

/

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 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
£	£
2	2

Investments in subsidiary undertakings at cost

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).