27,000	-	-	-
Coronavirus Job Retention Scheme	637,615	-	637,615	-	-	-
	2,819,077	27,000	2,846,077	1,848,854	105,476	1,954,330

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

5. ANALYSIS OF EXPENDITURE

	PHT	PHSL	PHTL	Collections	Outreach	Operations	Year to Dec 2020 Total
	£	£	£	£	£	£	£
DIRECT COSTS							
Staff Costs	315,589	285,720	132,258	267,797	90,168	680,324	1,771,856
Other staff related items & consultancy	3,233	970	1,585	5,384	5,749	16,089	33,010
Property costs	64,630	3,997	-	107,696	115,006	321,809	613,138
Direct activity costs	22,403	116	68,027	36,749	39,330	109,725	276,350
Depreciation	116,221	326	-	203,272	217,113	607,300	1,144,232
	522,076	291,129	201,870	620,898	467,366	1,735,247	3,838,586
SUPPORT COSTS							
Governance Support Costs							
Staff Costs	5,733	-	-	9,123	9,737	27,450	52,043
Other staff consulting	250	-	-	407	436	1,217	2,310
Auditors remuneration	1,601	9,150	10,100	2,460	2,626	7,349	33,286
Trustee Expenses	7	-	-	11	12	32	62
Other Support Costs							
Staff Costs	50,333	149,292	49,764	82,563	88,364	246,520	666,836
Other staff related items & consultancy	1,614	-	-	2,648	2,833	7,905	15,000
Insurance	9,700	-	-	15,912	17,030	47,510	90,152
Post, stationery, telephone	857	-	978	1,405	1,503	4,194	8,937
Office equipment	256	-	-	420	449	1,253	2,378
IT costs	8,674	4,658	3,859	14,227	15,227	42,481	89,126
Legal & Professional	1,797	-	-	2,948	3,156	8,804	16,705
Other	1,651	690	2,632	2,706	2,897	8,082	18,658
Loan interest	165,961	-	-	-	-	-	165,961
Gift Aid to charity	(86,080)	700,000	100,000	(141,200)	(151,120)	(421,600)	-
Support cost recharge	(24,837)	173,122	57,707	(40,741)	(43,604)	(121,647)	-
	137,517	1,036,912	225,040	(47,111)	(50,454)	(140,450)	1,161,454
Total expenditure 2020	659,593	1,328,041	426,910	573,787	416,912	1,594,797	5,000,040
Total expenditure 2019	717,402	891,424	856,425	762,201	631,530	2,165,388	6,067,370

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

ANALYSIS OF EXPENDITURE (2019 comparative note)

	PHT	PHSL	PHTL	Collections	Outreach	Operations	Year to Dec 2019 Total
	£	£	£	£	£	£	£
DIRECT COSTS							
Staff Costs	294,504	307,525	177,950	249,897	84,150	634,766	1,748,792
Other staff related items & consultancy	-	-	772	-	-	-	772
Property costs	105,306	4,312	193	175,526	187,460	524,505	997,302
Direct activity costs	66,165	11,030	187,680	108,520	116,151	324,077	813,623
Depreciation	118,091	4,658	-	202,951	216,751	606,495	1,146,946
	539,066	327,525	366,595	736,894	604,512	2,089,843	4,707,435
SUPPORT COSTS							
Governance Support Costs							
Staff Costs	6,618	-	-	10,177	10,862	30,397	58,054
Other staff consulting	111	-	-	181	194	541	1,027
Auditors remuneration	2,399	4,050	4,200	3,935	4,202	11,764	30,550
Trustee Expenses	121	-	-	198	211	591	1,121
Other Support Costs							
Staff Costs	66,936	165,806	55,269	109,785	117,505	327,857	843,158
Other staff related items & consultancy	540	-	-	885	947	2,641	5,013
Insurance	9,557	-	-	15,675	16,777	46,809	88,818
Post, stationery, telephone	1,530	96	701	2,509	2,680	7,500	15,016
Office equipment	1,438	-	-	2,358	2,524	7,046	13,366
IT costs	5,030	3,181	938	8,265	8,825	24,625	50,864
Legal & Professional	3,190	1,525	1,573	5,232	5,600	15,624	32,744
Other	5,477	1,709	5,091	8,984	9,615	26,828	57,704
Loan interest	162,500	-	-	-	-	-	162,500
Gift Aid to charity	(56,254)	172,448	350,363	(92,266)	(98,754)	(275,537)	-
Support cost recharge	(30,857)	215,084	71,695	(50,611)	(54,170)	(151,141)	-
	178,336	563,899	489,830	25,307	27,018	75,545	1,359,935
Total expenditure 2019	717,402	891,424	856,425	762,201	631,530	2,165,388	6,067,370
Total expenditure 2018	1,080,256	867,011	616,985	812,836	839,041	2,246,968	6,463,097

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

6. RESULTS FROM TRADING SUBSIDIARIES

Postal Heritage Services Limited is a wholly owned trading subsidiary of Postal Heritage Trust incorporated in England and Wales.

	Year to Dec 2020	Year to Dec 2019
	£	£
Income and Expenditure:		
Turnover	1,039,384	1,045,527
Coronavirus Job Retention Scheme	73,691	-
Cost of sales	(628,041)	(718,977)
Gross profit	485,035	326,550
Interest Received	518	934
Profit for the year	485,553	327,484
Retained profit at 1 January	518,403	363,367
Retained profit for the financial year	485,553	327,484
Donation to parent charity in respect of 2018 profit	-	(172,448)
Donation to parent charity in respect of 2019 profit	(700,000)	-
Retained profit at 31 December	303,956	518,403
Balance Sheet:		
Fixed Assets	-	326
Debtors	45,088	120,764
Cash	1,068,326	676,356
Creditors	(809,458)	(279,042)
Net Assets	303,956	518,404
Funds		
Share Capital	1	1
Reserves	303,955	518,403
Net Assets	303,956	518,404

Postal Heritage Services Limited has produced audited accounts for the year to 31 December 2020.

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

6. RESULTS FROM TRADING SUBSIDIARIES (continued)

Postal Heritage Trading Limited (formerly Mail Rail Trading Limited) is a wholly owned trading subsidiary of Postal Heritage Trust incorporated in England and Wales.

	Year to Dec 2020	Year to Dec 2019
	£	£
Income and Expenditure:		
Turnover	281,357	848,318
Coronavirus Job Retention Scheme	30,879	-
Cost of sales	(326,910)	(506,063)
Gross (loss) / profit and profit for the year before tax	(14,674)	342,255
Interest Received	-	-
Retained profit / (loss) at 1 January	277,417	285,525
(Loss) / profit for the financial year	(14,674)	342,255
Donation to parent charity in respect of 2018 profit	-	(350,363)
Donation to parent charity in respect of 2019 profit	(100,000)	-
Retained profit at 31 December	162,743	277,417
Balance Sheet:		
Stock	60,638	63,212
Debtors	201,322	372,211
Cash	182,686	234,211
Creditors	(199,535)	(163,849)
Net Current Assets	245,111	505,785
Creditors fallings due after more than one year	(82,367)	(228,367)
Net Assets	162,744	277,418
Funds		
Share Capital	1	1
Reserves	162,743	277,417
Net Assets	162,744	277,418

Postal Heritage Trading Limited has produced audited accounts for the year to 31 December 2020.

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

7. FIXED ASSETS

Group	Long term Lease	Fixtures, fittings and equipment	Plant & Equipment	Intangible Assets	Total
	£	£	£	£	£
Cost					
At 31 December 2019	21,703,793	2,748,999	2,543,330	210,902	27,207,024
Additions during the year	81,336	1,102	41,405	3,759	127,633
Disposals	(14,000)	-	-	-	(14,000)
At 31 December 2020	21,771,159	2,750,102	2,584,735	214,661	27,320,657
Depreciation					
At 31 December 2019	1,318,243	795,625	702,070	95,645	2,912,336
Charged during the year	544,398	285,004	288,098	40,731	1,158,232
Disposals	(14,000)	-	-	-	(14,000)
At 31 December 2020	1,848,641	1,081,382	990,169	136,376	4,056,568
Net Book Value					
At 31 December 2020	19,992,518	1,668,719	1,594,566	78,285	23,264,089
At 31 December 2019	20,385,550	1,952,621	1,841,260	115,257	24,294,688

Charitable Company	Long term Lease	Fixtures, fittings and equipment	Plant & Equipment	Intangible Assets	Total
	£	£	£	£	£
Cost					
At 31 December 2019	21,703,793	2,685,579	2,543,330	210,902	27,143,604
Additions during the year	81,336	1,102	41,405	3,759	127,633
Disposals	(14,000)	-	-	-	(14,000)
At 31 December 2020	21,771,159	2,686,682	2,584,735	214,661	27,257,237
Depreciation					
At 31 December 2019	1,318,243	733,284	702,070	95,645	2,849,242
Charged during the year	544,398	284,679	288,098	40,731	1,157,906
Disposals	(14,000)	-	-	-	(14,000)
At 31 December 2020	1,848,641	1,017,963	990,169	136,376	3,993,148
Net Book Value					
At 31 December 2020	19,992,518	1,668,719	1,594,566	78,285	23,264,089
At 31 December 2019	20,385,550	1,952,295	1,841,260	115,257	24,294,362

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

8. MUSEUM COLLECTION / HERITAGE ASSETS

The collection was transferred by Royal Mail at the time the charity was established. No value has been attributed to this collection as stated in the accounting policies note. Subsequent additions to the collection have been valued at cost. There were no additions to the collection during the year (2019: £12,875). No formal valuation has been made of the collection.

Nature and scale of the assets

The museum's collection, which comprises over 60,000 objects and thousands of documents, is classified under the following categories:

- Postal history
- Duplicate registration sheets of stamps
- Letter boxes
- Paintings, prints and engravings
- Vehicles
- Uniform
- Postal Tools and Equipment (including machines and furniture)
- Ephemera collection
- Photographs and film
- Oral history

All aspects of acquisition and disposal are outlined in the Acquisition and Disposal Policy 2010 which has the approval of the Board of Trustees.

Policy for the acquisition, preservation, management and disposal of heritage assets

The heritage assets of The Postal Heritage Collections Trust are the objects that form the museum collection. The majority of the museum collection was gifted to the Trust in 2004 by Royal Mail Group. Further acquisitions have since been made, by purchase through private sale and auction; and by donation, from Royal Mail and members of the public. The collection is managed to the Accreditation Standard, a national standard managed by the Arts Council England, the government body responsible for Museums and Libraries. Preservation of the museum collection in perpetuity is fundamental to the work of museums and this is undertaken through good collection knowledge, safe packing and housing and good house-keeping. Proactive conservation is undertaken where appropriate; usually related to a project. Disposal from the museum collections is undertaken in line with professional standards, including the Accreditation standard and all disposals are in line with the Museums Association's Code of Ethics for Museums. Disposals from the museum collection are never financially motivated.

Assets reported on the balance sheet

Heritage assets reported on the balance sheet are all reported at cost.

	Additions	Cost of Disposals
Year to 31 December 2020	Nil	Nil
Year to 31 December 2019	£12,875	Nil
Year to 31 December 2018	£25	Nil
Year to 31 December 2017	£8,850	Nil
Year to 31 December 2016	£687	Nil
Year to 31 December 2014	£771	Nil
Year to 31 December 2013	£1,398	Nil
7 months to 31 December 2012	£1,163	Nil

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

Transactions relating to heritage assets

From time to time, the trustees approve the transfer of certain duplicate philatelic material for the purposes of sale in support of the capital project to deliver a new Postal Museum / Mail Rail centre. No material from the museum's unique collections has ever been transferred, only duplicate material has been affected. The proceeds from the sale of this material to the Postal Heritage Trust was nil (2019: £4,810). The sales took place in a way that valued the material solely for the transaction and no realistic extension of the valuation to any other material is possible.

9. INVESTMENTS

	Year to Dec 2020	Year to Dec 2019
	£	£
Investments in subsidiary undertakings at cost	2	2

The investments in subsidiary undertakings represent:

(i) The £1 issued share capital in Postal Heritage Services Limited, a company registered in England and Wales.

(ii) The £1 issued share capital of Postal Heritage Trading Limited, a company registered in England and Wales.

The results of both companies are shown in note 6 together with balance sheet information.

10. DEBTORS

	Year to Dec 2020		Year to Dec 2019	
	Group	Charity	Group	Charity
	£	£	£	£
Trade debtors	50,390	49,008	75,503	16,122
Due from Postal Heritage Services Limited	-	415,068	-	-
Prepayments and accrued income	242,608	241,185	406,064	397,471
VAT	142,931	90,775	-	-
Other debtors	7,097	7,097	139,266	139,266
	443,026	803,133	620,833	552,859

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

11. CREDITORS

Amounts falling due within one year

	Year to Dec 2020		Year to Dec 2019	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	279,294	272,083	223,500	207,865
Accruals	737,244	713,348	623,287	615,078
Deferred income	448,375	58,800	496,949	-
VAT	130,040	-	44,245	31,142
Loan interest	388,564	388,564	222,603	222,603
Loans	823,813	823,813	538,294	538,294
Due to Postal Heritage Trading Limited	-	148,246	-	293,888
Due to Postal Heritage Services Limited	-	-	-	110,204
Other creditors	74,684	74,684	101,651	101,390
	2,882,014	2,479,538	2,250,529	2,120,464

Amounts falling due after more than one year

	Year to Dec 2020		Year to Dec 2019	
	Group	Charity	Group	Charity
	£	£	£	£
Deferred income	116,667	34,300	316,667	200,474
Loans	6,226,187	6,226,187	6,511,706	6,511,706
The above loans are repayable:				
In less than one year	823,813	823,813	538,294	538,294
Between one and two years	281,819	281,819	252,961	252,961
Between two and five years	888,713	888,713	787,431	787,431
After more than five years	5,055,655	5,055,655	5,471,314	5,471,314
	7,050,000	7,050,000	7,050,000	7,050,000

With the exception of an interest free amount of £550,000, interest on the loans is payable at an annual rate of 2.5%. Interest did not start to accrue until the first anniversary of practical completion of the Postal Museum project. Practical completion occurred on 17 August 2017. The loans are secured over four bank accounts, at the balance sheet date. The Trust's trading subsidiary, Postal Heritage Services Ltd, has also provided a guarantee in respect of the loans.

The Trust and Postal Heritage Services Ltd have defaulted on their loan repayment obligations to Royal Mail Group Ltd and Post Office Ltd. However, the lenders have not exercised their right under the default provisions of the loan agreement, to require immediate repayment of the loan. The lenders have provided letters of comfort stating that there is no intention to enforce debt recovery within the next 12 months of the date of signing the 2019 accounts, subject to reaching agreement as set out in a MOU dated and as further disclosed in note 1b of the accounting policies on page 23. Even though the deadlines as set out in the MOU through no fault of the museum, have not been achieved, it is expected that a satisfactory resolution that is acceptable to all parties will be reached in the near future following the signing off of these accounts and on that basis the trustees continue to consider it appropriate in order for the accounts to show a true and fair view to disclose an element of the loans as repayable after one year.

Trustees are clear that The Postal Museum continues to be a going concern despite the hitherto absence of a permanent agreement with Royal Mail and Post Office Ltd to settle the historic loans. Both lenders have indicated in a series of meetings and other correspondence that their preferred outcome is for the Postal

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

Museum to continue to exist and neither has given any indication of any intention to call back the loans in accordance with their contractual rights.

12. FUNDS 2020	Brought forward	Income	Expenditure	Transfers	Carried forward
	£	£	£	£	£
RESTRICTED					
Postal Heritage Collection Trust	81,367	-	-	-	81,367
Digitised memorial books	5,914	-	-	-	5,914
Arts Fund Reimagine Project	-	27,000	(16,998)	-	10,002
	87,281	27,000	(16,998)	-	97,283
UNRESTRICTED - DESIGNATED					
Collection fund	876	-	-	-	876
Tangible fixed assets	16,185,816	-	-	(21,126)	16,164,690
	16,186,692	-	-	(21,126)	16,165,566
UNRESTRICTED - GENERAL					
Postal Heritage Trust	-	3,636,851	(4,457,977)	821,126	-
Postal Heritage Services Limited	518,404	1,113,593	(628,041)	(700,000)	303,956
Postal Heritage Trading Limited	277,418	312,236	(326,910)	(100,000)	162,744
	795,822	5,062,680	(5,412,928)	21,126	466,700
	17,069,795	5,089,680	(5,429,926)	-	16,729,549

RESTRICTED FUNDS

Exhibition & Education – funds donated for the development and delivery of schools’ workshops and learning resources.

Postal Heritage Collection Trust holds the value of the collection owned by the museum. The value in the Balance Sheet represents the items of known value.

The balance against digitised memorial books represents the value of the unspent grant received for this activity.

The Arts Fund Reimagine Project represents the funds received to support the museum’s reinterpretation of its exhibitions in a post-Covid world.

DESIGNATED FUNDS

Collection Fund – Income from the disposal of collection assets held against future collection purchases or collection preservation expenditure.

Tangible fixed assets – funds tied up in the fixed asset and related loans of the parent charitable company.

UNRESTRICTED FUNDS

General fund – funds available to the charity for unrestricted use, which include grant income in respect of the period to 31 December 2020.

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

COMPANY

The funds of charitable company only are as above, excluding the general funds related to Postal Heritage Services Limited and Postal Heritage Trading Limited, and the restricted fund related to Postal Heritage Collection Trust.

FUNDS 2019	Brought forward	Income	Expenditure	Transfers	Carried forward
	£	£	£	£	£
RESTRICTED					
Postal Heritage Collection Trust	68,492	-	-	12,875	81,367
Jolly Postman Education Officer	19,515	-	(19,515)	-	-
Mail coach wheels	5,000	7,875	-	(12,875)	-
Mail Rail for All prototyping	-	30,301	(30,301)	-	-
Autism project	-	17,300	(17,300)	-	-
Digitised memorial books	-	50,000	(44,086)	-	5,914
	93,007	105,476	(111,202)	-	87,281
UNRESTRICTED - DESIGNATED					
Collection fund	876	-	-	-	876
Tangible fixed assets	17,980,675	-	-	(1,794,859)	16,185,816
	17,981,551	-	-	(1,794,859)	16,186,692
UNRESTRICTED - GENERAL					
Postal Heritage Trust	(957,754)	3,371,211	(5,238,982)	2,825,525	-
Postal Heritage Services Limited	363,368	1,046,461	(338,086)	(553,339)	518,404
Postal Heritage Trading Limited	285,526	848,318	(379,099)	(477,327)	277,418
	(308,860)	5,265,990	(5,956,167)	1,794,859	795,822
	17,765,698	5,371,466	(6,067,369)	-	17,069,795

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS 2020

	General	Designated	Restricted	Total
	£	£	£	£
Fixed Assets	325,145	22,857,577	81,367	23,264,089
Net Current Assets/(Liabilities)	(208,478)	876	15,916	(191,686)
Long term liabilities - loans	-	(6,226,187)	-	(6,226,187)
- deferred income	(116,667)	-	-	(116,667)
	-	16,632,266	97,283	16,729,549

ANALYSIS OF NET ASSETS BETWEEN FUNDS 2019

	General	Designated	Restricted	Total
	£	£	£	£
Fixed Assets	719,977	23,493,344	81,367	24,294,688
Net Current Assets/(Liabilities)	(403,310)	876	5,914	(396,520)
Long term liabilities - loans	-	(6,511,706)	-	(6,511,706)
- deferred income	(316,667)	-	-	(316,667)
	-	16,982,514	87,281	17,069,795

14. FINANCIAL COMMITMENTS

At 31 December 2020 the group had the following commitments under non-cancellable operating leases.

	Dec 2020	Dec 2019
	£	£
Due in less than 1 year	180,672	165,301
Due 2-5 Years	-	-

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

15. RELATED PARTY TRANSACTIONS

Postal Heritage Trust (PHT) has taken advantage of the exemptions within FRS102 from disclosing related party transactions with Postal Heritage Collection Trust (PHCT), Postal Heritage Services Limited (PHSL) and Postal Heritage Trading Limited (PHTL). The charities SORP requires disclosure of the results and balance sheet positions of the subsidiaries. This information is provided in note 6 in respect of PHSL and PHTL. PHCT has minimal activity. In 2020 it received no grants of heritage assets (2019: £12,875) and at the balance sheet date held heritage assets at a cost of £81,367 (2019: £81,367).

Royal Mail Group (RMG) and Post Office Ltd (POL) have a funding agreement to 2040 to provide PHT with £1,434,212 (2019: £1,406,907) of unrestricted funds, payable over the year to December 2020, for the general purpose of meeting its charitable objectives. RMG has also transferred some of its intellectual rights to PHT.

RMG and POL have an Archive Services Agreement with PHT and its trading subsidiary, PHSL, which provides the latter with £1,011,544 (2019: £1,012,400) of unrestricted funds over the year to December 2020, for the purposes of maintaining the Royal Mail archives.

RMG and Post Office Limited (POL) have both signed legal agreements with PHT and PHSL related to the museum and to future funding, which will provide income to PHT in the form of unrestricted funds, index linked, until 2040.

The disclosures around related parties should be read in conjunction with Note 1 (b) Going concern which states that the Trust and Postal Heritage Services Ltd have defaulted on their loan repayment obligations to Royal Mail Group Ltd and Post Office Ltd. In the event of such a default, the Loan Agreements provide Royal Mail Group Ltd and Post Office Ltd with rights to demand immediate repayment. However, whilst reserving their rights, both Royal Mail Group Ltd and the Post Office Ltd have confirmed to the Trust that they are not presently intending to exercise those rights in the next 12 months, subject to the Trust meeting the deadlines even though the deadlines as set out in the MOU through no fault of the museum, have not been achieved. It is expected that a satisfactory resolution that is acceptable to all parties will be reached in the near future following the signing off of these accounts.

Trustees are clear that The Postal Museum continues to be a going concern despite the hitherto absence of a permanent agreement with Royal Mail and Post Office Ltd to settle the historic loans. Both lenders have indicated in a series of meetings and other correspondence that their preferred outcome is for the Postal Museum to continue to exist and neither has given any indication of any intention to call back the loans in accordance with their contractual rights.

PENSIONS

16.

For the purposes of FRS102 the group cannot identify its share of the underlying assets and liabilities of the defined benefit schemes in which it participates in respect of seven employees. PHT makes pension contributions based on the advice of a qualified independent actuary whose calculations are based upon total scheme membership. A fundamental change in the defined benefit schemes occurred as a result of the passage of the Postal Services Act 2011, with the transfer of all the historic liabilities of the Royal Mail Pension Plan (RMPP) to the new government-backed Royal Mail Statutory Pension Scheme (RMSPS) as at 31 March 2012. Those already receiving a pension, and those who had left service but contributed to the pension prior to 31 March 2012, will receive it from the RMSPS; those who continue to contribute after 31 March 2012 will, upon retirement, receive pensions from both schemes. The public accounts of both RMG and POL schemes indicate that currently these pension schemes are both in surplus. PHT is not exposed to variations in the rate of contributions as the excess of the rate payable over that in respect of employees not in the Royal Mail schemes is reimbursed by the Royal Mail.

PHT makes pension payments of at least 6% as an employer contribution for the remainder of its eligible employees.

POSTAL HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

17 LIABILITY OF MEMBERS

The Postal Heritage Collection Trust is a company limited by guarantee. The liability of each member in the event of a winding up amounts to £1.

18. CAPITAL COMMITMENTS

At 31 December 2020 the group had no capital commitments.

19. POST BALANCE SHEET EVENTS

To safeguard staff and visitors in response to the coronavirus outbreak, the museum was once again required by law to close to the public from 14 December 2020 until 20 May 2021. This resulted the cessation of admissions and commercial income for the first 4½ months of the year.

The museum has undertaken continuous cash flow scenario modelling to help identify the periods when it would be at greatest financial risk. This has helped inform both the timing and the extent of mitigating actions required to maintain a cash balance at a level which enables the museum eventually to emerge from the crisis and maintain a suitable and sustainable programme.