

PK PORTHCURNO

England & Wales · Charity number 1189090

Details

Other names THE PK TRUST

Status Registered

Legal form CIO

Registered 2020-04-16

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

Contact

Address PK Porthcurno
Eastern House
Porthcurno
Penzance
TR19 6JX

Phone 01736810966

Email info@pkporthcurno.com

Website www.pkporthcurno.com

Activities

Objects: TO ADVANCE THE EDUCATION OF THE PUBLIC PARTICULARLY IN THE SCIENCES AND THE HISTORY OF SCIENCE AND INNOVATION AND THE HISTORY OF PORTHCURNO INCLUDING WITHOUT PREJUDICE TO THE GENERALITY BY PRESERVING, RESTORING, RESEARCHING, MAINTAINING AND DOCUMENTING FOR DISPLAY TO THE GENERAL PUBLIC THE TUNNELS, THE COLLECTION AND TELECOMMUNICATIONS EQUIPMENT AND ARTEFACTS, BUILDINGS AND DOCUMENTS AND TO UNDERTAKE ANY CHARITABLE ACTIVITY FOR THE BENEFIT OF THE PUBLIC AND IN PARTICULAR THOSE MEMBERS OF THE PUBLIC LIVING OR WORKING IN THE VICINITY OF THE CHARITY'S PROJECTS.

Activities: PK Porthcurno preserves the important historic buildings and collections relating to the telegraph station at Porthcurno. It educates the general public about the history of the telegraph station and provides internationally significant archive and research resources for study of the history of international telecommunications.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Arts/culture/heritage/science
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** LOCAL
- Cornwall

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£969,212	£1,139,427	£5,116,262	27
2024-03-31	£731,009	£998,941	£4,868,255	34
2023-03-31	£649,102	£885,966	£5,103,200	33
2022-03-31	£1,470,053	£920,205	£5,355,161	31
2021-03-31	£375,524	£378,044	-	-

Trustees

Name	Role	Appointed
Andrew James MacLeod		2020-10-28
DAVID GEORGE FOOT		2021-04-28
Deborah Tritton		2020-10-01
Dr Cassandra Rose Newland		2023-05-03
Dr Shini Somarathne		2023-05-11
Gordon Robert Johnston		2024-01-24
JULIE SEYLER		2024-04-24
Professor Polina Bayvel		2021-01-27
Richard Charles Perry		2020-10-01

PK PORTHCURNO

England & Wales - Charity number 1189090

Accounts



PK PORTHCURNO

Trustees' Report and Consolidated Financial Statements

Year ended 31 March 2025

Registered charity number 1189090

Contents

Vision, Mission & Values	3
Legal & Administrative Information	4
Trustees' Report	6
Objectives & activities.....	6
Achievements & Performance	7
Financial review.....	9
Financial Policies	10
The Future	11
Structure, Governance and Management	12
Statement of Trustees' Responsibilities	13
Independent Auditor's Report to the Trustees of PK Porthcurno	14
Charity Statement of Financial Activities	17
Consolidated Statement of Financial Activities	18
Charity Balance Sheet	19
Consolidated Balance Sheet.....	20
Consolidated Statement of Cash Flows.....	21
Notes	22

Vision, Mission & Values

OUR VISION:

A world where people are inspired by the past, understand the science and technology that connects them, and use that knowledge to imagine and shape a better future.

OUR MISSION:

We enable people to explore the connected world, understand the history, science and technology of global communications, and consider what this means in their own lives.

OUR VALUES:

Inspiring: we love what we do and hope to inspire others by sharing our enthusiasm and inviting their participation.

Progressive: we are forward thinking, adventurous and not afraid to try new things.

Relevant: we engage people with our collections and stories and how these relate to their own lives.

Sustainable: we work towards a sustainable world and aim to do no harm.

Open: we create an inclusive and open environment which welcomes respectful discourse.

Legal & Administrative Information

Registered office and

principal place of business: Eastern House
Porthcurno
Penzance
Cornwall, TR19 6JX

Charity registration

number: 1189090

VAT number: GB 699 4558 55

Trustees

The Trustees of PK Porthcurno during the period under review were:

- Christopher Fyles (Chairman from 24 April 2024, resigned from board 22nd October 2025)
- Julie Seyler (Vice-chairman, appointed 24 April 2024)
- Polina Bayvel
- David Foot
- Gordon Johnston (appointed 24 April 2024)
- Andrew MacLeod (Chairman from 22nd October 2025)
- Cassandra Newland
- Rabindra Paramothayan (appointed 24 April 2024, resigned 4 September 2025)
- Gareth Parry (Chairman to 24 April 2024, resigned from board 23 April 2025)
- Richard Perry
- Shini Somarathne
- Deborah Tritton

Principal officers

The management team reports to the board of trustees and is responsible for the overall management of the charity.

The Senior Management Team comprises:

- Creative Director & CEO: Julia Twomlow
- Head of Collections & Engagement (Deputy Director): Charlotte Todd
- Head of Finance & Resources: Patricia McCartney (retired August 2025)
- Head of Commercial & Visitor Services: Jim Summers
- Head of Site Operations and Facilities: Dominic Todd

The Chair, CEO & Creative Director and Head of Finance and Resources are responsible for managing the finances and administration of the charity and for ensuring compliance with all legal obligations.

Legal & Administrative Information (continued)**Independent advisers****Solicitors:**

Murrell Associates LLP
14 High Cross
Truro
Cornwall
TR1 2AJ

Counterculture LLP
Unit 115 Ducie House
Ducie Street
Manchester
M1 2JW

ProArtsPlus Ltd
Acero
1Concourse Way
Sheffield
S1 2BJ

Auditors:

RRL LLP
Peat House
Newham Road
Truro
Cornwall, TR1 2DP

Bankers:

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Investment bankers:

RBC Europe Ltd T/as RBC Brewin Dolphin
Vantage Point
Woodwater Park
Pynes Hill
Exeter
Devon
EX2 5FD

Trustees' Report

The Trustees present their annual report together with the audited consolidated financial statements of PK Porthcurno for the year ended 31 March 2025 and confirm that the latter comply with the requirements of the Constitution and the Charities SORP 2019.

PK Porthcurno is a Charitable Incorporated Organisation (CIO) and its UK registered charity number is 1189090.

Objectives & activities

Objectives and aims

PK Porthcurno is an educational charity, the objects of which are to advance public education particularly in the sciences, the history of science and innovation, and the history of Porthcurno. These objects are met by the maintenance of the PK Porthcurno site, buildings and collections for public exhibition, education programmes, the provision of talks, lectures, classes, workshops and conferences calculated to advance education in communications science and history and related subjects.

Significant activities

The charity's major activities are the operation of an award-winning museum, the care and management of the historic archive, the maintenance of the object collections, historic buildings and grounds at Porthcurno and the provision of formal and informal learning opportunities.

By providing access to unique, world-class historical resources on the history of telecommunications, the charity continues to increase the reputation of Porthcurno as an important centre for study and a valuable educational resource.

By working in collaboration with other organisations, locally, nationally and internationally, PK Porthcurno promotes understanding and education of communications science and history. This core activity has not changed during the year.

Delivering public benefit

The Trustees consider that as an educational charity PK Porthcurno satisfies the meaning of charitable purpose as defined by section 2(2) of the Charities Act. As such it considers that it has complied with the duty in section 4 of the Act having due regard to public benefit guidance published by the Charity Commission.

Achievements & Performance

Review of the year

Underpinning all our work is our vision of a world where people are inspired by the past, understand the science and technology that connects them and use that knowledge to imagine and shape a better future. Our mission in achieving this is to enable people to explore the connected world, understand the history, science, and technology of global communications, and consider what this means in their own lives. Museum programming during the year to 31 March 2025 reflected our continuing commitment to these principles.

We began the year with confirmation from Arts Council England that we had again been awarded Full Accreditation status, demonstrating that the museum continues to meet the high standards for collections care, engagement and governance.

The archive continued to actively support researchers from a range of backgrounds including academics, artists, family historians and people from the communications sector. Research areas included the privatisation of Cable and Wireless in the 1980s, the Commonwealth cable system, Ascension Island, emblematic nineteenth century technologies, Rowena Cade in the war, cable manufacture and laying, and the role of the Eastern Telegraph Company in the Boer War. We continued to support two PhD studentships in collaboration with BT Archives and the Universities of Exeter and Bath Spa. A new academic collaboration also formed with Loughborough University and BT Archives titled *Wired for War? The role of British Telegraphy and Communications Networks in World War II*. This is funded by the 2025 Techne Collaborative Doctoral Awards for a PhD project.

PK Online Collections, our searchable online database, continued to grow in popularity providing researchers with a first point of contact with the PK Porthcurno archive from anywhere in the world. While most users are from the UK, we see considerable international traffic to the site including the USA, China, Germany, Canada, Sweden, Australia, and the Netherlands.

The museum collections continued to grow in line with our acquisitions and disposals policy.

Throughout the year we presented a captivating programme of exhibitions and engagement activities, collaborating with renowned organisations and institutions locally, nationally and internationally. Highlights included the *Going Mobile* exhibition, delivered in partnership with the Mobile Phone Museum, and sponsored by Vodafone UK. This popular exhibition explores the mobile phone's evolution from an expensive executive status symbol to the minicomputer in our pockets. Our *Airy mouse* exhibition on bat communications continued until November when it was removed for Christmas installations.

PK Porthcurno's learning and engagement activities moved from strength to strength with an emphasis on fun. Particularly popular was the launch of PK Forest Friends all-weather outdoor sessions for under 5s and their parents. These workshops include muddy play, campfire activities, enjoying handmade toasty treats, freedom to explore free-flow nature inspired activities in a safe environment, all at their own pace.

New STEAM workshops were devised and delivered throughout the school holidays and half terms. They included working with materials, printmaking with Lego, using archive imagery for collaging, building and racing your own cable ship, cable creation stations and designing your own mobile phone. Families were also invited to explore solar power and the magic of blueprints in a cyanotype workshop.

Seasonal activities included Spooky Shadow workshops for Halloween and, most notably, the *Journey to a Starlit Wish Wood* for Christmas. Visitors were given a self-led trail by the Front of House team which directed them through the museum on a journey to the starlit wish wood installation in the Tunnels. The museum gardens and outdoor spaces were decorated with infinity projection lights giving the whole site a magical, festive feel for residents and visitors.

As part of the national Art Fund 'Kids Aloud' Week, PK Porthcurno was one of twenty venues which ran events across the summer allowing children to be as loud and energetic as they liked within the museum space and thereby lifting some of the perceived limitations on family engagement.

Throughout the year, the Learning Facilitators offered 'Pop-Up PK' family friendly guided tours and Front of House staff and volunteers continued to deliver expert talks from our demonstration area for museum visitors. Engagement staff also attended external events, representing the museum at the EMEA Submarine Networks event in London where they presented a 'mini-PK Porthcurno Museum' along with apprentices from Vodafone.

Poppy PK, the mobile telegraph station bus, continued to be popular in our programme. Throughout the year we organised a programme of visits and appearances including St Buryan Vintage Rally, Golowan Festival Penzance, Falmouth Week and the Transport Festival at Helston Railway. Engagement staff and volunteers welcomed visitors on board Poppy and provided information on the bus and its history as well as a 'make your own' Poppy kit to take away.

We continued our work with schools, aiming to support their delivery of the National Curriculum particularly in relation to science and technology. This included many visits from schools to the museum during the year however, we see this as a focus for development in the years ahead and will be applying to the Art Fund for support from their Teacher Fellowship programme in the next round.

In November 2024, the museum was delighted to be awarded GOLD for 'Small Visitor Attraction of the Year' at the Cornwall Tourism Awards. This achievement reflected the dedication and hard work of everyone at PK Porthcurno, whose efforts have not only enhanced the visitor experience but also expanded the museum's presence within the community and beyond.

The museum remained a member of the Historic Houses Association, Cornwall Association of Tourist Attractions, Visit Cornwall and the Art Fund. These memberships serve to promote the museum to a wider audience as well as providing access and peer support.

Developing and maintaining funding relationships is an important part of our work and facilitates our charitable activities. In 2024-25, we have continued in our role as the Lead Applicant in the mc7 consortium of museums in Cornwall. This consortium enables seven museums to access and receive National Portfolio Organisation (NPO) funding from Arts Council England. The funds are received by PK Porthcurno and evenly distributed amongst the partners at £80,000 per partner per year, with shared sums available for consultancy and development work. PK Porthcurno retains an annual administrative sum for project management.

This year PK Porthcurno also received funding from the Clore Duffield Foundation 'Fit for the Future' fund, which enabled us to carry out a substantial refurbishment of our Clore Learning Space including the installation of a new digital screen for hybrid learning. In August 2024 we were awarded core funding of £50,000 from the Garfield Weston Foundation for a one-year period and in December 2024, funding was secured from the Headley Trust towards the new role of Assistant Curator, to start later in 2025.

In January 2025, Art Fund awarded us £2,000 from The Herds project to build a large-scale puppet for the Golowan Maze Day procession in June 2025. This will be a collaboration between the museum, local artist Alice King and children from Alverton School in Penzance. In addition, we received sponsorship support from Subsea Networks and Vodafone UK. The Trustees of PK Porthcurno would like to thank all these organisations for the support they have provided us through the year.

Across the year, from April 2024 to March 2025, we attracted 17,505 visitors to the museum exhibitions plus an additional 6,569 to onsite activities. Offsite and outreach reached a further 1,531 in person participants and we had 58,489 online engagements making a total of 84,094 engagements across the year. Visitor numbers are broadly in line with the previous year with an uptick in other forms of engagement but have still not returned to pre-pandemic levels.

Environmental impact

We remain strongly committed to reducing our environmental impact as an organisation. Planet PK is our ongoing environmental programme at PK Porthcurno, formally recognising our duty of care as residents and landowners within the valley, which is within an Area of Outstanding Natural Beauty. Planet PK embeds green values within the charity's future programming, engagement, and business plans to ensure that environmental concerns are central to every decision we make.

Infrastructure

Our museum work is delivered across three buildings in Porthcurno valley: Eastern House (Grade 2), the World War Two Tunnels (Grade 2*) and the Wilshaw Building which was constructed in 2014 and houses the museum archives and Clore Learning Space. The historic buildings date from 1904 and 1939. Both were substantially refurbished for public use in 2013-14 but eleven years on they both require significant investment to keep them fit for public use. The Air Handling Unit in the Tunnels is approaching end of life and needs to be replaced urgently. Eastern House has issues with dampness and needs replacement doors and windows throughout. During the year we have undertaken surveys and inspections to inform funding applications to address these and other issues.

In addition, the museum owns a busy holiday let called Telegraph Cottage, a residential property called Mercury House, and the Exiles Club which is the former pub for Porthcurno. This latter is currently closed and in need of refurbishment. During the year, surveys, designs, business plans and costings were undertaken to support funding applications to bring this the Exiles Club back to public use in the future.

Two smaller buildings, the Cable House (Grade 2) and the Victorian Greenhouse form part of the historic telegraph station site. The Greenhouse needs significant repair and will be the subject of future funding proposals.

Health and safety

The museum regularly reviews Health and Safety across its site and activities. Responsibility for Health and Safety and Risk assessments sits with the Head of Site Operations and Facilities within the Senior Management Team. The Trustees receive an update on any Health and Safety issues as an agenda item within the quarterly Board meetings.

People

The museum employed 27 staff during the year, both full and part-time. The staff were supported by a team of around 48 volunteers with skills ranging from archival research to environmental activities, engineering and technical support.

Financial review

Income generation

Direct income to the museum comes from visitor admission fees, the car parks, donations and Gift Aid. Income also arises from subscriptions, sponsorship, the shop and online shop, the museum café, 'Koffi PK' outdoor catering unit, and from holiday lettings at Telegraph Cottage. Some of these activities are carried out through a subsidiary company, Porthcurno Enterprises Limited, which donates its profits to the Trust.

Our next venture is the launch of the PK Network, which is a sponsorship consortium of communications industry companies coming together to support the museum with financial investment, expert advice and pro bono activities. This network launches in 2025.

Principal funding sources

In 2024/25 the group had incoming resources of £969,212. Of this total, £138,428 was provided by ACE for Supporting a Consortium of Museums in Cornwall. This funding is a major contribution to the charity's museum activities and to the costs incurred as the lead partner of the consortium.

The remainder of the charity's income is generated by museum entrance fees £113,513, Museum and Galleries Exhibition Tax Relief £149,519, gift shop sales £46,544, café & catering sales £51,926, donations and sponsorships £134,538, property rentals £28,497, car park income £61,000, project and other grants £246,488, interest and dividends £5,112 and other miscellaneous sources £9,164.

At 31 March 2025, the charity had net current assets of £173,134. Total funds at 31 March 2025 were £5,116,262 of which £2,047,976 were restricted funds.

During the year, the charity was successful in securing a grant of £50,000 from The Garfield Weston Foundation towards operating costs. Further, the Headley Trust awarded a grant of £19,719 to help support a new Assistant Curator role and a grant of £12,500 was received from the Clore Duffield Foundation under its "Fit for the Future" initiative. Other grants received included £10,000 from Cornwall Council under its "culture & creative investment" programme.

During the year an amount of £102,902 was donated from Porthcurno Enterprises Limited, the company's 100% owned trading subsidiary.

The Museums, Gallery and Exhibition Tax Relief credit accounted for during the year was £149,519 (2025: £78,379; 2024: £71,140). Gift Aid credit during the year was £16,806 (2024: £16,821).

The Trust will continue to raise funds from trusts, foundations and individuals to enable a range of activities which are planned for 2025/26. All fundraising activities are conducted in line with the museum's Ethical Fundraising Policy.

Financial Policies

Reserves Policy

The trustees have considered the need for free reserves to provide financial resilience and consider that reserves should be maintained at an amount equivalent to about 12 months' core costs plus contingency of running Eastern House, the Wilshaw Building and peripheral buildings. The target reserves are £125,000.

The unrestricted reserves at 31 March 2025 amount to £3,068,286. After deducting the value of fixed assets and adding the distributable reserves of £10 in the subsidiary company (Porthcurno Enterprises Limited), the adjusted free reserves at 31 March 2025 amount to approximately £139,996 (2024: £238,702, or 112% (2024: 190%) of the target amount.

The trustees recognise the depletion in the charity's reserves in recent years, which has been predominantly caused by the loss of annual core funding from a regular funder and the impact of the economy on utilities, maintenance and staff costs. A strategy to replenish reserves is in place with recent successes including expert advice on MGETR entitlement, our developing sponsorship relationship with the communications sector through the PK Network initiative, and the launch of an Alumni for individual donors to support the charity.

Fundraising Policy

Most of the fundraising and development for PK Porthcurno is conducted by the CEO & Creative Director and the Head of Collections and Engagement, plus additional input from an external fundraising consultancy, with appropriate oversight and guidance by the Board of Trustees via the Investment & Fundraising Committee. Our strategic fundraising objective is to sustain and build the CIO's income to meet our long-term capital and revenue needs. The focus of our fundraising activity is on developing relationships with charitable trusts, local and central authorities, appropriate corporate sponsors and individual donors. We comply with all current fundraising legislation, seeking to keep abreast of fundraising developments to ensure best practice in all our fundraising activities.

Investment policy

The Constitution permits the trustees to make such investments as they think proper. The policy is to achieve the maximum total return in terms of capital growth and income without incurring undue risks subject to any minimum income requirement agreed from time to time.

The Future

Future focus

The museum's mission, vision and values are rooted in an awareness of the historical role Porthcurno played in the evolution of global communications and the inventive, problem-solving spirit of the men and women behind this evolution.

The impact of the pandemic, Brexit and economic crisis are still being felt in Cornwall and further afield. Moreover, we are all faced with the reality of societal and political changes in a large part caused by or accelerated by our changing relationship with the media and communications technology. This fast-paced change is affecting everything from literacy levels to mental health and is negatively impacting our relationship to others as well as ourselves.

At PK Porthcurno we recognize that the history we represent is central to that changing landscape and that we have the potential to use our knowledge, collections and our connections to contribute to this discourse. Over the next two years, our main areas of investigation and focus will therefore be:

- Media literacy and critical thinking
- Problem solving, engineering and creativity
- Activism and responsibility in a connected world
- Play for all ages

Both on and off site we will develop and deliver these themes through our existing and new partnerships, creating a global and local network of cross-sectoral collaboration.

Stabilising the museum for future growth

Over recent years the museum has been challenged by the loss of a core funder, which accounted for some 20% of annual income. Like other museums and galleries, we have also faced increasing costs and greater competition for grant funding and investment. As a result, our reserves have been depleted. In response to this challenging situation, we acted by restructuring the organisation to improve efficiency and invested in income generating activities to mitigate the loss of grants.

In addition, the following initiatives have been made in 2026 to stabilise the charity through increased income:

- Expert industry advice has been taken on MGETR claims resulting in successful claims amounting to £149,519 for two years and forecast at £65,000 per annum ongoing.
- A private donation from a Trustee of £100,000 to PK Porthcurno has been secured in two £50,000 instalments over 2025/26 and 2026/27. This will be disclosed as an RPT next year. The donation is eligible for Gift Aid which adds a further 25% value.
- Changes to museum admissions charges and parking charges, benchmarked across similar local attractions, plus the removal of certain discounts results in a further increase in annual revenue amounting to approximately £66,000 in 2026-27.

In conclusion, the trustees are confident that the action we have taken and the plans that are in place for the coming year are taking positive effect.

Structure, Governance and Management

Governing document

The governing document of the charity is a constitution dated 14 April 2020.

The charity is governed by a board of individual Trustees.

The Trustees who served during the year and up to the date of signature of the financial statements were:

- C Fyles
- A MacLeod
- R Perry
- J Seyler
- D Tritton
- R Paramothayan
- C Newland
- D Foot
- G Johnston
- S Somara

Organisation

The Board meets four times per year or as required. The Audit and Risk Committee meet regularly with the Creative Director and CEO and the Head of Finance and Resources. Other working groups, such as the Investment and Fundraising Committee and the Governance Committee, meet as required. Their membership is drawn from the Trustees and staff and is supplemented with external expertise where required. Members of the Board are elected at the AGM and retire by rotation every three years. Day to day management of the charity sits with the Creative Director and CEO with support from the Senior Management Team.

Recruitment, induction and training of new trustees

New trustees may be appointed at any time, either by way of replacement or addition by the existing trustees.

All trustees are acquainted with the Charity Commission's guide "the Essential Trustee", which is distributed free to all Trustees together with a copy of the charity's constitution and latest report and accounts. If necessary, they also attend a short external course. New Trustees are encouraged to visit the museum site for familiarisation and can meet with the staff and volunteers. They are also encouraged to attend meetings with the Chair and Creative Director and CEO.

Risk Management

The trustees have examined the major operational and financial risks that the CIO faces and confirms that procedures have been implemented to enable regular reviews to be undertaken and reports to be produced in order that the necessary steps can be taken to minimise any potential impact on the charity should those risks materialise.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements giving a true and fair view, the Trustee should follow best practice and:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP 2019 (FRS 102).
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable it to ascertain the financial position of the charity and which enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware; and
- the trustees have taken all steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Disclosure

Each of the individual trustees has confirmed that there is no information of which they are aware that is relevant to the audit but of which the auditor is unaware. They have confirmed that appropriate steps have been taken to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees and signed on their behalf by:



.....
A MacLeod
Chairman

Date: 28 January 2026

Independent Auditor's Report to the Trustees of PK Porthcurno

Opinion

We have audited the financial statements of PK Porthcurno (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2025 which comprise the consolidated and charity statement of financial activities, the consolidated and charity balance sheet, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice), and the Charities SORP (FRS102).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2025, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- The information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees 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 parent charity'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 parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

As part of our audit work, we obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which they operate. We determined that the laws and regulations that were most significant were those that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and compliance with the Charities Statement of Recommended Practice (FRS 102). In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty. These include: data protection regulations, health and safety regulations, safeguarding legislation, licensing acts and employment legislation. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Discussion with management as to how compliance with these laws and regulations is monitored;
- Review of the disclosures in the financial statements and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiries of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing minutes of trustees' meetings and correspondence with regulators;
- Performing audit work in connection with the risk of management override of controls, including testing journal

entries for reasonableness and evaluating the business rationale of significant transactions outside the normal course of business.

We also communicate relevant identified laws and regulations and potential fraud risk to all engagement team members and remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit approach also considered the opportunities and incentives that may exist within the charity for fraud and identified the greatest potential for fraud being in respect of cut off and completion risk around revenue recognition. Under ISA (UK) we are also required to undertake procedures to respond to the risk of management override of controls. Our procedures included the following:

- Undertaking transactional testing on revenue;
- Performing cut off testing of revenue;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale for significant transactions outside the normal course of business;
- Reviewing estimates and judgments made in the accounts for any indication of bias and challenged assumptions used by management in making 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 is available on the Financial Reporting Council's website at: <https://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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RRL LLP

Josh Stevens ACA
 (Senior Statutory Auditor)
 For and on behalf of RRL LLP (Statutory Auditor)

Peat House

Newham Road

TRURO

Cornwall

TR1 2DP

29/01/2026

RRL LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Charity Statement of Financial Activities incorporating an income and expenditure account for the year ended 31 March 2025

	Note	Unrestricted funds	Restricted funds	Total 2025	Total 2024
		£	£	£	£
Income					
Donations:					
- Donations	2	116,931	-	116,931	100,808
- Subscriptions & other gifts		17,607	-	17,607	19,627
Charitable activities:					
- Grants	2	188,423	44,219	232,642	187,310
- Service contracts		13,846	-	13,846	15,000
Other trading activities:					
- Museum entrance fees		113,513	-	113,513	107,854
- Gift shop income		46,544	-	46,544	54,135
- Café & catering income		51,926	-	51,926	104,456
- Other activities		3,485	-	3,485	3,751
Investments:					
- Dividends & interest received		5,112	-	5,112	6,880
- Property rentals & services		89,497	-	89,497	87,236
Other:					
- MGETR		149,519	-	149,519	-
Total income		796,403	44,219	840,622	687,057
Expenditure					
Raising funds:					
- Cost of raising funds		47,766	-	47,766	28,276
- Cost of goods sold and other costs		63,235	-	63,235	87,653
- Investment management costs	3	2,903	-	2,903	3,359
Charitable activities:					
- Service contracts	4 & 6	-	-	-	15,000
- Other activities	4 & 6	777,576	20,234	797,810	708,858
- Depreciation & amortisation of assets		2,000	97,123	99,123	100,201
Total expenditure		893,480	117,357	1,010,837	943,347
Net expenditure		(97,077)	(73,138)	(170,215)	(256,290)
Transfer between funds		(7,130)	7,130	-	-
Other recognised (losses)/gains:					
Other(losses)/ gains on sale of assets		(1,912)	-	(1,912)	1,198
Corporation tax		-	-	-	2,040
Gain on revaluation of properties		415,000	-	415,000	-
Net gains/(losses) on investments		5,134	-	5,134	29,749
Net movement in funds		314,015	(66,008)	248,007	(223,303)
Reconciliation of funds:					
Total funds as at 31 March 2024		2,754,271	2,113,984	4,868,255	5,091,588
Total funds as at 31 March 2025		3,068,286	2,047,976	5,116,262	4,868,255

A reconciliation of the movement in funds is given in note 16. There were no discontinued operations within the charity for the year ended 31 March 2025. Restricted income & expenditure in the above group statement of financial activities wholly relates to the charity, details of which can be found in the charity statement of financial activities.

Consolidated Statement of Financial Activities incorporating an income and expenditure account for the year ended 31 March 2025

	Note	2025 Group £	2024 Group £	2025 Charity £	2024 Charity £
Income					
Donations:					
- Donations	2	14,029	2,259	116,931	100,808
- Subscriptions & other gifts		17,607	19,627	17,607	19,627
Charitable activities:					
- Grants	2	232,642	187,310	232,642	187,310
- Service contracts		13,846	15,000	13,846	15,000
- Car parking		-	-	-	-
Other trading activities:					
- Museum entrance fees		113,513	107,854	113,513	107,854
- Gift shop income		46,544	54,135	46,544	54,135
- Café & catering income		133,159	105,020	51,926	104,456
- Other activities		223,144	206,688	3,485	3,751
Investments:					
- Dividends & interest received		5,112	6,880	5,112	6,880
- Property rentals and services		20,097	26,236	89,497	87,236
Other:					
- MGETR		149,519		149,519	
Total income		969,212	731,009	840,622	687,057
Expenditure					
Raising funds:					
- Cost of raising funds		50,722	30,885	47,766	28,276
- Cost of goods sold and other costs		128,607	88,526	63,235	87,653
- Investment management costs	3	2,903	3,359	2,903	3,359
- Car parking		60,262	52,112	-	-
Charitable activities:					
- Service contracts	4 & 6	-	15,000	-	15,000
- Other activities	4 & 6	797,810	708,858	797,810	708,858
- Depreciation & amortisation of assets		99,123	100,201	99,123	100,201
Other expenditure:					
		-	-	-	-
Total expenditure		1,139,427	998,941	1,010,837	943,347
Net expenditure		(170,215)	(267,932)	(170,215)	(256,290)
Transfer between funds					
		-	-	-	-
Other recognised (losses)/gains:					
Other gains on sale of assets		(1,912)	1,198	(1,912)	1,198
Corporation tax		-	2,040	-	2,040
Gain on revaluation of properties		415,000		415,000	-
Net gains/(losses) on investments		5,134	29,749	5,134	29,749
Net movement in funds		248,007	(234,945)	248,007	(223,303)
Reconciliation of funds:					
Total funds as at 31 March 2024		4,868,255	5,103,200	4,868,255	5,091,558
Total funds as at 31 March 2025		5,116,262	4,868,255	5,116,262	4,868,255

A reconciliation of the movement in funds is given in note 16. There were no discontinued operations within the charity for the year ended 31 March 2025. Restricted income & expenditure in the above group statement of financial activities wholly relates to the charity, details of which can be found in the charity statement of financial activities.

Charity Balance Sheet at 31 March 2025

	<i>Note</i>	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Fixed assets					
Intangible assets	8	2,333	-	2,333	4,333
Tangible assets	9	2,600,957	2,014,828	4,615,785	4,383,826
Investment property	11	325,000	-	325,000	235,000
Shares in subsidiary undertaking	10	10	-	10	10
Total fixed assets		2,928,300	2,014,828	4,943,128	4,623,169
Current assets					
Stock for resale		35,357	-	35,357	29,277
Debtors	13	221,880	2,770	224,650	60,588
Investments	11	-	-	-	244,021
Cash at bank and in hand		34,978	30,378	65,356	30,466
Total current assets		292,215	33,148	325,363	364,352
Creditors: amounts falling due within one year	14	152,229	-	152,229	119,266
Net current assets		139,986	33,148	173,134	245,086
Total assets less current liabilities		3,068,286	2,047,976	5,116,262	4,868,255
Net assets		3,068,286	2,047,976	5,116,262	4,868,255
The funds of the charity:					
Restricted funds					
- Restricted funds		-	2,047,976	2,047,976	2,113,984
Unrestricted funds:					
- Unrestricted general funds		653,276	-	653,276	754,261
- Revaluation reserves		2,415,000	-	2,415,000	2,000,000
- Shares in subsidiary undertaking		10	-	10	10
Total charity funds	16	3,068,286	2,047,976	5,116,262	4,868,255

Consolidated Balance Sheet at 31 March 2025

	Note	2025 Group £	2024 Group £	2025 Charity £	2024 Charity £
Fixed assets					
Intangible assets	8	2,333	4,333	2,333	4,333
Tangible assets	9	4,615,785	4,383,826	4,615,785	4,383,826
Investment property	11	325,000	235,000	325,000	235,000
Shares in subsidiary undertaking	10	-	-	10	10
Total fixed assets		4,943,118	4,623,159	4,943,128	4,623,169
Current assets					
Stock for resale		35,973	30,509	35,357	29,277
Debtors	13	230,925	64,987	224,650	60,588
Investments	11	-	244,021	-	244,021
Cash at bank and in hand		66,537	31,451	65,356	30,466
Total current assets		333,435	370,968	325,363	364,352
Creditors: amounts falling due within one year	14	160,291	125,872	152,229	119,266
Net current assets		173,144	245,096	173,134	245,086
Total assets less current liabilities		5,116,262	4,868,255	5,116,262	4,868,255
Net assets		5,116,262	4,868,255	5,116,262	4,868,255
The funds of the charity:					
Restricted funds					
- Restricted funds		2,047,976	2,113,984	2,047,976	2,113,984
Unrestricted funds:					
- Unrestricted general funds		653,286	754,271	653,276	754,261
- Revaluation reserve		2,415,000	2,000,000	2,415,000	2,000,000
- Shares in subsidiary undertaking		-	-	10	10
Total charity funds	16	5,116,262	4,868,255	5,116,262	4,868,255

The notes on pages 22 to 36 form part of these financial statements.

These financial statements were approved by the trustees on 29 January 2026 and were signed on its behalf by:

Chairman



Andy MacLeod

Consolidated Statement of Cash Flows for the year ended 31 March 2025

	Note	2025	2024	2025	2024
		Group	Group	Charity	Charity
		£	£	£	£
Cash flows from operating activities:					
- Net cash used in operating activities	1	(230,381)	(167,797)	(299,977)	(215,948)
Cash flows from investing activities:					
- Dividends, interest and rents from investments		22,306	29,757	91,706	90,757
- Proceeds from the sale of property, plant and equipment		5,676	1,198	5,676	1,198
- Purchase of property, plant and equipment		(11,671)	(25,478)	(11,671)	(25,478)
- Proceeds from sale of investments		278,007	215,268	278,007	215,268
- Purchase of investments		(28,851)	(71,019)	(28,851)	(71,019)
Net cash used on investing activities		265,467	149,726	334,867	210,726
Change in cash and cash equivalents in the reporting period		35,086	(18,071)	34,890	(5,222)
Cash and cash equivalents as at 31 March 2024		31,451	49,522	30,466	35,688
Cash and cash equivalents at the end of the reporting period	2	66,537	31,451	65,356	30,466

Notes to the Statement of cash flows

Note 1 - Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2025	2024	2025	2024
	£	£	£	£
Net income/(expenditure) for the period ended 31 March 2024	(170,215)	(267,932)	(170,215)	(256,290)
Adjustments for:				
- Depreciation and amortisation charges	99,123	100,201	99,213	100,201
- Dividends, interest and rents from investments	(22,306)	(29,757)	(91,706)	(90,757)
- Increase in stocks	(5,464)	(5,574)	(6,080)	(4,342)
- (Increase)/Decrease in debtors	(165,938)	(8,289)	(164,062)	(5,128)
- Increase in creditors	34,419	41,514	32,963	38,328
- Provision for corporation tax	-	2,040	-	2,040
Net cash used in operating activities	(366,711)	(167,797)	(436,307)	(215,948)

Note 2 - Analysis of cash and cash equivalents

	2,025	2,024	2,025	2,024	Change in period
	£	£	£	£	£
Cash in hand	66,537	31,451	65,356	30,466	35,086
Total cash and cash equivalents	66,537	31,451	65,356	30,466	35,086

Balances held by the charity that are not available for use by the charity. During the year, the charity received funds of £621,933 (2024: £487,161) on behalf of other delivery partners within the supporting a consortium of museums in Cornwall project. The Charity paid £623,870 (2024: £480,198) of these funds to the delivery partners before the year end. The balance of funds held as agent at the year-end was £5,025 (2024: £6,963).

Notes

(forming part of the financial statements)

1 Summary of significant accounting policies

(a) General information and basis of preparation

PK Porthcurno is a charitable incorporated organisation registered in England and Wales. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are preserving the important historic buildings and collections relating to the telegraph station at Porthcurno. It educates the general public about the history of the telegraph station and provides internationally significant archive and research resources for study of the history of international telecommunications.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Charities Act 2011 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be

willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives government grants in respect of a revenue grant from Cornwall Council of £11,000. Details of other government assistance received during the period are included within note 2. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds comprise the costs of commercial trading including gift shop and café and their associated costs;
- Expenditure on charitable activities includes the costs of maintaining the collections, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated costs; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 6.

(f) Intangible fixed assets

Goodwill represents the excess cost of acquisition of unincorporated businesses over fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill shall be considered to have a finite useful life and shall be amortised on a systemic basis over its life of 5 years.

(g) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land	Nil
Freehold buildings	50 years
Museum refurbishment	20 years
Permanent exhibitions	20 years
Car park and landscaping	15 – 20 years
Fixtures and fittings	5 – 10 years

The original value of the land and property assets has not been included in the balance sheet as the property is heritage property and the charity is not permitted to sell it on the open market.

(h) Heritage assets

Heritage assets are recognised on the balance sheet and initially measured at cost when purchased or if donated, their valuation. Assets are subsequently stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Fair values for donated assets are estimated by reference to market prices.

Where information on the cost or valuation of heritage assets is not available or the cost of providing such information significantly outweighs any benefit to the users of the accounts then heritage assets are not recognised on the balance sheet.

Acquisitions only arise when donated to the charity or if it is believed that they will further the charity's objectives. Once acquired they will be preserved by the charity in order to keep their historical, artistic, scientific,

technological, geophysical or environmental qualities to such a high level as to contribute to knowledge and culture. A register of all assets held by the charity is available and the assets themselves are accessible to the public with prior agreement. Heritage assets are to be held for the foreseeable future.

Endowment funds represent those assets which must be held permanently by the charity, principally the original World War II communication centre, known as “the tunnels”, built in the hillside of Porthcurno in the 1940’s, access, car parking area and a collection of historic telecommunications equipment.

(i) Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in ‘net gains / (losses) on investments’ in the SoFA.

(j) Investments

Investments in subsidiaries are measured at cost less impairment.

(k) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first in, first out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

(l) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(m) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

(n) Concessionary loans

Concessionary loans include those payable to a third party which are interest free or below market interest rates and are made to advance charitable purposes.

(o) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset’s cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised.

(p) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(q) Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight-line basis over the period of the lease.

(r) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

(s) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

(t) Redundancy or termination benefits

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

(u) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(v) Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and association assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision only affects that period, or in the period of the revision and future periods where the revision affects both current and future periods.

(w) Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Porthcurno Enterprises Limited on a line-by-line basis. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

(x) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently they are measured at fair value with changes recognised in 'net gains/ (losses) on investments' in the statement of financial activities if the shares are publicly traded or their fair value can otherwise be measured reliably.

For quoted shares, the fair value is deemed to be the quoted bid price as at the balance sheet date. Investments in subsidiaries are measured at cost less impairment.

2 Donations and grants

	2025	2024
	£	£
Restricted funds:		
Vodafone Foundation	-	30,000
Cornwall Council	10,000	10,000
Clore Challenge & Opportunity Fund	-	6,500
Mobile Phone Museum	-	5,000
St Levan Methodist Charitable Trust	-	845
Grants from various sources	-	334
Clore Duffield - Fit for the Future	12,500	-
The HERDS - Art Fund	2,000	-
The Headley Trust	19,719	-
	<u>44,219</u>	<u>52,679</u>

Included with unrestricted grants is the following grants:

- Arts Council England - grants have been received totalling £138,423 (2024: £134,631) for Supporting a Consortium of Museums in Cornwall.
- Garfield Western Foundation - a grant has been received totalling £50,000 (2024: £Nil)

3 Investment management costs

	2025	2024
	£	£
Other expenses	<u>2,903</u>	<u>3,359</u>
	<u>2,903</u>	<u>3,359</u>

4 Support and governance costs

	2025	2024
	£	£
Support staff costs	96,036	72,958
Premises and running expenses including staff costs	673,300	568,527
Audit and accountancy	8,240	8,000
	<u>777,576</u>	<u>649,485</u>

5 Staff costs

	2025	2024
	£	£
Salaries and wages	498,921	460,438
Social Security	35,267	25,940
Pensions	11,262	10,109
	<u>545,450</u>	<u>496,487</u>
 Average monthly headcount was	 <u>27.0</u>	 <u>34.0</u>

Included in salaries and wages above are redundancy costs totalling £23,401 (2024: £21,886)

Trustees are not remunerated. A total of £2,301 was donated by 2 trustees for incurred travel, accommodation and subsistence expenses (2024 - £25 paid to 1 trustees) who travel to meetings from outside the area.

The charity operated an auto-enrolment compliant pension scheme in line with the current legislation.

The key management personnel of the charity comprise the Creative Director & CEO, Head of Finance & Resources, Head of Collections & Engagement, Head of Commercial & Visitor Services and Head of Site Operations & Facilities.

The total employee benefits of the key management personnel of the charity were £212,757 (2024: £164,518) for year.

CEO & Creative Director has use of accommodation in Mercury House as part of the terms of her employment contract.

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 during the year was:

£60,000 - £70,000	2025	2024
	<u>1</u>	<u>-</u>

6 Charitable expenditure

Activity	Funded expenditure	Support & governance costs (see 1(e))	Total 2025	Total 2024
	£	£	£	£
Archive & Museum	5,682	377,399	383,081	339,150
Gift shop and café	-	150,327	150,327	128,118
Learning & participation	9,927	249,850	259,777	237,679
Maintenance	4,625	-	4,625	18,911
	20,234	777,576	797,810	723,858

7 Taxation

PK Porthcurno is a registered charity and the results of its normal activities are not liable to Corporation Tax. Activities which are not primary purpose trades are within the statutory limits prescribed by the statutory exemption for small trading.

8 Intangible fixed assets

	Goodwill Exiles Club	Goodwill Telegraph Cottage	Total
Cost or valuation	£	£	£
At 31 March 2024	20,000	10,000	30,000
Additions	-	-	-
Disposal	-	-	-
At 31 March 2025	<u>20,000</u>	<u>10,000</u>	<u>30,000</u>
Amortisation			
At 31 March 2024	20,000	5,667	25,667
Charge for period	-	2,000	2,000
Amortisation on disposal	-	-	-
At 31 March 2025	<u>20,000</u>	<u>7,667</u>	<u>27,667</u>
Net book value			
At 31 March 2025	<u>-</u>	<u>2,333</u>	<u>2,333</u>
At 31 March 2024	<u>-</u>	<u>4,333</u>	<u>4,333</u>

9 Tangible fixed assets

	Freehold land & buildings	Permanent exhibitions	Fixtures, fittings & equipment	Total
Cost or valuation	£	£	£	£
At 31 March 2024	5,439,696	766,940	303,319	6,509,955
Reversal of impairment	325,000	-	-	325,000
Additions	-	10,000	1,671	11,671
Disposal	-	-	9,900	9,900
At 31 March 2025	<u>5,764,696</u>	<u>776,940</u>	<u>295,090</u>	<u>6,836,726</u>
Depreciation				
At 31 March 2024	1,533,710	334,426	257,993	2,126,129
Charge for period	48,912	38,847	9,363	97,122
Depreciation on disposal	-	-	2,310	2,310
At 31 March 2025	<u>1,582,622</u>	<u>373,273</u>	<u>265,046</u>	<u>2,220,941</u>
Net book value				
At 31 March 2025	<u>4,182,074</u>	<u>403,667</u>	<u>30,044</u>	<u>4,615,785</u>
At 31 March 2024	<u>3,905,986</u>	<u>432,514</u>	<u>45,326</u>	<u>4,383,826</u>

The predecessor charity was gifted various property in the Porthcurno valley by Cable & Wireless Plc. The trustees decided to recognise the value of certain buildings to the charity. Other land included in the conveyance has not been valued because of its unsuitability for sale on the open market, being mainly scrub and hillside land. Some interest has been expressed by local residents to acquire parcels of the land adjacent to residential property and the trustees will consider these on a case-by-case basis.

In October 2020, the former Superintendent's house, Mercury House, was valued by a local surveyor at a value of £500,000. The property had been held at deemed cost of £880,000, so an impairment was recognised and the value reduced to £500,000. In the year ended March 2025 the trustees valued the property at £825,000, based on the valuation provided by a local estate agent. On this basis the previous impairment has been partially reversed to increase the value to £825,000. No depreciation is charged on this property. Impairment losses reversed have been recognised in the SoFA under gains on revaluation of properties.

Only the specific refurbishment of freehold property has been depreciated. This is because the estimated residual value of land and buildings is not considered to be materially different to the carrying value of the assets. Therefore, any depreciation charge would also be immaterial. This situation will be reviewed annually.

The fixtures and fittings include many small items of equipment which have been fully depreciated but are still in use within the charity.

If the freehold land and buildings had not been included at deemed costs, they would have been included under the historical cost convention as follows:

	2025	2024
	£	£
Cost	3,939,695	3,939,695
Accumulated depreciation	(1,582,622)	(1,533,710)
Net book value	<u>2,357,073</u>	<u>2,405,985</u>

A legal charge over the freehold property had been given to the National Heritage Memorial Fund to secure the repayment of a grant should it become repayable.

10 Shares in subsidiary undertaking

	Issued Share Capital	Ownership
Porthcurno Enterprises Limited	£10	100%

The company is incorporated in England and Wales and its area of operation is the United Kingdom. The company's business is that of a charity trading company operating the car parks and public conveniences (Company number 04021234).

The profit before tax for the period ended 31 March 2025 was £102,902 (2024: £86,907). The profit was derived from Sales of £300,892 less Cost of sales of £62,490, Premises costs of £109,734, General administrative expenses of £22,400, Legal and professional costs of £3,366.

The value of the equity and reserves at 31 March 2025 was £10 (2024 £10).

11 Investments

	Investment Property	Investment Portfolio	Total
	£	£	£
At 1 April 2024	235,000	244,021	479,021
Additions at cost	-	28,851	28,851
Disposals	-	(278,007)	(278,007)
Gain on revaluation	-	5,135	5,135
Revaluation	90,000	-	90,000
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2025	<u> 325,000</u>	<u> -</u>	<u> 325,000</u>

The investment property was purchased in June 2021. The trustees revalued the property in the year, based on the valuation of a local estate agent. The revalued price and the amount disclosed in the accounts is £325,000.

12 Heritage property not recognised in the balance sheet

The charity owns the original World War II communication centre, known as “The Tunnels”, built in the hillside of Porthcurno in the 1940s. This property along with access, car parking area and a collection of historic telecommunications equipment, was gifted to the charity by The Eastern Telegraph Company Limited, a subsidiary of Cable & Wireless Plc.

There have been no acquisitions or disposals of heritage assets during the last five years.

The current insurance value for “The Tunnels” is £1,850,000 on a replacement basis. The collection is insured to a value of £500,000 again on an estimated replacement basis, albeit that many of the items would now be irreplaceable.

13 Debtors	Group	Group	Charity	Charity
	2025	2024	2025	2024
	£	£	£	£
Trade debtors	12,889	-	7,141	-
Amounts owed by group undertakings	-	-	1,941	7,113
Other debtors	158,285	17,602	156,426	17,474
Prepayments and accrued income	59,751	47,385	59,142	36,001
	<u>230,925</u>	<u>64,987</u>	<u>224,650</u>	<u>60,588</u>

14 Creditors: amounts falling due within one year	Group	Group	Charity	Charity
	2025	2024	2025	2024
	£	£	£	£
Trade creditors	27,130	33,403	24,367	31,996
Other creditors including taxation	16,059	21,686	16,028	21,553
Accruals	108,450	61,349	103,182	56,283
Deferred income (see below)	8,652	9,434	8,652	9,434
	<u>160,291</u>	<u>125,872</u>	<u>152,229</u>	<u>119,266</u>

15 Deferred income

Deferred income comprises the 5-year and 10-year permission to use licences, income ring-fenced for future projects and land rental.

	Group	Group	Charity	Charity
	2025	2024	2025	2024
	£	£	£	£
Balance as at 1 April 2024	9,434	10,414	9,434	10,414
Amount released to income earned from charitable activities	(1,763)	(2,029)	(1,763)	(2,029)
Amount deferred in year	981	1,049	981	1,049
Balance as at 31 March 2025	<u>8,652</u>	<u>9,434</u>	<u>8,652</u>	<u>9,434</u>

16 Analysis of charitable funds - year ended 31 March 2025 - Group

	At 31 March 2024	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2025
	£	£	£			£
Restricted funds:						
Heritage Lottery Fund	951,152	-	40,748	-	-	910,404
Cornwall Council Culture Team	103,876	10,000	14,450	-	-	99,426
DCMS/Wolfson Fund	245,350	-	13,175	-	-	232,175
Clore Duffield Foundation	86,566	-	3,708	-	-	82,858
Wilshaw Benevolent Trust	207,753	-	8,900	-	-	198,853
Clore Duffield - Fit for the Future	-	12,500	4,625	-	-	7,875
The Headley Trust	-	19,719	-	-	-	19,719
Other funds	519,287	2,000	31,751	7,130	-	496,666
Total restricted income funds	2,113,984	44,219	117,357	7,130	-	2,047,976
Unrestricted funds:						
Unrestricted general funds	510,250	924,993	1,022,070	242,026	(1,912)	653,286
PK Contingency Investment portfolio	244,021	-	-	(249,156)	5,134	-
Revaluation reserve	1,500,000	-	-	-	325,000	1,825,000
Investment property revaluation reserve	500,000	-	-	-	90,000	590,000
Total unrestricted funds	2,754,271	924,993	1,022,070	(7,130)	418,222	3,068,286
	4,868,255	969,212	1,139,427	-	418,222	5,116,262

Analysis of charitable funds - period ended 31 March 2025 - Charity only

	At 31 March 2024	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2025
	£	£	£			£
Restricted funds:						
Heritage Lottery Fund	951,152	-	40,748	-	-	910,404
Cornwall Council Culture Team	103,876	10,000	14,450	-	-	99,426
DCMS/Wolfson Fund	245,350	-	13,175	-	-	232,175
Clore Duffield Foundation	86,566	-	3,708	-	-	82,858
Wilshaw Benevolent Trust	207,753	-	8,900	-	-	198,853
Clore Duffield Fit for the Future	-	12,500	4,625	-	-	7,875
The Headley Trust	-	19,719	-	-	-	19,719
Other funds	519,287	2,000	31,751	7,130	-	496,666
Total restricted income funds	2,113,984	44,219	117,357	7,130	-	2,047,976
Unrestricted funds:						
Unrestricted general funds	510,240	796,403	893,480	242,026	(1,912)	653,276
PK Contingency Investment portfolio	244,021	-	-	(249,156)	5,134	-
Revaluation reserve	1,500,000	-	-	-	325,000	1,825,000
Investment property revaluation reserve	500,000	-	-	-	90,000	590,000
Shares in subsidiary undertaking	10	-	-	-	-	10
Total unrestricted funds	2,754,271	796,403	893,480	(7,130)	418,222	3,068,286
	4,868,255	840,622	1,010,837	-	418,222	5,116,262

16 Analysis of charitable funds - year ended 31 March 2024 - Group

	At 31 March 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2024
	£	£	£			£
Restricted funds:						
Heritage Lottery Fund	991,900	-	40,748	-	-	951,152
Vodafone Foundation	-	30,000	30,000	-	-	-
Cornwall Council Culture Team	108,326	-	4,450	-	-	103,876
DCMS/Wolfson Fund	258,525	-	13,175	-	-	245,350
Clore Duffield Foundation	90,274	-	3,708	-	-	86,566
Wilshaw Benevolent Trust	216,653	-	8,900	-	-	207,753
Other funds	544,091	37,679	71,593	9,110	-	519,287
Total restricted income funds	2,209,769	67,679	172,574	9,110	-	2,113,984
Unrestricted funds:						
Unrestricted general funds	534,910	665,370	826,367	135,139	1,198	510,250
PK Contingency Investment portfolio	358,521	-	-	(144,249)	29,749	244,021
Revaluation reserve	1,500,000	-	-	-	-	1,500,000
Investment property revaluation reserve	500,000	-	-	-	-	500,000
Total unrestricted funds	2,893,431	665,370	826,367	(9,110)	30,947	2,754,271
	5,103,200	733,049	998,941	-	30,947	4,868,255

16 Analysis of charitable funds - period ended 31 March 2024 - Charity only

	At 31 March 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2024
	£	£	£			£
Restricted funds:						
Heritage Lottery Fund	991,900	-	40,748	-	-	951,152
Vodafone Foundation	-	30,000	30,000	-	-	-
Cornwall Council Culture Team	108,326	-	4,450	-	-	103,876
DCMS/Wolfson Fund	258,525	-	13,175	-	-	245,350
Clore Duffield Foundation	90,274	-	3,708	-	-	86,566
Wilshaw Benevolent Trust	216,653	-	8,900	-	-	207,753
Other funds	544,091	37,679	71,593	9,110	-	519,287
Total restricted income funds	2,209,769	67,679	172,574	9,110	-	2,113,984
Unrestricted funds:						
Unrestricted general funds	523,258	621,418	770,773	135,139	1,198	510,240
PK Contingency Investment portfolio	358,521	-	-	(144,249)	29,749	244,021
Revaluation reserve	1,500,000	-	-	-	-	1,500,000
Investment property revaluation reserve	500,000	-	-	-	-	500,000
Shares in subsidiary undertaking	10	-	-	-	-	10
Total unrestricted funds	2,881,789	621,418	770,773	(9,110)	30,947	2,754,271
	5,091,558	689,097	943,347	-	30,947	4,868,255

All restricted funds are raised and given for specific purposes and projects and are output related. These outputs incorporate fees, consultancies, project spend and implementation work. The conditions governing the income or grants

restrict these funds and costs are allocated against the funded element available. Excess expenditure on such projects is met from unrestricted funds. The restricted funds represent the residue of the initial grants and other funding received to finance the redevelopment of the museum and refurbish the heritage property and grounds donated as a permanent endowment.

Specific funds are:

- Heritage Lottery Fund – awarded for the refurbishment and refit of the museum within a major capital renovation programme in 2013-14. Fund is now depreciating.
- Cornwall Council Culture Team – awarded for the refurbishment and refit of the museum within a major capital renovation programme in 2013-14. Fund is now depreciating.
- DCMS/Wolfson - awarded for the refurbishment and refit of the WW2 Tunnels. Fund is now depreciating.
- Clore Duffield Foundation - awarded for the build of the Clore Learning Space in the Wilshaw Building within a major capital programme in 2013-14. Fund is now depreciating.
- Wilshaw Benevolent Trust - awarded for the build of the Archive space in the Wilshaw Building within a major capital programme in 2013-14. Fund is now depreciating.
- Other funds – includes various smaller funds from Trusts and Foundations towards capital programmes. Fund is now depreciating.

The charity's unrestricted funds can be used, with the approval of the trustees, to fund any expenditure relating to projects or general running costs which fall within the charity's general aims and objectives.

17 Lease commitments

Total commitments under non-cancellable operating leases are as follows:

	Other	
	2025	2024
	£	£
Expiry date:		
- Within one year	45,740	42,544
- Between two and five years	38,740	42,480
	84,480	85,024

18 Related party transactions

CEO & Creative Director has use of accommodation in Mercury House as part of the terms of her employment contract.

Spouse of the CEO & Creative Director. Transactions totalling £2,590 (2024: £5,809) took place during the year in relation to exhibition research and curation and some employment. There were nil amounts outstanding as at 31 March 2025 (2024: £nil).

Three children of the CEO & Creative Director. Transactions totalling £39,328 (2024: £42,172) relating to employment (including employer's pension contributions and expenses) took place during the year. There were nil amounts outstanding as at 31 March 2025 (2024: £nil).

Porthcurno Enterprises Ltd - wholly owned subsidiary of the charity. As at 31 March 2025 the company owed £1,000 to the CIO (2024: £7,113).

19 Auditors' Liability Limitation Agreement

For the year ended 31 March 2025, the charity entered into a liability limitation agreement with its auditors, the principal terms of which limit the liability of the auditors to £5,000,000 in relation to their responsibilities as auditors of the charity. The date this was agreed by the charity was 5 December 2025.

PK PORTHCURNO

England & Wales - Charity number 1189090

Accounts



PK Porthcurno

Trustees' Report and Consolidated Financial Statements

Year ended 31 March 2024

Registered charity number 1189090

Contents

Page No.

1. Contents
2. Vision
3. Legal and administrative information
5. Director's Report
11. Trustees' Report
 - a. Structure Governance and Management
 - b. Financial Review
 - c. Reserves Policy
 - d. The Future
 - e. Statement of Trustee's Responsibilities
14. Report of the Auditor to the trustees of PK Porthcurno
18. Charity Statement of Financial Activities incorporating an Income and Expenditure account
19. Consolidated Statement of Financial Activities incorporating an Income and Expenditure account
20. Charity Balance Sheet
21. Consolidated Balance Sheet
22. Consolidated Statement of cashflows
23. Notes

Vision

“We have designed our civilization based on science and technology and at the same time arranged things so that almost no one understands anything at all about science and technology. This is a clear prescription for disaster”
Carl Sagan

OUR VISION:

A world where people are inspired by the past, understand the science and technology that connects them, and use that knowledge to imagine and shape a better future.

OUR MISSION:

We enable people to explore the connected world, understand the history, science and technology of global communications, and consider what this means in their own lives.

OUR VALUES:

Inspiring: we love what we do and hope to inspire others by sharing our enthusiasm and inviting their participation

Progressive: we are forward thinking, adventurous and not afraid to try new things

Relevant: we engage people with our collections and stories and how these relate to their own lives

Sustainable: we work towards a sustainable world and aim to do no harm

Open: we create an inclusive and open environment which welcomes respectful discourse

Legal and administrative information

Registered office and principal place of business: Eastern House
Porthcurno
Penzance
Cornwall, TR19 6JX

Charity registration number: 1189090

VAT number: GB 699 4558 55

Trustees

The trustees of PK Porthcurno during the period under review were:

Christopher Fyles (Chairman from 24 April 2024)
Julie Seyler (Vice-chairman, appointed 24 April 2024)
Polina Bayvel
David Foot
Gordon Johnston (appointed 24 April 2024)
Andrew MacLeod
Cassandra Newland (appointed 3 May 2023)
Rabindra Paramothayan (appointed 24 April 2024)
Gareth Parry (Chairman to 24 April 2024)
Richard Perry
Shini Somarathne (appointed 11 May 2023)
Deborah Tritton

Principal officers

The management team reports to the board of trustees and is responsible for the overall management of the charity.

The team of managers comprise:

Chairman: Christopher Fyles
Creative Director & CEO: Julia Twomlow
Head of Finance & Resources: Patricia McCartney

The Chairman, CEO & Creative Director and Head of Finance & Resources are responsible for managing the finances and administration of the charity and for ensuring compliance with all legal obligations.

Legal and administrative information (continued)

Independent advisers

Solicitors: Murrell Associates LLP
14 High Cross
Truro
Cornwall
TR1 2AJ

Counterculture LLP
Unit 115 Ducie House
Ducie Street
Manchester
M1 2JW

Auditor: RRL LLP
Peat House
Newham Road
Truro
Cornwall, TR1 2DP

Bankers: CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Investment bankers: RBC Europe Ltd T/as RBC Brewin Dolphin
Vantage Point
Woodwater Park
Pynes Hill
Exeter
Devon
EX2 5FD

Director's Report

Introduction

PK Porthcurno cares for what is arguably one of the most important and relevant collections in the UK, sharing the extraordinary scientific and social story of global communications from the earliest pioneering developments to the cutting-edge technology we see today. More than ever, exploring and understanding how and why the world connects is essential and is forefront to our purpose at PK Porthcurno. Our ambitions as a museum continue to be guided by our organisational vision, mission and values, building upon valued existing partnerships and developing new partnerships for delivery.

Vision, Mission and Values

Our Vision

A world where people are inspired by the past, understand the science and technology that connects them and use that knowledge to imagine and shape a better future.

Our Mission

We enable people to explore the connected world, understand the history, science, and technology of global communications, and consider what this means in their own lives.

Our Values

- *Inspiring:* We love what we do and hope to inspire others by sharing our enthusiasm and inviting their participation.
- *Progressive:* We are forward-thinking, adventurous and not afraid to try new things.
- *Relevant:* We engage people with our collections and stories and how these relate to their own lives.
- *Sustainable:* We work towards a sustainable world and aim to do no harm.
- *Open:* We create an inclusive and open environment that welcomes respectful discourse.

Overview

2023-24 was by rounds challenging and encouraging. Across the cultural sector, museums and organisations like ours continued to be affected by the legacy of Covid-19 and the associated economic disruption. Visitor numbers were still below pre-pandemic levels and often their needs and expectations had also changed. At the same time, we faced significant increases to organisational running costs and a reduced funding landscape to draw on.

Specifically at PK Porthcurno, a fixed year core grant agreement from the Vodafone Foundation came to end. While anticipated, this significantly impacted the annual budget and could not be replaced in full. The funding loss necessitated a staffing restructure including reduced staff hours, redundancies and the departure of some long-standing staff members. However, the restructure also triggered a review of our internal organisational needs and enabled us to begin to address some outstanding issues, especially around health and safety, site operations, commercial income and visitor services.

Our response to the loss of core funding was ramp up our commercial activity to generate more unrestricted income for the charity. Alongside the second car park and Telegraph Cottage holiday let launched last year, we introduced a new catering trailer 'Koffi PK', positioned in the Beach Car Park, which has proved very successful.

Also in 2023, we welcomed in a strengthened relationship with Arts Council England and the dawn of a new consortium of seven museums in Cornwall, collectively receiving £1.86million over the next three years, with PK Porthcurno as Lead Applicant. This has been a highly positive development and one which brings in not only more core funding for all the partner museums, but the benefit of a supportive and streamlined consortium model.

Director's Report (continued)

Despite the financial setbacks, our performance across the year has been strong and was rewarded with recognition at national as well as local level. We reached the finals for the national Visit England Awards, winning Bronze in the Small Tourist Attraction Category. This is in addition to the Gold Awards we received at Cornwall and Southwest levels.

Further exciting developments including a new partnership with the Mobile Phone Museum and the co-production of a new exhibition, 'Going Mobile', which celebrates the forty-year history of the mobile phone. This exhibition is hosted in the WW2 Tunnels at PK Porthcurno and is kindly supported by sponsorship from Vodafone UK.

The changes we have made at PK Porthcurno during the year have been significant and necessary, but not always comfortable. They have required clear thinking, care and consideration and in this regard, I would like to offer special thanks to the Senior Management Team as well as the Board of Trustees for their support, expertise and professionalism throughout.

Exhibitions

A new partnership with the Mobile Phone Museum and sponsorship from Vodafone UK resulted in a temporary exhibition in the Tunnels called 'Going Mobile', exploring the 40-year history of the mobile phone. This replaced the GCHQ collaborative exhibition, 'Watcher of the Skies'. A discussion has begun with the City of London Corporation about providing heritage interpretation and exhibitions at Electra House, Moorgate, London as part of the building's renovation.

Engagement & Learning

The Engagement Team continued to deliver a strong and effective programme of work throughout the year despite the absence of a key staff member who was on extended leave to care for a close family member.

Throughout the year, PK Porthcurno continued to be a popular destination for Cornish schools, offering a unique educational opportunity and experience. Outside of term time, the Engagement Team once again developed and delivered a range of playful and fun activities in and around the PK Porthcurno site. These included Cable Ship Building and Cable Ship Races around the galleries and on the beach in fine weather.

A central part of the engagement programme was Poppy PK, our mobile telegraph station bus which was gifted to the museum by Iris and Tony Leah this year. Poppy is a unique 1950s vehicle originally built by the General Post Office to provide live feed from major sports events across the UK during the 1950s-60s. The Engagement Team has developed a programme of outreach activities which are delivered from Poppy. These include attendance at schools, rallies and fetes around Cornwall and enable us to reach new audiences and promote the work of the museum. The highlight has been the Poppy PK Message Relay Tour around Cornish schools where school children play a pass-it-on game, creating their own secret message to pass on for pupils at the next school on the tour to decode. During the summer season, Poppy is parked in the museum car park for visitors to Porthcurno to see and engage with.

Mini PK Tours were provided for families and children, giving them the opportunity to explore the museum under expert guidance and to ask questions on the story of global communications.

Wednesdays in the summer holiday period were marked by collaborative art workshops for parents and children, using morse code a 'found' materials to create inventive designs and craft works. In the Spring we

Director's Report (continued)

created a seasonally themed room in the main museum building and hosted 'Make & Do' drop-in sessions for family participation.

'Speak Cornish Week' is an annual event for us and this year our Engagement Team led a short training session for staff and volunteers on the theme of '5 a day', encouraging people to incorporate five Cornish words and phrases into their everyday life.

A new collaboration with young people from the award-winning local charity Trelya culminated in a Kids in Museums Digital Takeover Day in July. The participants worked together with a local musician to develop a musical response to their visit at PK. The resulting piece was later recorded and performed at the museum as well as being shared online.

Out and about, the Engagement Team attended several events including having stalls and displays at EXPO Ertach Kernow, Penwith College Careers Fair and running events at the Golowan Festival and Quay Fair, Penzance. These proved terrifically popular and enabled us to reach audiences who may not have previously engaged with our activities.

Our environmental educational work has continued with more sessions for the Planet PK Champions Club. Each session has a scientific, environmental theme which is bended with creative elements to promote positive engagement. Subjects have included learning about plant care, use of recycled materials, moth identification and communications, and creating a bug hotel. Regular and repeat attendances continue to grow with a strong local family following.

In collaboration with our neighbours at the Minack Theatre, we worked with four local schools as part of the 'Wild Escape Project' for Earth Day. This included museum visits and environmental workshops for the schools involved followed by an outreach session within the schools led by the Minack Theatre to create individual plays, which were then performed at PK Porthcurno as part of a mini festival.

For Christmas we decided to 'Light up PK'. With a grant from the St Levan Methodist Charitable Trust, we worked with local schools to create stained glass window displays which we installed in the windows of the Clore Learning Space and also in Poppy PK, which was parked directly outside. These window displays were illuminated throughout the Christmas period for visitors to the Valley to see and enjoy.

Training

The Engagement Team benefited from participation in the Southwest Museums' Development 'Travelling Together' Programme on Equality, Diversity and Inclusion (EDI). This included an introduction to what EDI means, shared tools to support understanding and practical takeaway ideas to help create safe spaces for all through developing a long-term commitment to inclusive work.

Engagement Team members have also participated in the mc7 Learning Team meetings with other learning leads in the new museum consortium.

Volunteers

Our volunteers continue to support the work of the museum in many capacities. During the year these have included helping to staff Poppy at outreach events and in the museum car park during the summer, developing activities within the museum for visitor engagement, delivering expert talks, maintaining and testing equipment, supporting our Engagement Team with workshops, recording short films for our online platforms

Director's Report (continued)

and digitising records in the archive for our online database. This year also saw the revival of the St Levan Local History Group which met at the museum for the first time since the pandemic.

Collections & Research

Accreditation

2023-24 in the archive and collections team was dominated by the Accreditation return for the museum, which had been delayed by the pandemic. The return was completed in January 2024 and involved the review and, where necessary, the revision of all key policy documents relating to the museum. We were then awarded with accreditation status on 11 July 2024.

PK Online Collections

PK Online Collections (PKOC), our online gateway to the collections, continues to work well as a first port of call for researchers. This facility has saved a lot of time for the archive team with enquirers able to identify documents before approaching us and thereby reducing the amount of search time in house. Visiting researchers can now request documents in advance so that we can be prepared for their visit, saving themselves many hours of productive archive-based time. Remote users who cannot come to Porthcurno are able to request digital copies. Access to the online collection is from around the globe with most based in the UK but others from US, Canada, India, Australia, Yemen, Bahrain, France, Germany, Austria and the Netherlands.

Research

Visiting researchers for the year came from a range of disciplines and spanned academic, technical, scientific, artistic, family and lay interests. Examples include researchers Erica Borg (King's College, London) and Amedeo Policante (Institute of Contemporary History, Lisbon) who spent three days looking at the shifting geographies of the cable network. Bobby Melville, CCO of Oceanic Environmental Cables, spent time with us looking at the recycling of old cables.

We have continued to support two PhD researchers, based with the University of Exeter, and have started a new academic partnership with Loughborough University through an AHRC funded research fellowship looking at 'Coloniality and Communications: The British Telecommunications in Mesopotamia in the early 20th Century'. This partnership has great potential for future research opportunities and PhD studentships, and we look forward to further developments.

Acquisitions

We continued to add to the collections as appropriate this year with new acquisitions including digitised copies of photo albums and newspaper articles, two cables mast lamps, a collection of cable samples, Eastern Telegraph Company tableware, and a Synchronome clock and accessories.

Visitor Experience, Retail & Commercial

Visitors

Visitor numbers for the year (17,082)¹ were roughly in line with our target with a variation of just under -2%. This small variation would have been caused by an unplanned but necessary 3-week closure in January when we carried out essential cleaning and repairs. Despite this, admissions income was up on target for the year with Spend Per Visitor around 8% higher than anticipated. This is likely due to scaling back on discounts for admissions. Nonetheless, visitor numbers have not recovered to pre-pandemic levels.

¹ Visitor numbers for PK Porthcurno are reported only for visitors to the museum itself rather than visitors to the café, shop and wider site.

Director's Report (continued)

Retail & Café

The museum shop also performed well with sales across the year up by nearly 5% against target. Museum café income was also up against target by over 9%. Spend Per Visitor on both these areas remained healthy.

Experimentation with a new mobile catering unit, 'Koffi PK', in the lower car park proved very promising, generating additional income from sales of coffee and ice cream to beach and car park visitors. Improving profit margins across food and drink in the café and trailer continues to be an objective.

Holiday Let & Car Parks

The Telegraph Cottage holiday let continued to perform well with positive feedback from guests at over 4.9/5 across the year and bookings near capacity in the main season. Likewise, the inclusion of the Beach Car Park has proved a positive addition to earned income with performance exceeding the previous council operated set-up by nearly £100,000. However, questions over contractual arrangements and maintenance obligations with Cornwall Council remain unresolved, with the Beach Car Park and public toilets both in urgent need of repairs and investment.

Site Operations

In January 2024, the new role of Head of Site Operations and Facilities was created. This was in recognition of the pressure on the existing Senior Management Team in trying to manage an extensive and complex site alongside their other duties. The new role includes responsibility for all buildings and outdoor areas including health and safety, site maintenance and contractor access. The new role also oversees the car park operations and public toilet facilities for the valley.

Fundraising & Development

Shared Prosperity Funding (SPF)

A major focus for fundraising was on developing a £1.586 million bid to the SPF under Good Growth Cornwall and Isles of Scilly. Our project proposal, Return of the Exiles, focussed on the reimaging and rebuild of the Exiles Club in Porthcurno as a bar, restaurant and social space for the valley. Having passed Expression of Interest stage with Good Growth, the project moved from the Reserve list to Approved status and we were required to submit a fully costed business case for consideration. This was commissioned from external consultants Porter PE with input from local architect, Charles Lee Griffiths to the initial plans. The finalised application was submitted for consideration in February 2024. However, due to the change in government in July, SPF and Community Ownership Funding (COF) came under review and projects that had not already commenced were put on hold until further notice. COF has since been ended, and we are now awaiting instruction from Good Growth as to the future of SPF including eligible replacement funding opportunities.

mc7 Consortium

During the financial year, museum partners from seven museums in Cornwall came together to form a new consortium called mc7. This consortium replaces the former Cornwall Museums Partnership which was a National Portfolio Organisation (NPO) with Arts Council England. In June 2023, this group, with PK Porthcurno as lead applicant, successfully bid to Arts Council England for £1.86 million in funding over three years. The funds are received by PK Porthcurno and evenly distributed amongst the partners at £80,000 per partner per year, with shared sums available for consultancy and development work. PK Porthcurno retains an annual administrative sum for project management. Towards the end of the financial year, Arts Council England announced its intention to extend the Investment Programme with an additional year funding (£620,000) for all NPO bodies, including mc7. This takes annual funding for the consortium to 2027.

Director's Report (continued)

Museum Estate and Development Fund (MEND)

An Expression of Interest was submitted for consideration to Arts Council England for £390,668 from the MEND programme. This was for essential and urgent repairs to the museum buildings including replacing the

Air Handling Unit in the Tunnels, addressing damp and water ingress issues in Eastern House, replacing certain doors and windows, radon attenuation, and replacing the archive heat pumps in the Wilshaw Building. The result of this EOI will be known in the coming year.

Clore Duffield Foundation

An application to the Clore Duffield Foundation 'Challenges and Opportunities' Fund was successful resulting in £6,500 towards our Learning and Participation Facilitator role, adding extra capacity to the Engagement Team during the absence of a key staff member.

Fundraising Capacity

Towards the close of the year, the Board decided to appoint external consultants, The Funding Centre, to provide additional capacity and expert support to the PK Senior Management Team around fundraising, especially regarding core funding. An initial prospect search resulted in a number of recommendations for applications which will be taken forward in the coming year. The Board also put together a subgroup of Trustees as the Fundraising and Investment Committee to devise and implement its own efforts to secure sponsorship and individual giving for the charity.

Julia Twomlow, Creative Director & CEO

Trustees' report

The trustees are pleased to present their report together with the audited consolidated financial statements of PK Porthcurno for the year ended 31 March 2024 and confirm that the latter comply with the requirements of the Constitution and the Charities SORP 2019.

PK Porthcurno is a Charitable Incorporated Organisation (CIO) and its UK registered charity number is 1189090.

Structure, Governance and Management

Governing document

The governing document of the charity is a Constitution dated 14 April 2020. The charity is governed by a board of individual trustees.

Trustee induction and training

Existing trustees are already familiar with, and the majority experienced in, the work of charities by virtue of their currently holding or having previously held trustee appointments with other charities. New trustees may be appointed at any time (either by way of replacement or addition) by the existing trustees.

All trustees have been acquainted with the Charity Commission's guide "the Essential Trustee", which is distributed free to all trustees together with a copy of the charity's constitution and latest report and accounts. In the event of a vacancy a new trustee would be encouraged to attend a series of meetings with existing trustees and employees and, if necessary, attend a short external course.

A Governance Review was carried out during the year ended 31 March 2024 and is reviewed on an ongoing basis. The Trustee pack continues to be updated on a regular basis for the existing and new trustees.

Organisation

The board of trustees meet quarterly and are responsible for the strategic direction of the CIO. The day-to-day responsibility for the running of the charity rests with the CEO & Creative Director and assistants who report to the board of the trustees.

Risk Management

The trustees have examined the major operational and financial risks that the CIO faces and confirms that procedures have been implemented to enable regular reviews to be undertaken and reports to be produced in order that the necessary steps can be taken to minimise any potential impact on the charity should those risks materialise.

Objectives and Activities

PK Porthcurno is an educational charity, originally established by Cable and Wireless plc in 1997 as The Porthcurno Collections Trust, whose activities, assets and liabilities were transferred to the charity on 1 October 2020. The objects of the charity, as contained in the constitution 'are to advance the education of the public particularly in the sciences and the history of science and innovation and the history of Porthcurno including without prejudice to the generality by preserving, restoring, researching, maintaining and documenting for display to the general public the Tunnels, the Collection and telecommunications equipment and artefacts, buildings and documents and to undertake any charitable activity for the benefit of the public and in particular those members of the public living or working in the vicinity of the Charity's projects.'

The charity's major activities are the operation of an award-winning museum, the care and management of the Cable & Wireless historic archive, the maintenance of the object collections, historic buildings and grounds at Porthcurno and the provision of formal and informal learning opportunities. By providing access to unique, world-class historical resources on the history of telecommunications, the charity continues to increase the reputation of Porthcurno as an important centre for study and a valuable educational resource.

Trustees' report (continued)

The trustees consider that as an educational charity PK Porthcurno satisfies the meaning of charitable purpose as defined by section 2(2) of the Charities Act. As such it considers that it has complied with the duty in section 4 of the Act having due regard to public benefit guidance published by the Charity Commission.

Financial Review

In 2023/24 the group had incoming resources of £731,009. Of this total, £134,631 was provided by ACE for Supporting a Consortium of Museums in Cornwall. This funding is a major contribution to the charity's museum activities and to the costs incurred as the lead partner of the consortium.

The remainder of the charity's income is generated by: museum entrance fees £107,854, shop sales £54,135, café & catering sales £105,020, property rentals £26,236, car park income £202,927, project grants £22,679, Vodafone Foundation grant £30,000, interest and dividends £6,880 and other miscellaneous sources £40,647.

Reserves Policy

The net expenditure for the period on unrestricted funds was £160,997. There was a transfer of funds from PK Contingency Investment portfolio to unrestricted general funds of £144,249, gains for sale of assets of £1,198 and a transfer of £9,110 from unrestricted to restricted funds. These amounts have been deducted from and added to the surplus balance of unrestricted general funds of £534,910 giving an accumulated surplus of £510,250 excluding amounts arising from the revaluation of fixed assets and investments.

The trustees have considered the charity's various sources of income and the risk that this could be reduced. Although the charity is not substantially dependent on donations, it is largely dependent on seasonal tourism and its location is very isolated. There is a risk that factors outside of the control of the charity could result in a substantial reduction in income one summer which would have an impact on the charity for 12 months. The trustees consider that reserves should be maintained at an amount equivalent to about 12 months' core costs plus contingency of running Eastern House, the Wilshaw Building and peripheral buildings. The target reserves are £125,000.

The trustees monitor the need for reserves and the current level of reserves at least once a year considering factors such as sources of income, risks of income reduction, anticipated costs of maintaining the charity.

Fundraising Policy

The majority of the fundraising and development for PK Porthcurno is conducted by the CEO & Creative Director and the Head of Collections Engagement, plus additional input from an external fundraising company, with appropriate oversight and guidance by the board of trustees via the Investment & Fundraising Committee. Our strategic fundraising objective is to sustain and build the CIO's income to meet our long-term capital and revenue needs. The focus of our fundraising activity is on developing relationships with charitable trusts, local and central authorities, and appropriate corporate sponsors. We comply with all current fundraising legislation, seeking to keep abreast of fundraising developments to ensure best practice in all our fundraising activities.

PK Porthcurno encourages donations, both ad hoc or via appeals, through our newsletter to subscribers, website, on site donation boxes and via leaflets and posters. We do not run telephone campaigns or targeted personalised mailshots and we do not actively seek legacies from individuals unless approached by donors or their families. PK Porthcurno has not received any complaints about its fundraising practices.

Trustees' report (continued)

Investment policy

The Constitution permits the trustees to make such investments as they think proper. The policy is to achieve the maximum total return in terms of capital growth and income without incurring undue risks subject to any minimum income requirement agreed from time to time.

The Future

The charity is currently looking at the options available for development that would enable it to be more sustainable in the future. These options include seeking to attract new sponsors and funders (specifically to fund new exhibitions and initiatives), partnering with national museums, with local government and with other local attractions with the aim of boosting visitor numbers and, also, aiming to attract new sources of grant funding to support the development (as part of new visitor offerings) of other buildings which form part of the museum's campus.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements giving a true and fair view, the Trustee should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable it to ascertain the financial position of the charity and which enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware; and
- the trustees have taken all steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the trustees and signed on their behalf by:

Chris Fyles
Chairman
29 January 2025

Independent auditor's report to the Trustees of PK Porthcurno

Opinion

We have audited the financial statements of PK Porthcurno (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2024 which comprise the consolidated and charity statement of financial activities, the consolidated and charity balance sheet, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2024, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

Independent auditor's report to the Trustees of PK Porthcurno (continued)

statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- The information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees 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 parent charity'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 parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

As part of our audit work, we obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which they operate. We determined that the laws and regulations that were most significant were those that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and compliance with the Charities Statement of Recommended Practice. In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty. These include: data protection regulations, health and safety regulations, safeguarding legislation, licensing acts and employment legislation. The specific procedures for this engagement and the extent to which these are

Independent auditor's report to the Trustees of PK Porthcurno (continued)

capable of detecting irregularities, including fraud is detailed below:

- Discussion with management as to how compliance with these laws and regulations is monitored;
- Review of the disclosures in the financial statements and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiries of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing minutes of trustees' meetings and correspondence with regulators;
- Performing audit work in connection with the risk of management override of controls, including testing journal entries for reasonableness and evaluating the business rationale of significant transactions outside the normal course of business.

We also communicate relevant identified laws and regulations and potential fraud risk to all engagement team members and remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit approach also considered the opportunities and incentives that may exist within the charity for fraud and identified the greatest potential for fraud being in respect of cut off and completion risk around revenue recognition. Under ISA (UK) we are also required to undertake procedures to respond to the risk of management override of controls. Our procedures included the following:

- Undertaking transactional testing on revenue;
- Performing cut off testing;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale for significant transactions outside the normal course of business;
- Reviewing estimates and judgments made in the accounts for any indication of bias and challenged assumptions used by management in making 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent auditor's report to the Trustees of PK Porthcurno (continued)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity

trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RRL LLP (Statutory Auditor)

*Peat House
Newham Road
TRURO
Cornwall
TR1 2DP*

January 2025

RRL LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Charity statement of financial activities incorporating an income and expenditure account for the year ended 31 March 2024

	Note	Unrestricted funds	Restricted funds	Total 2024	2023
		£	£	£	£
Income					
Donations:					
- Donations	2	100,808	-	100,808	65,588
- Subscriptions & other gifts		19,627	-	19,627	17,867
Charitable activities:					
- Grants	2	134,631	52,679	187,310	215,347
- Service contracts		-	15,000	15,000	1,281
Other trading activities:					
- Museum entrance fees		107,854	-	107,854	102,331
- Gift shop income		54,135	-	54,135	51,487
- Café & catering income		104,456	-	104,456	63,459
- Other activities		3,751	-	3,751	9,736
Investments:					
- Dividends & interest received		6,880	-	6,880	8,737
- Property rentals & services		87,236	-	87,236	78,912
Total income		619,378	67,679	687,057	614,745
Expenditure					
Raising funds:					
- Cost of raising funds		28,276	-	28,276	15,830
- Cost of goods sold and other costs		87,653	-	87,653	64,555
- Investment management costs	3	3,359	-	3,359	2,460
Charitable activities:					
- Service contracts	4 & 6	-	15,000	15,000	1,281
- Other activities	4 & 6	649,485	59,373	708,858	643,931
- Depreciation & amortisation of assets		2,000	98,201	100,201	116,147
Total expenditure		770,773	172,574	943,347	844,204
Net expenditure		(151,395)	(104,895)	(256,290)	(229,459)
Transfer between funds		(9,110)	9,110	-	-
Other recognised (losses)/gains:					
Other gains on sale of assets		1,198	-	1,198	-
Corporation tax		2,040	-	2,040	-
Net gains/(losses) on investments		29,749	-	29,749	(15,097)
Net movement in funds		(127,518)	(95,785)	(223,303)	(244,556)
Reconciliation of funds:					
Total funds as at 31 March 2023		2,881,789	2,209,769	5,091,558	5,336,114
Total funds as at 31 March 2024		2,754,271	2,113,984	4,868,255	5,091,558

A reconciliation of the movement in funds is given in note 16. There were no discontinued operations within the charity for the year ended 31 March 2024

Consolidated statement of financial activities incorporating an income and expenditure account for the year ended 31 March 2024

	Note	2024 Group £	2023 Group £	2024 Charity £	2023 Charity £
Income					
Donations:					
- Donations	2	2,259	6,541	100,808	65,588
- Subscriptions & other gifts		19,627	17,867	19,627	17,867
Charitable activities:					
- Grants	2	187,310	215,347	187,310	215,347
- Service contracts		15,000	1,281	15,000	1,281
- Car parking		-	-	-	-
Other trading activities:					
- Museum entrance fees		107,854	102,331	107,854	102,331
- Gift shop income		54,135	51,487	54,135	51,487
- Café & catering income		105,020	63,459	104,456	63,459
- Other activities		206,688	152,863	3,751	9,736
Investments:					
- Dividends & interest received		6,880	8,737	6,880	8,737
- Property rentals & services		26,236	29,189	87,236	78,912
Total income		731,009	649,102	687,057	614,745
Expenditure					
Raising funds:					
- Cost of raising funds		30,885	16,200	28,276	15,830
- Cost of goods sold and other costs		88,526	64,555	87,653	64,555
- Investment management costs	3	3,359	2,460	3,359	2,460
- Car parking		52,112	41,392	-	-
Charitable activities:					
- Service contracts	4 & 6	15,000	1,281	15,000	1,281
- Other activities	4 & 6	708,858	643,931	708,858	643,931
- Depreciation & amortisation of assets		100,201	116,147	100,201	116,147
Other expenditure:					
		-	-	-	-
Total expenditure		998,941	885,966	943,347	844,204
Net expenditure		(267,932)	(236,864)	(256,290)	(229,459)
Transfer between funds					
		-	-	-	-
Other recognised (losses)/gains:					
Other gains on sale of assets		1,198	-	1,198	-
Corporation tax		2,040	-	2,040	-
Net gains/(losses) on investments		29,749	(15,097)	29,749	(15,097)
Net movement in funds		(234,945)	(251,961)	(223,303)	(244,556)
Reconciliation of funds:					
Total funds as at 31 March 2023		5,103,200	5,355,161	5,091,558	5,336,114
Total funds as at 31 March 2024		4,868,255	5,103,200	4,868,255	5,091,558

A reconciliation of the movement in funds is given in note 16. There were no discontinued operations within the charity for the year ended 31 March 2024.

Restricted income & expenditure in the above group statement of financial activities wholly relates to the charity, details of which can be found in the charity statement of financial activities.

Charity balance sheet at 31 March 2024

	<i>Note</i>	Unrestricted Funds	Restricted Funds	2024 Total Funds	2023 Total Funds
		£	£	£	£
Fixed assets					
Intangible assets	8	4,333	-	4,333	6,333
Tangible assets	9	2,276,236	2,107,590	4,383,826	4,456,549
Investment property	11	235,000	-	235,000	235,000
Shares in subsidiary undertaking	10	10	-	10	10
Total fixed assets		2,515,579	2,107,590	4,623,169	4,697,892
Current assets					
Stock for resale		29,277	-	29,277	24,935
Debtors	13	59,254	1,334	60,588	55,460
Investments	11	244,021	-	244,021	358,521
Cash at bank and in hand		25,406	5,060	30,466	35,688
Total current assets		357,958	6,394	364,352	474,604
Creditors: amounts falling due within one year	14	119,266	-	119,266	80,938
Net current assets		238,692	6,394	245,086	393,666
Total assets less current liabilities		2,754,271	2,113,984	4,868,255	5,091,558
Net assets		2,754,271	2,113,984	4,868,255	5,091,558
The funds of the charity:					
Restricted funds					
- Restricted funds		-	2,113,984	2,113,984	2,209,769
Unrestricted funds:					
- Unrestricted general funds		754,261	-	754,261	881,779
- Revaluation reserve		1,500,000	-	1,500,000	1,500,000
- Land & buildings revaluation reserve		500,000	-	500,000	500,000
- Shares in subsidiary undertaking		10	-	10	10
Total charity funds	16	2,754,271	2,113,984	4,868,255	5,091,558

Consolidated Balance sheet at 31 March 2024

	Note	2024 Group £	2023 Group £	2024 Charity £	2023 Charity £
Fixed assets					
Intangible assets	8	4,333	6,333	4,333	6,333
Tangible assets	9	4,383,826	4,456,549	4,383,826	4,456,549
Investment property	11	235,000	235,000	235,000	235,000
Shares in subsidiary undertaking	10	-	-	10	10
Total fixed assets		4,623,159	4,697,882	4,623,169	4,697,892
Current assets					
Stock for resale		30,509	24,935	29,277	24,935
Debtors	13	64,987	56,698	60,588	55,460
Investments	11	244,021	358,521	244,021	358,521
Cash at bank and in hand		31,451	49,522	30,466	35,688
Total current assets		370,968	489,676	364,352	474,604
Creditors: amounts falling due within one year	14	125,872	84,358	119,266	80,938
Net current assets		245,096	405,318	245,086	393,666
Total assets less current liabilities		4,868,255	5,103,200	4,868,255	5,091,558
Net assets		4,868,255	5,103,200	4,868,255	5,091,558
The funds of the charity:					
Restricted funds					
- Restricted funds		2,113,984	2,209,769	2,113,984	2,209,769
Unrestricted funds:					
- Unrestricted general funds		754,271	893,431	754,261	881,779
- Revaluation reserve		1,500,000	1,500,000	1,500,000	1,500,000
- Land & buildings revaluation reserve		500,000	500,000	500,000	500,000
- Shares in subsidiary undertaking		-	-	10	10
Total charity funds	16	4,868,255	5,103,200	4,868,255	5,091,558

The notes on pages 23 to 37 form part of these financial statements.

These financial statements were approved by the trustees on 29 January 2025 and were signed on its behalf by:

Chairman
Chris Fyles

Consolidated statement of cash flows for the year ended 31 March 2024

	Note	2024 Group £	2023 Group £	2024 Charity £	2023 Charity £
Cash flows from operating activities:					
- Net cash used in operating activities	1	(167,797)	(91,061)	(215,948)	(140,459)
Cash flows from investing activities:					
- Dividends, interest and rents from investments		29,757	35,466	90,757	85,189
- Proceeds from the sale of property, plant and equipment		1,198	-	1,198	-
- Purchase of property, plant and equipment		(25,478)	(29,434)	(25,478)	(29,434)
- Proceeds from sale of investments		215,268	94,218	215,268	94,218
- Purchase of investments		(71,019)	(13,449)	(71,019)	(13,449)
Net cash used on investing activities		149,726	86,801	210,726	136,524
Change in cash and cash equivalents in the reporting period		(18,071)	(4,260)	(5,222)	(3,935)
Cash and cash equivalents as at 31 March 2023		49,522	53,782	35,688	39,623
Cash and cash equivalents at the end of the reporting period	2	31,451	49,522	30,466	35,688

Notes to the Statement of cash flows**Note 1 - Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	2024 £	2023 £	2024 £	2023 £
Net income/(expenditure) for the period ended 31 March 2024	(267,932)	(236,864)	(256,290)	(229,459)
Adjustments for:				
- Depreciation and amortisation charges	100,201	116,147	100,201	116,147
- Dividends, interest and rents from investments	(29,757)	(35,466)	(90,757)	(85,189)
- Increase in stocks	(5,574)	(2,784)	(4,342)	(2,784)
- (Increase)/Decrease in debtors	(8,289)	26,412	(5,128)	20,738
- Increase in creditors	41,514	41,494	38,328	40,088
- Provision for corporation tax	2,040	-	2,040	-
Net cash used in operating activities	(167,797)	(91,061)	(215,948)	(140,459)

Note 2 - Analysis of cash and cash equivalents

	2024 £	2023 £	2024 £	2023 £	Change in period £
Cash in hand	31,451	49,522	30,466	35,688	(18,071)
Total cash and cash equivalents	31,451	49,522	30,466	35,688	(18,071)

Balances held by the charity that are not available for use by the charity

During the year, the charity received funds of £487,161 (2023: £nil) on behalf of other delivery partners within the supporting a consortium of museums in Cornwall project. The Charity paid £480,198 (2023: £nil) of these funds to the delivery partners before the year end. The balance of funds held as agent at the year end was £6,963 (2023: £nil).

Notes (forming part of the financial statements)

1 Summary of significant accounting policies

(a) General information and basis of preparation

PK Porthcurno is a charitable incorporated organisation registered in England and Wales. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are preserving the important historic buildings and collections relating to the telegraph station at Porthcurno. It educates the general public about the history of the telegraph station and provides internationally significant archive and research resources for study of the history of international telecommunications.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Charities Act 2011 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives government grants in respect of a revenue grant from Cornwall Council of £11,000. Details of other government assistance received during the period are included within note 2. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

(c) Income recognition (continued)

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds comprise the costs of commercial trading including gift shop and café and their associated costs;
- Expenditure on charitable activities includes the costs of maintaining the collections, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated costs; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 6.

(f) Intangible fixed assets

Goodwill represents the excess cost of acquisition of unincorporated businesses over fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill shall be considered to have a finite useful life and shall be amortised on a systemic basis over its life of 5 years.

(g) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

(f) Tangible fixed assets (continued)

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land	Nil
Freehold buildings	50 years
Museum refurbishment	20 years
Permanent exhibitions	20 years
Car park and landscaping	15 – 20 years
Fixtures and fittings	5 – 10 years

The original value of the land and property assets has not been included in the balance sheet as the property is heritage property and the charity is not permitted to sell it on the open market.

(g) Heritage assets

Heritage assets are recognised on the balance sheet and initially measured at cost when purchased or if donated, their valuation. Assets are subsequently stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Fair values for donated assets are estimated by reference to market prices.

Where information on the cost or valuation of heritage assets is not available or the cost of providing such information significantly outweighs any benefit to the users of the accounts then heritage assets are not recognised on the balance sheet.

Acquisitions only arise when donated to the charity or if it is believed that they will further the charity's objectives. Once acquired they will be preserved by the charity in order to keep their historical, artistic, scientific, technological, geophysical or environmental qualities to such a high level as to contribute to knowledge and culture. A register of all assets held by the charity is available and the assets themselves are accessible to the public with prior agreement. Heritage assets are to be held for the foreseeable future.

Endowment funds represent those assets which must be held permanently by the charity, principally the original World War II communication centre, known as "the tunnels", built in the hillside of Porthcurno in the 1940's, access, car parking area and a collection of historic telecommunications equipment.

(h) Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA.

(i) Investments

Investments in subsidiaries are measured at cost less impairment.

(k) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first in, first out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

(l) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(m) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

(n) Concessionary loans

Concessionary loans include those payable to a third party which are interest free or below market interest rates and are made to advance charitable purposes.

(o) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised.

(p) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(q) Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

(r) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

(s) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

(t) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(u) Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and association assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision only affects that period, or in the period of the revision and future periods where the revision affects both current and future periods.

(v) Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Porthcurno Enterprises Limited on a line-by-line basis. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

(w) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently they are measured at fair value with changes recognised in 'net gains/ (losses) on investments' in the statement of financial activities if the shares are publicly traded or their fair value can otherwise be measured reliably.

For quoted shares, the fair value is deemed to be the quoted bid price as at the balance sheet date. Investments in subsidiaries are measured at cost less impairment.

2 Donations and grants

	2024	2023
	£	£
Restricted funds:		
Vodafone Foundation	30,000	120,000
Cornwall Council	10,000	11,000
Clore Challenge & Opportunity Fund	6,500	-
Mobile Phone Museum	5,000	-
St Levan Methodist Charitable Trust	845	7,597
Grants from various sources	334	2,250
Arts Council of England	-	58,000
GCHQ	-	7,500
The National Archives	-	5,500
Royal Society	-	3,500
	<hr/>	<hr/>
	<u>52,679</u>	<u>215,347</u>

Included with unrestricted grants is the following grants:

- Arts Council England - grants have been received totalling £134,631 (2023: £nil) for Supporting a Consortium of Museums in Cornwall.

3 Investment management costs

	2024	2023
	£	£
Other expenses	3,359	2,460
	<hr/>	<hr/>
	<u>3,359</u>	<u>2,460</u>

4 Support and governance costs

	2024	2023
	£	£
Support staff costs	72,958	53,897
Premises and running expenses including staff costs	568,527	357,330
Audit and accountancy	8,000	7,300
	<hr/>	<hr/>
	<u>649,485</u>	<u>418,527</u>

5 Staff costs

	2024	2023
	£	£
Salaries and wages	460,438	409,658
Social Security	25,940	22,849
Pensions	10,109	10,333
	<u>496,487</u>	<u>442,840</u>
Average monthly headcount was	<u>34.0</u>	<u>33.0</u>

Included in salaries and wages above are redundancy costs totalling £21,886 (2023:£nil)

Trustees are not remunerated. A total of £25 was reimbursed or paid on behalf of directly incurred travel, accommodation and subsistence expenses to 1 trustee (2023 - £793 - 3 trustees) who travel to meetings from outside the area.

The charity operated an auto-enrolment compliant pension scheme in line with the current legislation.

The key management personnel of the charity comprise the Creative Director & CEO, Head of Finance & Resources, Head of Collections & Engagement, Head of Visitor Services & Operations to May 2023, Head of Commercial & Visitor Services from Jan 2024 and Head of Site Operations & Facilities from Jan 2024. The total employee benefits of the key management personnel of the charity were £164,518 (2023: £172,287) for year.

CEO & Creative Director has use of accommodation in Mercury House as part of the terms of her employment contract.

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 during the year was:-

	2024	2023
£60,000 - £70,000	<u>-</u>	<u>-</u>

6 Charitable expenditure

Activity	Funded expenditure	Support and governance costs (see 1(e))	Total 2024	Total 2023
	£	£	£	£
Archive & Museum	30,719	308,431	339,150	346,949
Gift shop and café	-	128,118	128,118	116,974
Learning & participation	24,743	212,936	237,679	146,597
Maintenance	18,911	-	18,911	34,692
	<u>74,373</u>	<u>649,485</u>	<u>723,858</u>	<u>645,212</u>

7 Taxation

PK Porthcurno is a registered charity and the results of its normal activities are not liable to Corporation Tax. Activities which are not primary purpose trades are within the statutory limits prescribed by the statutory exemption for small

8 Intangible fixed assets

	Goodwill Exiles Club	Goodwill Telegraph Cottage	Total
Cost or valuation	£	£	£
At 31 March 2023	20,000	10,000	30,000
Additions	-	-	-
Disposal	-	-	-
At 31 March 2024	<u>20,000</u>	<u>10,000</u>	<u>30,000</u>
Amortisation			
At 31 March 2023	20,000	3,667	23,667
Charge for period	-	2,000	2,000
Amortisation on disposal	-	-	-
At 31 March 2024	<u>20,000</u>	<u>5,667</u>	<u>25,667</u>
Net book value			
At 31 March 2024	<u>-</u>	<u>4,333</u>	<u>4,333</u>
At 31 March 2023	<u>-</u>	<u>6,333</u>	<u>6,333</u>

9 Tangible fixed assets

	Freehold land & buildings	Permanent exhibitions	Fixtures, fittings & equipment	Total
Cost or valuation	£	£	£	£
At 31 March 2023	5,439,696	764,290	283,560	6,487,546
Additions	-	2,650	22,828	25,478
Disposal	-	-	(3,069)	(3,069)
At 31 March 2024	<u>5,439,696</u>	<u>766,940</u>	<u>303,319</u>	<u>6,509,955</u>
Depreciation				
At 31 March 2023	1,484,798	296,191	250,008	2,030,997
Charge for period	48,912	38,235	11,054	98,201
Depn on disposal	-	-	(3,069)	(3,069)
At 31 March 2024	<u>1,533,710</u>	<u>334,426</u>	<u>257,993</u>	<u>2,126,129</u>
Net book value				
At 31 March 2024	<u>3,905,986</u>	<u>432,514</u>	<u>45,326</u>	<u>4,383,826</u>
At 31 March 2023	<u>3,954,898</u>	<u>468,099</u>	<u>33,552</u>	<u>4,456,549</u>

The predecessor charity was gifted various property in the Porthcurno valley by Cable & Wireless Plc. The trustees decided to recognise the value of certain buildings to the charity. Other land included in the conveyance has not been valued because of its unsuitability for sale on the open market, being mainly scrub and hillside land. Some interest has been expressed by local residents to acquire parcels of the land adjacent to residential property and the trustees will consider these on a case by case basis.

In October 2020, the former Superintendent's house, Mercury House, was valued by a local surveyor. It had been recognised in the accounts at a value of £880,000 but following that valuation, is now recognised at a value of £500,000.

Only the specific refurbishment of freehold property has been depreciated. This is because the estimated residual value of land and buildings is not considered to be materially different to the carrying value of the assets. Therefore, any depreciation charge would also be immaterial. This situation will be reviewed annually.

The fixtures and fittings include many small items of equipment which have been fully depreciated but are still in use within the charity.

If the freehold land and buildings had not been included at deemed costs, they would have been included under the historical cost convention as follows:

	2024	2023
	£	£
Cost	3,939,695	3,939,695
Accumulated depreciation	(1,533,710)	(1,484,798)
Net book value	<u>2,405,985</u>	<u>2,454,897</u>

A legal charge over the freehold property had been given to the National Heritage Memorial Fund to secure the repayment of a grant should it become repayable.

10 Shares in subsidiary undertaking

	Issued Share Capital	Ownership
Porthcurno Enterprises Limited	£10	100%
	<u>£10</u>	<u>100%</u>

The company is incorporated in England and Wales and its area of operation is the United Kingdom. The company's business is that of a charity trading company operating the car parks and public conveniences.

The profit before tax for the period ended 31 March 2024 was £86,907 (2023: £51,642) and the value of the equity and reserves at 31 March 2024 was £10 (2023: £11,652).

11 Investments

	Investment Property	Investment Portfolio	Total
	£	£	£
At 1 April 2023	235,000	358,521	593,521
Additions at cost	-	71,019	71,019
Disposals	-	(215,268)	(215,268)
Revaluation	-	29,749	29,749
	<u>235,000</u>	<u>244,021</u>	<u>479,021</u>
At 31 March 2024	<u>235,000</u>	<u>244,021</u>	<u>479,021</u>

The investment property was purchased in June 2021. The trustees do not believe its valuation has materially altered since this date.

The cost of the above investment portfolio as at 31 March 2024 was £233,271 (2023:£384,589)

12 Heritage property not recognised in the balance sheet

The charity owns the original World War II communication centre, known as “the tunnels”, built in the hillside of Porthcurno in the 1940s. This property along with access, car parking area and a collection of historic telecommunications equipment, was gifted to the charity by The Eastern Telegraph Company Limited, a subsidiary of Cable & Wireless Plc.

There have been no acquisitions or disposals of heritage assets during the last five years.

The current insurance value for “the tunnels” is £1,850,000 on a replacement basis. The collection is insured to a value of £500,000 again on an estimated replacement basis, albeit that many of the items would now be irreplaceable.

13 Debtors	Group	Group	Charity	Charity
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	-	18,304	-	11,697
Amounts owed by group undertakings	-	-	7,113	9,052
Other debtors	17,602	12,695	17,474	9,381
Prepayments and accrued income	47,385	25,699	36,001	25,330
	64,987	56,698	60,588	55,460
14 Creditors: amounts falling due within one year	Group	Group	Charity	Charity
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	33,403	29,408	31,996	28,655
Other creditors including taxation	21,686	11,925	21,553	11,075
Accruals	61,349	32,611	56,283	30,794
Deferred income (see below)	9,434	10,414	9,434	10,414
	125,872	84,358	119,266	80,938

15 Deferred income

Deferred income comprises the 5-year and 10-year permission to use licences, income ring-fenced for future projects and land rental.

	Group	Group	Charity	Charity
	2024	2023	2024	2023
	£	£	£	£
Balance as at 1 April 2023	10,414	4,065	10,414	4,065
Amount released to income earned from charitable activities	(2,029)	(962)	(2,029)	(962)
Amount deferred in year	1,049	7,311	1,049	7,311
Balance as at 31 March 2024	9,434	10,414	9,434	10,414

16 Analysis of charitable funds - year ended 31 March 2024 - Group

	At 31 March 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2024
	£	£	£			£
Restricted funds						
- Heritage Lottery Fund	991,900	-	40,748	-	-	951,152
- Vodafone Foundation	-	30,000	30,000	-	-	-
- Cornwall Council Culture Team	108,326	-	4,450	-	-	103,876
- DCMS/Wolfson Fund	258,525	-	13,175	-	-	245,350
- Clore Duffield Foundation	90,274	-	3,708	-	-	86,566
- Wilshaw Benevolent Trust	216,653	-	8,900	-	-	207,753
- Other funds	544,091	37,679	71,593	9,110	-	519,287
- Total restricted income funds	<u>2,209,769</u>	<u>67,679</u>	<u>172,574</u>	<u>9,110</u>	<u>-</u>	<u>2,113,984</u>
Unrestricted funds:						
- Unrestricted general funds	534,910	665,370	826,367	135,139	1,198	510,250
- PK Contingency Investment portfolio	358,521	-	-	(144,249)	29,749	244,021
- Revaluation reserve	1,500,000	-	-	-	-	1,500,000
- Investment property revaluation reserve	500,000	-	-	-	-	500,000
- Total unrestricted funds	<u>2,893,431</u>	<u>665,370</u>	<u>826,367</u>	<u>(9,110)</u>	<u>30,947</u>	<u>2,754,271</u>
	<u>5,103,200</u>	<u>733,049</u>	<u>998,941</u>	<u>-</u>	<u>30,947</u>	<u>4,868,255</u>

Analysis of charitable funds - period ended 31 March 2024 - Charity only

	At 31 March 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2024
	£	£	£			£
Restricted funds						
- Heritage Lottery Fund	991,900	-	40,748	-	-	951,152
- Vodafone Foundation	-	30,000	30,000	-	-	-
- Cornwall Council Culture Team	108,326	-	4,450	-	-	103,876
- DCMS/Wolfson Fund	258,525	-	13,175	-	-	245,350
- Clore Duffield Foundation	90,274	-	3,708	-	-	86,566
- Wilshaw Benevolent Trust	216,653	-	8,900	-	-	207,753
- Other funds	544,091	37,679	71,593	9,110	-	519,287
- Total restricted income funds	<u>2,209,769</u>	<u>67,679</u>	<u>172,574</u>	<u>9,110</u>	<u>-</u>	<u>2,113,984</u>
Unrestricted funds:						
- Unrestricted general funds	523,258	621,418	770,773	135,139	1,198	510,240
- PK Contingency Investment portfolio	358,521	-	-	(144,249)	29,749	244,021
- Revaluation reserve	1,500,000	-	-	-	-	1,500,000
- Investment property revaluation reserve	500,000	-	-	-	-	500,000
- Shares in subsidiary undertaking	10	-	-	-	-	10
- Total unrestricted funds	<u>2,881,789</u>	<u>621,418</u>	<u>770,773</u>	<u>(9,110)</u>	<u>30,947</u>	<u>2,754,271</u>
	<u>5,091,558</u>	<u>689,097</u>	<u>943,347</u>	<u>-</u>	<u>30,947</u>	<u>4,868,255</u>

16 Analysis of charitable funds - year ended 31 March 2023 - Group

	At 31 March 2022	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2023
	£	£	£			£
Restricted funds						
- Heritage Lottery Fund	1,032,648	-	40,748	-	-	991,900
- Vodafone Foundation	-	120,000	120,000	-	-	-
- Cornwall Council Culture Team	112,776	-	4,450	-	-	108,326
- DCMS/Wolfson Fund	271,700	-	13,175	-	-	258,525
- Clore Duffield Foundation	93,982	-	3,708	-	-	90,274
- Wilshaw Benevolent Trust	225,553	-	8,900	-	-	216,653
- Other funds	581,928	95,347	133,184	-	-	544,091
- Total restricted income funds	<u>2,318,587</u>	<u>215,347</u>	<u>324,165</u>	<u>-</u>	<u>-</u>	<u>2,209,769</u>
Unrestricted funds:						
- Unrestricted general funds	727,787	433,755	561,801	(64,831)	-	534,910
- PK Contingency Investment portfolio	308,787	-	-	64,831	(15,097)	358,521
- Revaluation reserve	1,500,000	-	-	-	-	1,500,000
- Investment property revaluation reserve	500,000	-	-	-	-	500,000
- Total unrestricted funds	<u>3,036,574</u>	<u>433,755</u>	<u>561,801</u>	<u>-</u>	<u>(15,097)</u>	<u>2,893,431</u>
	<u>5,355,161</u>	<u>649,102</u>	<u>885,966</u>	<u>-</u>	<u>(15,097)</u>	<u>5,103,200</u>

16 Analysis of charitable funds - period ended 31 March 2023 - Charity only

	At 31 March 2022	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2023
	£	£	£			£
Restricted funds						
- Heritage Lottery Fund	1,032,648	-	40,748	-	-	991,900
- Vodafone Foundation	-	120,000	120,000	-	-	-
- Cornwall Council Culture Team	112,776	-	4,450	-	-	108,326
- DCMS/Wolfson Fund	271,700	-	13,175	-	-	258,525
- Clore Duffield Foundation	93,982	-	3,708	-	-	90,274
- Wilshaw Benevolent Trust	225,553	-	8,900	-	-	216,653
- Other funds	581,928	95,347	133,184	-	-	544,091
- Total restricted income funds	<u>2,318,587</u>	<u>215,347</u>	<u>324,165</u>	<u>-</u>	<u>-</u>	<u>2,209,769</u>
Unrestricted funds:						
- Unrestricted general funds	708,730	399,398	520,039	(64,831)	-	523,258
- PK Contingency Investment portfolio	308,787	-	-	64,831	(15,097)	358,521
- Revaluation reserve	1,500,000	-	-	-	-	1,500,000
- Investment property revaluation reserve	500,000	-	-	-	-	500,000
- Shares in subsidiary undertaking	10	-	-	-	-	10
- Total unrestricted funds	<u>3,017,527</u>	<u>399,398</u>	<u>520,039</u>	<u>-</u>	<u>(15,097)</u>	<u>2,881,789</u>
	<u>5,336,114</u>	<u>614,745</u>	<u>844,204</u>	<u>-</u>	<u>(15,097)</u>	<u>5,091,558</u>

All restricted funds are raised and given for specific purposes and projects and are output related. These outputs incorporate fees, consultancies, project spend and implementation work. The conditions governing the income or grants restrict these funds and costs are allocated against the funded element available. Excess expenditure on such projects is met from unrestricted funds.

The charity's unrestricted funds can be used, with the approval of the trustees, to fund any expenditure relating to projects or general running costs which fall within the charity's general aims and objectives.

The restricted funds represent the residue of the initial grants and other funding received to finance the redevelopment of the museum and refurbish the heritage property and grounds donated as a permanent endowment.

17 Lease commitments

Total commitments under non-cancellable operating leases are as follows:

	Other	
	2024	2023
	£	£
Expiry date:		
- Within one year	42,544	27,620
- Between two and five years	<u>42,480</u>	<u>31,723</u>
	<u><u>85,024</u></u>	<u><u>59,343</u></u>

18 Related party transactions

CEO & Creative Director has use of accommodation in Mercury House as part of the terms of her employment contract.

Transactions totalling £100 took place during the year in relation to the provision of accommodation at her own property to a visiting consultant as the organisation's accommodation was unavailable.

Spouse of the CEO & Creative Director. Transactions totalling £5,809 (2023: £2,985) took place during the year in relation to exhibition research and curation and some employment. There were nil amounts outstanding as at 31 March 2024 (2023: £nil).

Three children of the CEO & Creative Director. Transactions totalling £42,172 (2023: £24,149) relating to employment (including employer's pension contributions and expenses) took place during the year. There were nil amounts outstanding as at 31 March 2024 (2023: £nil).

Porthcurno Enterprises Ltd - wholly owned subsidiary of the charity. As at 31 March 2024 the company owed £7,113 to the CIO (2023: £9,052).

19 Auditors' Liability Limitation Agreement

For the year ended 31 March 2024, the charity entered into a liability limitation agreement with its auditors, the principal terms of which limit the liability of the auditors to £5,000,000 in relation to their responsibilities as auditors of the charity. The date this was agreed by the charity was 29 January 2025.

PK PORTHCURNO

England & Wales - Charity number 1189090

Accounts



PK Porthcurno

Trustees' Report and Consolidated Financial Statements

Year ended 31 March 2023

Registered charity number 1189090

Contents

Page No.

1. Contents
2. Vision
3. Legal and administrative information
5. Director's Report
9. Trustees' Report
 - a. Structure Governance and Management
 - b. Financial Review
 - c. Reserves Policy
 - d. The Future
 - e. Statement of Trustee's Responsibilities
12. Report of the Auditor to the trustees of PK Porthcurno
16. Charity Statement of Financial Activities incorporating an Income and Expenditure account
17. Consolidated Statement of Financial Activities incorporating an Income and Expenditure account
18. Charity Balance Sheet
19. Consolidated Balance Sheet
20. Consolidated Statement of cashflows
21. Notes

Vision

“We have designed our civilization based on science and technology and at the same time arranged things so that almost no one understands anything at all about science and technology. This is a clear prescription for disaster”
Carl Sagan

OUR VISION:

A world where people are inspired by the past, understand the science and technology that connects them, and use that knowledge to imagine and shape a better future.

OUR MISSION:

We enable people to explore the connected world, understand the history, science and technology of global communications, and consider what this means in their own lives.

OUR VALUES:

Inspiring: we love what we do and hope to inspire others by sharing our enthusiasm and inviting their participation

Progressive: we are forward thinking, adventurous and not afraid to try new things

Relevant: we engage people with our collections and stories and how these relate to their own lives

Sustainable: we work towards a sustainable world and aim to do no harm

Open: we create an inclusive and open environment which welcomes respectful discourse

Legal and administrative information

Registered office and

principal place of business: Eastern House
Porthcurno
Penzance
Cornwall, TR19 6JX

Charity registration number: 1189090

VAT number: GB 699 4558 55

Trustees

The trustees of PK Porthcurno during the period under review were:

Gareth Parry (Chairman)
Tamsin Daniel (Vice-chairman, resigned 25 November 2022)
Polina Bayvel
Christopher Fyles
David Foot
Andrew MacLeod
Simon Menneer (resigned 3 August 2022)
Cassandra Newland (appointed 3 May 2023)
Richard Perry
Shini Somarathne (appointed 11 May 2023)
Deborah Tritton

Principal officers

The management team reports to the board of trustees and is responsible for the overall management of the charity.

The team of managers comprise:

Chairman: Gareth Parry
Creative Director & CEO: Julia Twomlow
Head of Finance & Resources: Patricia McCartney

The Chairman, CEO & Creative Director and Head of Finance & Resources are responsible for managing the finances and administration of the charity and for ensuring compliance with all legal obligations.

Legal and administrative information (continued)

Independent advisers

Solicitors: Murrell Associates LLP
14 High Cross
Truro
Cornwall
TR1 2AJ

Counterculture LLP
Unit 115 Ducie House
Ducie Street
Manchester
M1 2JW

Auditor: RRL LLP
Peat House
Newham Road
Truro
Cornwall, TR1 2DP

Bankers: CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Investment bankers: Brewin Dolphin Ltd T/as RBC Brewin Dolphin
Vantage Point
Woodwater Park
Pynes Hill
Exeter
Devon
EX2 5FD

Director's Report

I am pleased to present this annual report which covers the second full year of operations of PK Porthcurno since its inception in 2020. The report is divided into sections which broadly align with the areas and activities delivered at PK Porthcurno and all activities carried out at the Museum are guided by our organisational vision, mission and values.

Vision, Mission and Values

Our Vision

A world where people are inspired by the past, understand the science and technology that connects them and use that knowledge to imagine and shape a better future.

Our Mission

We enable people to explore the connected world, understand the history, science, and technology of global communications, and consider what this means in their own lives.

Our Values

- *Inspiring:* We love what we do and hope to inspire others by sharing our enthusiasm and inviting their participation.
- *Progressive:* We are forward-thinking, adventurous and not afraid to try new things.
- *Relevant:* We engage people with our collections and stories and how these relate to their own lives.
- *Sustainable:* We work towards a sustainable world and aim to do no harm.
- *Open:* We create an inclusive and open environment that welcomes respectful discourse.

Visitor Services

Visitor numbers for the year were slightly down on pre-pandemic levels at 17,119 (2019-20 – 18,300) and down by 9% against our original target. However, according to our partners in Cornwall Association of Tourist Attractions (CATA) this pattern was reflected elsewhere in Cornwall. The significant reduction in visitor numbers to the Museum created a loss of anticipated income from admissions against budget. In response, we reduced the number of discounts offered on admission and postponed plans to create an outdoor food outlet within the year, which would have incurred capital investment and additional staffing costs. We also experimented with opening more often in the winter months, opening for six days a week instead of three, working with a reduced front of house and café staff team at these times. The additional three days a week of opening generated approximately 33% of our winter income across all streams.

Spend per visitor (SPV) remained stable across the year for all areas and was slightly up on pre-pandemic figures with admissions at £5.78 against £5.46 in 2019-20. The café and retail both performed very well with historic highs on SPV: the café at £3.71 (against £2.31 in 2019-20) and retail at £2.90 (against £1.79 in 2019-20). Combined SPV across the year was up by nearly 30% at £12.39 against £9.56 in 2019-20.

The museum shop had a very successful year with a range of bespoke and branded merchandise introduced and proving very popular. In the winter, we launched our first online shop just in time for Christmas. One cause for celebration was winning the national award for 'best museum shop product' at the Association for Cultural Enterprises Awards for our 'Oceans Will Not Divide Us' Morse Code blanket made in collaboration with Cornwall-based company, Atlantic Blankets.

A new venture for the year was launching Telegraph Cottage as a holiday let in April 2022, ready for the summer season. The cottage was advertised directly via our website and social media as well as through Airbnb. This proved successful from the outset with overwhelming positive feedback from visitors and 'Superhost' status achieved.

Director's Report (continued)

Exhibitions

In June 2022, we opened our collaborative exhibition with GCHQ in the Tunnels. Entitled *Watcher of the Skies*, this was a temporary exhibition which ran until September 2023.

Also in June, a new Planet PK environmental exhibition opened called *Airy mouse* (Cornish dialect for bat). The exhibition was prompted by our awareness of the bat populations in Porthcurno which have been revealed in recent surveys. The exhibition looks particularly at bat communications through echolocation as well as ways in which we can do more to protect these much-maligned creatures. It is presented in collaboration with the Mammal Society.

At the end of the financial year, plans were underway for a new temporary exhibition which opened in October 2023 in collaboration with the Mobile Phone Museum and Vodafone UK, marking 40 years of the mobile phone.

Collections & Archive

Since its launch in February 2022, our online collections platform PKOC (PK Online Collections) has gone from strength to strength and is proving an amazing resource for staff and users alike. Access to PKOC has made it easier for staff to explore the collections for marketing use, learning resources and ideas for the museum shop. PKOC has also reduced the amount of time collection staff are spending on external enquiries, enabling direct enquirers to PKOC to carry out their own searches into the collections.

We continue to modify and add to the data on PKOC, with help from our archive volunteers, as well as new acquisitions to the collections. With the increased access to the collections, we are also receiving information that is improving our records, including the identification of people, places and events that appear in some of our photographs.

Our relationship with Higher Education institutions and support for research continued to grow, especially with the University of Exeter. This included a new PhD studentship titled 'Sustaining the Nervous System of the World: An Environmental History of Submarine Cable Telegraphy circa 1880-1940' which commenced in September 2022.

The Creative Director & CEO of PK Porthcurno also completed a Master of Research with Exeter University in International Heritage Management and Consultancy. Her research dissertation, entitled 'Return of the Exiles', investigates the origins of the Exiles Club in Porthcurno. A direct grant from the Clore Leadership programme and AHRC enabled her to continue this study with a research visit to the cable station site at Carcavelos, Portugal, investigating community connections between cable station sites.

Acquisitions

We continue to receive new acquisitions to the museum collections including photographs, albums, notes and ephemera related to the Cable and Wireless College at Porthcurno, cable samples and staff documents. In addition, we received two phototelegraphy machines to accompany the one already in the collection, a Siemens & Halske Morse inker dated circa 1860s and documents and objects relating to the Sunbury Glass Works who were at the forefront of developing and manufacturing fibre optics in the early 1960s. A collection of items from Global Marine was also received, including a marine galvanometer, an azimuth circle and navigational plotting instruments.

Engagement

During the year, the Engagement Team continued devising a rich range of inspiring and playful activities, events and workshops exploring the history and science of communications for a range of ages. We

Director's Report (continued)

completed a user survey for the Clore Duffield Foundation, comparing our pre- and post-Covid engagement figures. This showed that our in-person engagement across our organisation for the period January-June, both on and off site, had risen by 120% since 2019. Our biggest news of the year was the Engagement Team winning the national *Kids in Museums* Best Family Friendly Engagement Team award.

Engagement activities across the year included 'in person' activities across a range of ages from toddlers to teenagers. School visits stepped up after Covid and our Learning Facilitators adapt their ways of working to be flexible to the changing situations, such as sudden Covid outbreaks. We also registered to be a part of the Get Back to Culture opportunity for Secondary Schools in Cornwall, aimed at addressing the lack of creative experiences for students brought on by the pandemic.

Our focus on inclusive experience continued with the meeting room in Eastern House repurposed as a quiet breakout space for visitors and families - 'a space to pause' during a visit. We also created a mindfulness video about Porthcurno Valley with filmmaker Alban Roinard, as part of mental health awareness.

In May 2022, 'Morgy' the Giant Communications Squid arrived and was installed in the gardens of PK Porthcurno. Designed and built by Portuguese-Italian artist cooperative Moradavaga, Morgy provides a welcome splash of colour to the museum grounds and a fun, low-tech way to explore the science of communications for all ages.

Our work with the Cornish Caretakers continued and the show and workshop, 'A Message to PK Porthcurno' toured to some 40 Cornish schools, engaging with up to 10,000 primary-aged children across Cornwall. It went on to win 'Best Collaboration' at the Cornwall Heritage Awards.

Our new Planet PK Champions environmental sessions were launched during the year, with sessions bringing together scientific and creative elements to the workshop experience.

Volunteering started to return to pre-Covid levels with our dedicated team of technical and engineer volunteers continuing to maintain interactive displays and other equipment throughout the museum. Archive volunteers continued to catalogue and digitise photographs, whilst our newest volunteer began transcribing staff registers for addition to our online collections.

Work experience and student placements also resumed for the first time since Covid including seven students from Exeter University who all completed placements, three master's students, and a Duke of Edinburgh Award. In the summer we held a social event for all our volunteers, staff and Trustees with a barbeque on our café terrace and at the end of the year, a visit to GCHQ Bude was organised for volunteers and staff as a follow-on to the 'Watcher of the Skies' exhibition.

Funding

Arts Council England

In March 2023, a formal application was started to Arts Council England for a new consortium of museums in Cornwall with PK Porthcurno as the Lead Applicant. The application was for £1.86 million across three years (2023-26) with a partnership including PK Porthcurno, Royal Cornwall Museum, Falmouth Art Gallery, Penlee House Museum and Gallery, The Keep – Cornwall's Regimental Museum, Wheal Martyn Clayworks and the Museum of Cornish Life. The application was submitted in April 2023 for a decision in June.

St Levan Parish Charitable Trust

Funding of £7.5k was received from the St Levan Parish Charitable Trust to pay for the appointment of a new Learning & Participation Officer (Arts).

Director's Report (continued)

Environmental Responsibility

Environmental concerns are central to every decision we make at PK Porthcurno and the umbrella name we give this work is Planet PK. Planet PK formally recognises our duty of care as residents and landowners within the Valley, which is within an Area of Outstanding Natural Beauty. It embeds green values within the charity's future programming, engagement, commercial activities and business plans.

Developments during the year included achieving official Plastic Free Community status for the whole of Porthcurno from Surfers Against Sewage. PK Porthcurno also continued to organise community beach cleans throughout the year. Using funding from Tresorys Kernow, we commissioned consultancy to produce an action-based report to help address Porthcurno's littering issues that come with the transient summer crowds.

In the summer, we commissioned bat surveys from Cove Ecological to protect local bat populations during necessary maintenance and building work across the site. From the surveys we have found populations of pipistrelle bats resident in the Valley as well as greater horseshoe bats which are particularly rare in the UK. The results of this survey inspired and informed the Planet PK temporary 'Airymouse' exhibition at the Museum.

Work commenced on our fields behind the museum to clear invasive clematis. This five-year project is being led and managed by the National Trust.

Thanks to the efforts of our gardener and volunteers, we now have 13 bee colonies in the apiary behind the museum, with several swarms arriving this year. Honey harvested from the hives is sold in the museum shop.

Awards in 2022/23

The following awards have been achieved in the year:

- Visit England Excellence in Tourism Awards – bronze, Small Visitor Attraction
- Southwest Tourism Awards – winner of Small Visitor Attraction award
- Cornwall Tourism Awards – winner of Small Visitor Attraction award
- Cornwall Tourism Awards – winner of Accessible & Inclusive Tourism award
- Association of Cultural Enterprises – Best product (blanket)

Conclusion

2022/23 was a year of successes and challenges. Whilst embedding the organisational changes we made in the previous year, we started to consider the long-term impact of the pandemic and how we should respond. Our award successes at a local, regional and national level have been gratifying and reassuring, reflecting the quality of our collections and exhibitions, and the positive, inclusive experience that our museum offers. However, we know there is necessarily more change ahead.

Anticipating the end of the three-year core funding agreement from the Vodafone Foundation in 2023, we foresee the need to become more self-reliant with earned income. This will doubtless impact on staffing and the focus of our resources moving forward. The new funding relationship we are developing with Arts Council England, along with our partner museums, is also an important element of these changes, reflecting the need for all funded cultural organisations to be more agile and pragmatic in their working models. These changes will undoubtedly include difficult and sometimes challenging decisions but are necessary to our long-term resilience.

To conclude, on behalf of the PK Porthcurno team, I would like to thank our esteemed Board of Trustees and our Chair, Professor Gareth Parry, for their unwavering support, appreciation and dedication to the Museum and its staff.

Julia Twomlow, Creative Director & CEO

Trustees' report

The trustees are pleased to present their report together with the audited consolidated financial statements of PK Porthcurno for the year ended 31 March 2023 and confirm that the latter comply with the requirements of the Constitution and the Charities SORP 2019.

PK Porthcurno is a Charitable Incorporated Organisation (CIO) and its UK registered charity number is 1189090.

Structure, Governance and Management

Governing document

The governing document of the charity is a Constitution dated 14 April 2020. The charity is governed by a board of individual trustees.

Trustee induction and training

Existing trustees are already familiar with, and the majority experienced in, the work of charities by virtue of their currently holding or having previously held trustee appointments with other charities. New trustees may be appointed at any time (either by way of replacement or addition) by the existing trustees.

All trustees have been acquainted with the Charity Commission's guide "the Essential Trustee", which is distributed free to all trustees together with a copy of the charity's constitution and latest report and accounts. In the event of a vacancy a new trustee would be encouraged to attend a series of meetings with existing trustees and employees and, if necessary, attend a short external course.

A Governance Review was carried out during the year ended 31 March 2023 and is reviewed on an ongoing basis. The Trustee pack continues to be updated on a regular basis for the existing and new trustees.

Organisation

The board of trustees meet quarterly and are responsible for the strategic direction of the CIO. The day-to-day responsibility for the running of the charity rests with the CEO & Creative Director and assistants who report to the board of the trustees.

Risk Management

The trustees have examined the major operational and financial risks that the CIO faces and confirms that procedures have been implemented to enable regular reviews to be undertaken and reports to be produced in order that the necessary steps can be taken to minimise any potential impact on the charity should those risks materialise.

Objectives and Activities

PK Porthcurno is an educational charity, originally established by Cable and Wireless plc in 1997 as The Porthcurno Collections Trust, whose activities, assets and liabilities were transferred to the charity on 1 October 2020. The objects of the charity, as contained in the constitution 'are to advance the education of the public particularly in the sciences and the history of science and innovation and the history of Porthcurno including without prejudice to the generality by preserving, restoring, researching, maintaining and documenting for display to the general public the Tunnels, the Collection and telecommunications equipment and artefacts, buildings and documents and to undertake any charitable activity for the benefit of the public and in particular those members of the public living or working in the vicinity of the Charity's projects.'

The charity's major activities are the operation of an award-winning museum, the care and management of the Cable & Wireless historic archive, the maintenance of the object collections, historic buildings and grounds at Porthcurno and the provision of formal and informal learning opportunities. By providing access to unique, world-class historical resources on the history of telecommunications, the charity continues to increase the reputation of Porthcurno as an important centre for study and a valuable educational resource.

Trustees' report (continued)

The trustees consider that as an educational charity PK Porthcurno satisfies the meaning of charitable purpose as defined by section 2(2) of the Charities Act. As such it considers that it has complied with the duty in section 4 of the Act having due regard to public benefit guidance published by the Charity Commission.

Financial Review

In 2022/23 the group had incoming resources of £649,102. Of this total, £120,000 was provided by Vodafone Foundation. The charity continued to provide heritage services to the Company, focusing on the care and management of the historic archive. Vodafone Foundation's funding is a major contribution to the charity's museum activities. The funding has been important in maintaining the quality and range of museum activities offered by the charity.

The remainder of the charity's income is generated by: museum entrance fees £102,331, shop sales £51,487, café sales £63,459, property rentals £29,189, car park income £143,127, project grants £95,097, interest and dividends £8,737 and other miscellaneous sources £35,675.

Reserves Policy

The net expenditure for the period on unrestricted funds was £128,046. There was a transfer of funds from unrestricted general funds to PK Contingency Investment portfolio of £64,831. These amounts have been deducted from the surplus balance of unrestricted general funds of £727,787 giving an accumulated surplus of £534,910 excluding amounts arising from the revaluation of fixed assets and investments.

The trustees have considered the charity's various sources of income and the risk that this could be reduced. Although the charity is not substantially dependent on donations, it is largely dependent on seasonal tourism and its location is very isolated. There is a risk that factors outside of the control of the charity could result in a substantial reduction in income one summer which would have an impact on the charity for 12 months. The trustees consider that reserves should be maintained at an amount equivalent to about 12 months' core costs plus contingency of running Eastern House, the Wilshaw Building and peripheral buildings. The target reserves are £75,000.

The trustees monitor the need for reserves and the current level of reserves at least once a year considering factors such as sources of income, risks of income reduction, anticipated costs of maintaining the charity.

Fundraising Policy

PK Porthcurno does not use external fundraisers or commercial parties; all fundraising for the CIO is conducted by the CEO & Creative Director and staff of the CIO, with appropriate oversight and guidance by the board of trustees. Our strategic fundraising objective is to sustain and build the CIO's income to meet our long-term capital and revenue needs. The focus of our fundraising activity is on developing relationships with charitable trusts, local and central authorities, and appropriate corporate sponsors. We comply with all current fundraising legislation, seeking to keep abreast of fundraising developments to ensure best practice in all our fundraising activities.

PK Porthcurno encourages donations, both ad hoc or via appeals, through our newsletter to subscribers, website, on site donation boxes and via leaflets and posters. We do not run telephone campaigns or targeted personalised mailshots and we do not actively seek legacies from individuals unless approached by donors or their families. PK Porthcurno has not received any complaints about its fundraising practices.

Trustees' report (continued)

Investment policy

The Constitution permits the trustees to make such investments as they think proper. The policy is to achieve the maximum total return in terms of capital growth and income without incurring undue risks subject to any minimum income requirement agreed from time to time.

The Future

The charity is currently looking at the options available for development that would enable it to be more sustainable in the future. These options include seeking to attract new sponsors and funders (specifically to fund new exhibitions and initiatives), partnering with national museums, with local government and with other local attractions with the aim of boosting visitor numbers and, also, aiming to attract new sources of grant funding to support the development (as part of new visitor offerings) of other buildings which form part of the museum's campus.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements giving a true and fair view, the Trustee should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable it to ascertain the financial position of the charity and which enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware; and
- the trustees have taken all steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the trustees and signed on their behalf by:

Gareth Parry
Chairman
29 January 2024

Independent auditor's report to the Trustees of PK Porthcurno

Opinion

We have audited the financial statements of PK Porthcurno (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2023 which comprise the consolidated and charity statement of financial activities, the consolidated and charity balance sheet, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2023, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

Independent auditor's report to the Trustees of PK Porthcurno (continued)

statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- The information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees 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 parent charity'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 parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

As part of our audit work, we obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which they operate. We determined that the laws and regulations that were most significant were those that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and compliance with the Charities Statement of Recommended Practice. In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty. These include: data protection regulations, health and safety regulations, safeguarding legislation, licensing acts and employment legislation. The specific procedures for this engagement and the extent to which these are

Independent auditor's report to the Trustees of PK Porthcurno (continued)

capable of detecting irregularities, including fraud is detailed below:

- Discussion with management as to how compliance with these laws and regulations is monitored;
- Review of the disclosures in the financial statements and testing to supporting documentation;
- Enquiries of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing minutes of trustees' meetings and correspondence with regulators;
- Performing audit work in connection with the risk of management override of controls, including testing journal entries for reasonableness and evaluating the business rationale of significant transactions outside the normal course of business.

We also communicate relevant identified laws and regulations and potential fraud risk to all engagement team members and remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit approach also considered the opportunities and incentives that may exist within the charity for fraud and identified the greatest potential for fraud being in respect of cut off and completion risk around revenue recognition. Under ISA (UK) we are also required to undertake procedures to respond to the risk of management override of controls. Our procedures included the following:

- Undertaking transactional testing on revenue;
- Performing cut off testing;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale for significant transactions outside the normal course of business;
- Reviewing estimates and judgments made in the accounts for any indication of bias and challenged assumptions used by management in making 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 is available on the Financial Reporting Council's website at: <https://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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity

Independent auditor's report to the Trustees of PK Porthcurno (continued)

trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RRL LLP (Statutory Auditor)

*Peat House
Newham Road
TRURO
Cornwall
TR1 2DP*

January 2024

RRL LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Charity statement of financial activities incorporating an income and expenditure account for the year ended 31 March 2023

	Note	Unrestricted funds	Restricted funds	Total 2023	2022
		£	£	£	£
Income					
Donations:					
- Donations	2	65,588	-	65,588	891,996
- Subscriptions and other gifts		17,867	-	17,867	15,231
Charitable activities:					
- Grants	2	-	215,347	215,347	327,343
- Service contracts		1,281	-	1,281	5,218
- Car parking		-	-	-	4,567
Other trading activities:					
- Museum entrance fees		102,331	-	102,331	84,205
- Gift shop income		51,487	-	51,487	31,746
- Café income		63,459	-	63,459	50,357
- Other activities		9,736	-	9,736	7,088
Investments:					
- Dividends & interest received		8,737	-	8,737	5,699
- Property rentals and services		78,912	-	78,912	20,434
Total income		399,398	215,347	614,745	1,443,884
Expenditure					
Raising funds:					
- Cost of raising funds		15,830	-	15,830	17,507
- Cost of goods sold and other costs		64,555	-	64,555	44,750
- Investment management costs	3	2,460	-	2,460	1,849
Charitable activities:					
- Service contracts	4 & 6	1,281	-	1,281	5,178
- Other activities	4 & 6	417,246	226,685	643,931	743,228
- Depreciation & amortisation of assets		18,667	97,480	116,147	101,957
Total expenditure		520,039	324,165	844,204	914,469
Net (expenditure)/income		(120,641)	(108,818)	(229,459)	529,415
Transfer between funds		-	-	-	-
Other recognised (losses)/gains:					
Net (losses)/gains on investments		(15,097)	-	(15,097)	(33,092)
Net movement in funds		(135,738)	(108,818)	(244,556)	496,323
Reconciliation of funds:					
Total funds as at 31 March 2022		3,017,527	2,318,587	5,336,114	4,839,791
Total funds as at 31 March 2023		2,881,789	2,209,769	5,091,558	5,336,114

A reconciliation of the movement in funds is given in note 15. There were no discontinued operations within the charity for the year ended 31 March 2023.

Consolidated statement of financial activities incorporating an income and expenditure account for the year ended 31 March 2023

	Note	2023 Group £	2022 Group £	2023 Charity £	2022 Charity £
Income					
Donations:					
- Donations	2	6,541	891,996	65,588	891,996
- Subscriptions and other gifts		17,867	15,231	17,867	15,231
Charitable activities:					
- Grants	2	215,347	327,343	215,347	327,343
- Service contracts		1,281	5,218	1,281	5,218
- Car parking		-	4,567	-	4,567
Other trading activities:					
- Museum entrance fees		102,331	84,205	102,331	84,205
- Gift shop income		51,487	31,746	51,487	31,746
- Café income		63,459	50,357	63,459	50,357
- Other activities		152,863	47,507	9,736	7,088
Investments:					
- Dividends & interest received		8,737	5,699	8,737	5,699
- Property rentals and services		29,189	6,184	78,912	20,434
Total income		649,102	1,470,053	614,745	1,443,884
Expenditure					
Raising funds:					
- Cost of raising funds		16,200	17,507	15,830	17,507
- Cost of goods sold and other costs		64,555	44,750	64,555	44,750
- Investment management costs	3	2,460	1,849	2,460	1,849
- Car parking		41,392	5,736	-	-
Charitable activities:					
- Service contracts	4 & 6	1,281	5,178	1,281	5,178
- Other activities	4 & 6	643,931	743,228	643,931	743,228
- Depreciation & amortisation of assets		116,147	101,957	116,147	101,957
Other expenditure:					
		-	-	-	-
Total expenditure		885,966	920,205	844,204	914,469
Net (expenditure)/income		(236,864)	549,848	(229,459)	529,415
Transfer between funds					
		-	-	-	-
Other recognised (losses)/gains:					
Net (losses)/gains on investments		(15,097)	(33,092)	(15,097)	(33,092)
Net movement in funds		(251,961)	516,756	(244,556)	496,323
Reconciliation of funds:					
Total funds as at 31 March 2022		5,355,161	4,838,405	5,336,114	4,839,791
Total funds as at 31 March 2023		5,103,200	5,355,161	5,091,558	5,336,114

A reconciliation of the movement in funds is given in note 15. There were no discontinued operations within the charity for the year ended 31 March 2023.

Restricted income & expenditure in the above group statement of financial activities wholly relates to the charity, details of which can be found in the charity statement of financial activities.

Charity balance sheet at 31 March 2023

	Note	Unrestricted Funds £	Restricted Funds £	2023 Total Funds £	2022 Total Funds £
Fixed assets					
Intangible assets	8	6,333	-	6,333	25,000
Tangible assets	9	2,276,236	2,180,313	4,456,549	4,759,595
Investment property	11	235,000	-	235,000	-
Shares in subsidiary undertaking	10	10	-	10	10
Total fixed assets		2,517,579	2,180,313	4,697,892	4,784,605
Current assets					
Stock for resale		24,935	-	24,935	22,151
Debtors	13	43,198	12,262	55,460	76,198
Investments	11	358,521	-	358,521	454,387
Cash at bank and in hand		18,494	17,194	35,688	39,623
Total current assets		445,148	29,456	474,604	592,359
Creditors: amounts falling due within one year	14	80,938	-	80,938	40,850
Net current assets		364,210	29,456	393,666	551,509
Total assets less current liabilities		2,881,789	2,209,769	5,091,558	5,336,114
Net assets		2,881,789	2,209,769	5,091,558	5,336,114
The funds of the charity:					
Restricted funds					
- Restricted funds		-	2,209,769	2,209,769	2,318,587
Unrestricted funds:					
- Unrestricted general funds		881,779	-	881,779	1,017,517
- Revaluation reserve		1,500,000	-	1,500,000	1,500,000
- Land & buildings revaluation reserve		500,000	-	500,000	500,000
- Shares in subsidiary undertaking		10	-	10	10
Total charity funds	15	2,881,789	2,209,769	5,091,558	5,336,114

Consolidated Balance sheet at 31 March 2023

	Note	2023 Group £	2022 Group £	2023 Charity £	2022 Charity £
Fixed assets					
Intangible assets	8	6,333	25,000	6,333	25,000
Tangible assets	9	4,456,549	4,759,595	4,456,549	4,759,595
Investment property	11	235,000	-	235,000	-
Shares in subsidiary undertaking	10	-	-	10	10
Total fixed assets		4,697,882	4,784,595	4,697,892	4,784,605
Current assets					
Stock for resale		24,935	22,151	24,935	22,151
Debtors	13	56,698	83,110	55,460	76,198
Investments	11	358,521	454,387	358,521	454,387
Cash at bank and in hand		49,522	53,782	35,688	39,623
Total current assets		489,676	613,430	474,604	592,359
Creditors: amounts falling due within one year	14	84,358	42,864	80,938	40,850
Net current assets		405,318	570,566	393,666	551,509
Total assets less current liabilities		5,103,200	5,355,161	5,091,558	5,336,114
Net assets		5,103,200	5,355,161	5,091,558	5,336,114
The funds of the charity:					
Restricted funds					
- Restricted funds		2,209,769	2,318,587	2,209,769	2,318,587
Unrestricted funds:					
- Unrestricted general funds		893,431	1,036,574	881,779	1,017,517
- Revaluation reserve		1,500,000	1,500,000	1,500,000	1,500,000
- Land & buildings revaluation reserve		500,000	500,000	500,000	500,000
- Shares in subsidiary undertaking		-	-	10	10
Total charity funds	15	5,103,200	5,355,161	5,091,558	5,336,114

The notes on pages 21 to 35 form part of these financial statements.

These financial statements were approved by the trustees on 29 January 2024 and were signed on its behalf by:

Chairman
Gareth Parry

Consolidated statement of cash flows for the year ended 31 March 2023

	Note	2023 Group £	2022 Group £	2023 Charity £	2022 Charity £
Cash flows from operating activities:					
- Net cash used/(provided) by operating activities	1	<u>(91,061)</u>	<u>625,008</u>	<u>(140,459)</u>	<u>614,324</u>
Cash flows from investing activities:					
- Dividends, interest and rents from investments		35,466	24,284	85,189	24,284
- Purchase of property, plant and equipment		(29,434)	(556,774)	(29,434)	(556,774)
- Proceeds from sale of investments		94,218	329,615	94,218	329,615
- Purchase of investments		(13,449)	(475,215)	(13,449)	(475,215)
Net cash used on investing activities		<u>86,801</u>	<u>(678,090)</u>	<u>136,524</u>	<u>(678,090)</u>
Change in cash and cash equivalents in the reporting period		(4,260)	(53,082)	(3,935)	(63,766)
Cash and cash equivalents as at 31 March 2023		<u>53,782</u>	<u>106,864</u>	<u>39,623</u>	<u>103,389</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>49,522</u></u>	<u><u>53,782</u></u>	<u><u>35,688</u></u>	<u><u>39,623</u></u>

Notes to the Statement of cash flows**Note 1 - Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	2023 £	2022 £	2023 £	2022 £
Net income/(expenditure) for the period ended 31 March 2023	(236,864)	549,848	(229,459)	529,415
Adjustments for:				
- Depreciation and amortisation charges	116,147	101,957	116,147	101,957
- Dividends, interest and rents from investments	(35,466)	(24,284)	(85,189)	(24,284)
- (Increase)/Decrease in stocks	(2,784)	(11,101)	(2,784)	(11,101)
- Decrease/(Increase) in debtors	26,412	9,196	20,738	16,570
- Increase/(Decrease) in creditors	41,494	(608)	40,088	1,767
Net cash (used)/provided by operating activities	<u>(91,061)</u>	<u>625,008</u>	<u>(140,459)</u>	<u>614,324</u>

Note 2 - Analysis of cash and cash equivalents

	2023 £	2022 £	2023 £	2022 £	Change in period £
Cash in hand	<u>49,522</u>	<u>53,782</u>	<u>35,688</u>	<u>39,623</u>	<u>(4,260)</u>
Total cash and cash equivalents	<u><u>49,522</u></u>	<u><u>53,782</u></u>	<u><u>35,688</u></u>	<u><u>39,623</u></u>	<u><u>(4,260)</u></u>

Notes (forming part of the financial statements)

1 Summary of significant accounting policies

(a) General information and basis of preparation

PK Porthcurno is a charitable incorporated organisation registered in England and Wales. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are preserving the important historic buildings and collections relating to the telegraph station at Porthcurno. It educates the general public about the history of the telegraph station and provides internationally significant archive and research resources for study of the history of international telecommunications.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Charities Act 2011 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives government grants in respect of a revenue grant from Cornwall Council of £11,000. Details of other government assistance received during the period are included within note 2. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

(c) Income recognition (continued)

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds comprise the costs of commercial trading including gift shop and café and their associated costs;
- Expenditure on charitable activities includes the costs of maintaining the collections, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated costs; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 6.

(f) Intangible fixed assets

Goodwill represents the excess cost of acquisition of unincorporated businesses over fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill shall be considered to have a finite useful life and shall be amortised on a systemic basis over its life of 5 years.

(g) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

(f) Tangible fixed assets (continued)

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land	Nil
Freehold buildings	50 years
Museum refurbishment	20 years
Permanent exhibitions	20 years
Car park and landscaping	15 – 20 years
Fixtures and fittings	5 – 10 years

The original value of the land and property assets has not been included in the balance sheet as the property is heritage property and the charity is not permitted to sell it on the open market.

(g) Heritage assets

Heritage assets are recognised on the balance sheet and initially measured at cost when purchased or if donated, their valuation. Assets are subsequently stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Fair values for donated assets are estimated by reference to market prices.

Where information on the cost or valuation of heritage assets is not available or the cost of providing such information significantly outweighs any benefit to the users of the accounts then heritage assets are not recognised on the balance sheet.

Acquisitions only arise when donated to the charity or if it is believed that they will further the charity's objectives. Once acquired they will be preserved by the charity in order to keep their historical, artistic, scientific, technological, geophysical or environmental qualities to such a high level as to contribute to knowledge and culture. A register of all assets held by the charity is available and the assets themselves are accessible to the public with prior agreement. Heritage assets are to be held for the foreseeable future.

Endowment funds represent those assets which must be held permanently by the charity, principally the original World War II communication centre, known as "the tunnels", built in the hillside of Porthcurno in the 1940's, access, car parking area and a collection of historic telecommunications equipment.

(h) Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA.

(i) Investments

Investments in subsidiaries are measured at cost less impairment.

(k) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first in, first out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

(l) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(m) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

(n) Concessionary loans

Concessionary loans include those payable to a third party which are interest free or below market interest rates and are made to advance charitable purposes.

(o) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised.

(p) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(q) Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

(r) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

(s) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

(t) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(u) Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and association assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision only affects that period, or in the period of the revision and future periods where the revision affects both current and future periods.

(v) Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Porthcurno Enterprises Limited on a line-by-line basis. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

(w) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently they are measured at fair value with changes recognised in 'net gains/ (losses) on investments' in the statement of financial activities if the shares are publicly traded or their fair value can otherwise be measured reliably.

For quoted shares, the fair value is deemed to be the quoted bid price as at the balance sheet date. Investments in subsidiaries are measured at cost less impairment.

2 Donations and grants

	2023	2022
	£	£
Restricted funds:		
Vodafone Foundation	120,000	120,000
Arts Council of England	58,000	113,934
Cornwall Council	11,000	6,142
St Levan Methodist Charitable Trust	7,597	-
The National Archives	5,500	-
GCHQ	7,500	-
Royal Society	3,500	-
Grants from various sources listed below	2,250	3,738
UK Community Renewal Fund	-	20,000
COVID-19 funding		
- Arts Council England - Recovery Grant	-	16,400
Pilgrim Trust	-	9,312
	<u>215,347</u>	<u>289,526</u>

Donations from various sources include Cultivator Creative Investment Grant.

Included with unrestricted grants are the following government grants:

- HMRC - grants have been received totalling £nil (2022: £16,483) to help with furloughed staff whilst in a nationwide lockdown due to COVID-19.

- Cornwall Council - grants have been received totalling £nil (2022: £21,334). The local restrictions support grant has been issued to help businesses during the national lockdown and COVID-19 outbreak.

3 Investment management costs

	2023	2022
	£	£
Other expenses	<u>2,460</u>	<u>1,849</u>
	<u>2,460</u>	<u>1,849</u>

4 Support and governance costs

	2023	2022
	£	£
Staff costs	53,897	72,671
Premises and running expenses	357,330	327,251
Audit and accountancy	7,300	9,550
	<u>418,527</u>	<u>409,472</u>

5 Staff costs

	2023	2022
	£	£
Salaries and wages	409,658	456,370
Social Security	22,849	26,240
Pensions	10,333	11,316
	<u>442,840</u>	<u>493,926</u>
Average monthly headcount was	<u>33.0</u>	<u>31.0</u>

Trustees are not remunerated. A total of £793 was reimbursed or paid on behalf of directly incurred travel, accommodation and subsistence expenses to 3 trustees (2022 - £nil - 0 trustees) who travel to meetings from outside the area.

The charity operated an auto-enrolment compliant pension scheme in line with the current legislation.

The key management personnel of the charity comprise the Creative Director & CEO, Head of Finance & Resources, Head of Collections & Learning, Head of Visitor Services & Operations and Head of Communications & Development. The total employee benefits of the key management personnel of the charity were £172,287 (2022: £184,287) for year.

	2023	2022
£60,000 - £70,000	<u>-</u>	<u>1</u>

6 Charitable expenditure

Activity	Funded expenditure	Support and governance costs (see 1(e))	Total 2023	Total 2022
	£	£	£	£
Archive & Museum	98,941	248,008	346,949	339,629
Gift shop and café	-	116,974	116,974	188,907
Learning & participation	93,052	53,545	146,597	193,824
Maintenance	34,692	-	34,692	26,046
	<u>226,685</u>	<u>418,527</u>	<u>645,212</u>	<u>748,406</u>

7 Taxation

PK Porthcurno is a registered charity and the results of its normal activities are not liable to Corporation Tax. Activities which are not primary purpose trades are within the statutory limits prescribed by the statutory exemption for small trading.

8 Intangible fixed assets

	Goodwill Exiles Club	Goodwill Telegraph Cottage	Total
Cost or valuation	£	£	£
At 31 March 2022	20,000	10,000	30,000
Additions	-	-	-
Disposal	-	-	-
At 31 March 2023	<u>20,000</u>	<u>10,000</u>	<u>30,000</u>
Amortisation			
At 31 March 2022	3,333	1,667	5,000
Charge for period	16,667	2,000	18,667
Amortisation on disposal	-	-	-
At 31 March 2023	<u>20,000</u>	<u>3,667</u>	<u>23,667</u>
Net book value			
At 31 March 2023	<u>-</u>	<u>6,333</u>	<u>6,333</u>
At 31 March 2022	<u>16,667</u>	<u>8,333</u>	<u>25,000</u>

9 Tangible fixed assets

	Freehold land & buildings	Permanent exhibitions	Fixtures, fittings & equipment	Total
Cost or valuation	£	£	£	£
At 31 March 2022	5,674,696	745,504	272,912	6,693,112
Additions	-	18,786	10,648	29,434
Disposal	-	-	-	-
Transfer out	(235,000)	-	-	(235,000)
At 31 March 2023	<u>5,439,696</u>	<u>764,290</u>	<u>283,560</u>	<u>6,487,546</u>
Depreciation				
At 31 March 2022	1,435,886	257,977	239,654	1,933,517
Charge for period	48,912	38,214	10,354	97,480
Depn on disposal	-	-	-	-
At 31 March 2023	<u>1,484,798</u>	<u>296,191</u>	<u>250,008</u>	<u>2,030,997</u>
Net book value				
At 31 March 2023	<u>3,954,898</u>	<u>468,099</u>	<u>33,552</u>	<u>4,456,549</u>
At 31 March 2022	<u>4,238,810</u>	<u>487,527</u>	<u>33,258</u>	<u>4,759,595</u>

The predecessor charity was gifted various property in the Porthcurno valley by Cable & Wireless Plc. The trustees decided to recognise the value of certain buildings to the charity. Other land included in the conveyance has not been valued because of its unsuitability for sale on the open market, being mainly scrub and hillside land. Some interest has been expressed by local residents to acquire parcels of the land adjacent to residential property and the trustees will consider these on a case by case basis.

In October 2020, the former Superintendent's house, Mercury House, was valued by a local surveyor. It had been recognised in the accounts at a value of £880,000 but following that valuation, is now recognised at a value of £500,000.

Only the specific refurbishment of freehold property has been depreciated. This is because the estimated residual value of land and buildings is not considered to be materially different to the carrying value of the assets. Therefore, any depreciation charge would also be immaterial. This situation will be reviewed annually.

The fixtures and fittings include many small items of equipment which have been fully depreciated but are still in use within the charity.

If the freehold land and buildings had not been included at valuation, they would have been included under the historical cost convention as follows:

	2023	2022
	£	£
Cost	3,939,695	4,174,695
Accumulated depreciation	(1,484,798)	(1,435,886)
Net book value	<u>2,454,897</u>	<u>2,738,809</u>

A legal charge over the freehold property had been given to the National Heritage Memorial Fund to secure the repayment of a grant should it become repayable.

10 Shares in subsidiary undertaking

	Issued Share Capital	Ownership
Porthcurno Enterprises Limited	£10	100%

The company is incorporated in England and Wales and its area of operation is the United Kingdom. The company's business is that of a charity trading company operating the car parks and public conveniences.

The profit before tax for the period ended 31 March 2023 was £51,642 (2022: £20,433) and the value of the equity and reserves at 31 March 2023 was £11,652 (2022: £19,057).

11 Investments

	Investment Property	Investment Portfolio	Total
	£	£	£
At 1 April 2022	-	454,387	454,387
Additions at cost	-	13,449	13,449
Disposals	-	(94,218)	(94,218)
Revaluation	-	(15,097)	(15,097)
Transfers	235,000	-	235,000
	<u>235,000</u>	<u>-</u>	<u>235,000</u>
At 31 March 2023	<u>235,000</u>	<u>358,521</u>	<u>593,521</u>

The investment property was purchased in June 2021. The trustees do not believe its valuation has materially altered since this date.

The cost of the above investment portfolio as at 31 March 2023 was £384,589 (2022:£475,215)

12 Heritage property not recognised in the balance sheet

The charity owns the original World War II communication centre, known as “the tunnels”, built in the hillside of Porthcurno in the 1940s. This property along with access, car parking area and a collection of historic telecommunications equipment, was gifted to the charity by The Eastern Telegraph Company Limited, a subsidiary of Cable & Wireless Plc.

There have been no acquisitions or disposals of heritage assets during the last five years.

The current insurance value for “the tunnels” is £1,850,000 on a replacement basis. The collection is insured to a value of £500,000 again on an estimated replacement basis, albeit that many of the items would now be irreplaceable.

13 Debtors	Group	Group	Charity	Charity
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	18,304	36,293	11,697	36,293
Amounts owed by group undertakings	-	-	9,052	-
Other debtors	12,695	13,442	9,381	6,900
Prepayments and accrued income	25,699	33,375	25,330	33,005
	56,698	83,110	55,460	76,198
14 Creditors: amounts falling due within one year	Group	Group	Charity	Charity
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	29,408	12,564	28,655	12,564
Other creditors including taxation	11,925	11,708	11,075	11,708
Accruals	32,611	14,527	30,794	12,513
Deferred income	10,414	4,065	10,414	4,065
	84,358	42,864	80,938	40,850

15 Analysis of charitable funds - year ended 31 March 2023 - Group

	At 31 March 2022	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2023
	£	£	£			£
Restricted funds						
- Heritage Lottery Fund	1,032,648	-	40,748	-	-	991,900
- Vodafone Foundation	-	120,000	120,000	-	-	-
- Cornwall Council Culture Team	112,776	-	4,450	-	-	108,326
- DCMS/Wolfson Fund	271,700	-	13,175	-	-	258,525
- Clore Duffield Foundation	93,982	-	3,708	-	-	90,274
- Wilshaw Benevolent Trust	225,553	-	8,900	-	-	216,653
- Other funds	581,928	95,347	133,184	-	-	544,091
- Total restricted income funds	<u>2,318,587</u>	<u>215,347</u>	<u>324,165</u>	<u>-</u>	<u>-</u>	<u>2,209,769</u>
Unrestricted funds:						
- Unrestricted general funds	727,787	433,755	561,801	(64,831)	-	534,910
- PK Contingency Investment portfolio	308,787	-	-	64,831	(15,097)	358,521
- Revaluation reserve	1,500,000	-	-	-	-	1,500,000
- Investment property revaluation reserve	500,000	-	-	-	-	500,000
- Total unrestricted funds	<u>3,036,574</u>	<u>433,755</u>	<u>561,801</u>	<u>-</u>	<u>(15,097)</u>	<u>2,893,431</u>
	<u>5,355,161</u>	<u>649,102</u>	<u>885,966</u>	<u>-</u>	<u>(15,097)</u>	<u>5,103,200</u>

Analysis of charitable funds - period ended 31 March 2023 - Charity only

	At 31 March 2022	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2023
	£	£	£			£
Restricted funds						
- Heritage Lottery Fund	1,032,648	-	40,748	-	-	991,900
- Vodafone Foundation	-	120,000	120,000	-	-	-
- Cornwall Council Culture Team	112,776	-	4,450	-	-	108,326
- DCMS/Wolfson Fund	271,700	-	13,175	-	-	258,525
- Clore Duffield Foundation	93,982	-	3,708	-	-	90,274
- Wilshaw Benevolent Trust	225,553	-	8,900	-	-	216,653
- Other funds	581,928	95,347	133,184	-	-	544,091
- Total restricted income funds	<u>2,318,587</u>	<u>215,347</u>	<u>324,165</u>	<u>-</u>	<u>-</u>	<u>2,209,769</u>
Unrestricted funds:						
- Unrestricted general funds	708,730	399,398	520,039	(64,831)	-	523,258
- PK Contingency Investment portfolio	308,787	-	-	64,831	(15,097)	358,521
- Revaluation reserve	1,500,000	-	-	-	-	1,500,000
- Investment property revaluation reserve	500,000	-	-	-	-	500,000
- Shares in subsidiary undertaking	10	-	-	-	-	10
- Total unrestricted funds	<u>3,017,527</u>	<u>399,398</u>	<u>520,039</u>	<u>-</u>	<u>(15,097)</u>	<u>2,881,789</u>
	<u>5,336,114</u>	<u>614,745</u>	<u>844,204</u>	<u>-</u>	<u>(15,097)</u>	<u>5,091,558</u>

15 Analysis of charitable funds - year ended 31 March 2022 - Group

	At 31 March 2021	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2022
	£	£	£			£
Restricted funds						
- Heritage Lottery Fund	1,075,990	-	40,748	(2,594)	-	1,032,648
- Vodafone Foundation	-	120,000	120,000	-	-	-
- Cornwall Council Culture Team	117,226	-	4,450	-	-	112,776
- DCMS/Wolfson Fund	284,875	-	13,175	-	-	271,700
- Clore Duffield Foundation	97,690	-	3,708	-	-	93,982
- Wilshaw Benevolent Trust	242,898	-	8,900	(8,445)	-	225,553
- Other funds	630,071	169,526	244,910	27,241	-	581,928
- Total restricted income funds	<u>2,448,750</u>	<u>289,526</u>	<u>435,891</u>	<u>16,202</u>	<u>-</u>	<u>2,318,587</u>
Unrestricted funds:						
- Unrestricted general funds	47,776	1,180,527	484,314	(16,202)	-	727,787
- PK Contingency Investment portfolio	341,879	-	-	-	(33,092)	308,787
- Revaluation reserve	1,500,000	-	-	-	-	1,500,000
- Investment property revaluation reserve	500,000	-	-	-	-	500,000
- Total unrestricted funds	<u>2,389,655</u>	<u>1,180,527</u>	<u>484,314</u>	<u>(16,202)</u>	<u>(33,092)</u>	<u>3,036,574</u>
	<u>4,838,405</u>	<u>1,470,053</u>	<u>920,205</u>	<u>-</u>	<u>(33,092)</u>	<u>5,355,161</u>

Analysis of charitable funds - period ended 31 March 2022 - Charity only

	At 31 March 2021	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2022
	£	£	£			£
Restricted funds						
- Heritage Lottery Fund	1,075,990	-	40,748	(2,594)	-	1,032,648
- Vodafone Foundation	-	120,000	120,000	-	-	-
- Cornwall Council Culture Team	117,226	-	4,450	-	-	112,776
- DCMS/Wolfson Fund	284,875	-	13,175	-	-	271,700
- Clore Duffield Foundation	97,690	-	3,708	-	-	93,982
- Wilshaw Benevolent Trust	242,898	-	8,900	(8,445)	-	225,553
- Other funds	630,071	169,526	244,910	27,241	-	581,928
- Total restricted income funds	<u>2,448,750</u>	<u>289,526</u>	<u>435,891</u>	<u>16,202</u>	<u>-</u>	<u>2,318,587</u>
Unrestricted funds:						
- Unrestricted general funds	49,152	1,154,358	478,578	(16,202)	-	708,730
- PK Contingency Investment portfolio	341,879	-	-	-	(33,092)	308,787
- Revaluation reserve	1,500,000	-	-	-	-	1,500,000
- Investment property revaluation reserve	500,000	-	-	-	-	500,000
- Shares in subsidiary undertaking	10	-	-	-	-	10
- Total unrestricted funds	<u>2,391,041</u>	<u>1,154,358</u>	<u>478,578</u>	<u>(16,202)</u>	<u>(33,092)</u>	<u>3,017,527</u>
	<u>4,839,791</u>	<u>1,443,884</u>	<u>914,469</u>	<u>-</u>	<u>(33,092)</u>	<u>5,336,114</u>

All restricted funds are raised and given for specific purposes and projects and are output related. These outputs incorporate fees, consultancies, project spend and implementation work. The conditions governing the income or grants restrict these funds and costs are allocated against the funded element available. Excess expenditure on such projects is met from unrestricted funds.

The charity's unrestricted funds can be used, with the approval of the trustees, to fund any expenditure relating to projects or general running costs which fall within the charity's general aims and objectives.

The restricted funds represent the residue of the initial grants and other funding received to finance the redevelopment of the museum and refurbish the heritage property and grounds donated as a permanent endowment.

16 Lease commitments

Total commitments under non-cancellable operating leases are as follows:

	Other	
	2023	2022
	£	£
Expiry date:		
- Within one year	27,620	1,789
- Between two and five years	31,723	1,711
	59,343	3,500

17 Related party transactions

CEO & Creative Director has use of accommodation in Mercury House as part of the terms of her employment contract.

Spouse of the CEO & Creative Director. Transactions totalling £2,985 (2022: £585) took place during the year in relation to exhibition research and curation and some employment. There were nil amounts outstanding as at 31 March 2023 (2022: £nil).

Three children of the CEO & Creative Director. Transactions totalling £24,149 (2022: £22,067) relating to employment (including employer's pension contributions and expenses) took place during the year. There were nil amounts outstanding as at 31 March 2023 (2022: £nil).

Porthcurno Enterprises Ltd - wholly owned subsidiary of the charity. As at 31 March 2023 the company owed £9,052 to the CIO (2022: £nil).

PK PORTHCURNO

England & Wales - Charity number 1189090

Accounts



PK Porthcurno

Trustees' Report and Consolidated Financial Statements

Period ended 31 March 2022

Registered charity number 1189090

Contents

Page No.

1. Contents
2. Vision
3. Legal and administrative information
5. Director's Report
10. Trustees' Report
 - a. Structure Governance and Management
 - b. Financial Review
 - c. Reserves Policy
 - d. The Future
 - e. Statement of Trustee's Responsibilities
13. Report of the Auditor to the trustees of PK Porthcurno
17. Charity Statement of Financial Activities incorporating an Income and Expenditure account
18. Consolidated Statement of Financial Activities incorporating an Income and Expenditure account
19. Charity Balance Sheet
20. Consolidated Balance Sheet
21. Consolidated Statement of cashflows
22. Notes

Vision

“We have designed our civilization based on science and technology and at the same time arranged things so that almost no one understands anything at all about science and technology. This is a clear prescription for disaster”
Carl Sagan

OUR VISION:

A world where people are inspired by the past, understand the science and technology that connects them, and use that knowledge to imagine and shape a better future.

OUR MISSION:

We enable people to explore the connected world, understand the history, science and technology of global communications, and consider what this means in their own lives.

OUR VALUES:

Inspiring: we love what we do and hope to inspire others by sharing our enthusiasm and inviting their participation

Progressive: we are forward thinking, adventurous and not afraid to try new things

Relevant: we engage people with our collections and stories and how these relate to their own lives

Sustainable: we work towards a sustainable world and aim to do no harm

Open: we create an inclusive and open environment which welcomes respectful discourse

Legal and administrative information

Registered office and

principal place of business: Eastern House
Porthcurno
Penzance
Cornwall, TR19 6JX

Charity registration number: 1189090

VAT number: GB 699 4558 55

Trustees

The trustees of PK Porthcurno during the period under review were:

Gareth Parry (Chairman, Vice-chairman to 28 April 2021)
Tamsin Daniel (Vice-chairman from 28 April 2021, resigned 25 November 2022)
Christopher Fyles (Chairman to 28 April 2021, Treasurer to 15 May 2021)
Polina Bayvel
Patrick Cowan (resigned 28 April 2021)
David Foot (appointed 28 April 2021)
Peter Johnson (resigned 28 April 2021)
Andrew MacLeod
Simon Menneer (resigned 3 August 2022)
Richard Perry
Bryony Robins (resigned 28 April 2021)
Julie Seyler (resigned 28 April 2021)
Deborah Tritton

Principal officers

The management team reports to the board of trustees and is responsible for the overall management of the charity.

The team of managers comprise:

Chairman: Gareth Parry

Treasurer: Christopher Fyles (Treasurer to 15 May 2021)

Creative Director & CEO: Julia Twomlow

Head of Finance & Resources: Patricia McCartney

The Chairman, Treasurer, CEO & Creative Director and Head of Finance & Resources are responsible for managing the finances and administration of the charity and for ensuring compliance with all legal obligations.

Legal and administrative information (continued)

Independent advisers

Solicitors: Murrell Associates LLP
14 High Cross
Truro
Cornwall
TR1 2AJ

Counterculture LLP
Unit 115 Ducie House
Ducie Street
Manchester
M1 2JW

Auditor: RRL LLP
Peat House
Newham Road
Truro
Cornwall, TR1 2DP

Bankers: CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Investment bankers: Brewin Dolphin Ltd T/as RBC Brewin Dolphin
Vantage Point
Woodwater Park
Pynes Hill
Exeter
Devon
EX2 5FD

Director's Report

This annual report covers first full year of operations of PK Porthcurno, a year that began unusually during a Covid-19 lockdown. The previous year had been fraught with difficulties for everyone, but we had been far from idle. Several new staff members had joined the team and we had undertaken reviews of our commercial and visitor offer in preparation for reopening, so by the time we were able to welcome the public back to the museum on 19 May 2021, we were genuinely excited.

I have divided this report into sections which broadly align with the areas and activities delivered at PK Porthcurno.

Visitor Services

With the museum closed to the public since December 2020 due to lockdown, the first month of the new financial year centred on planning for reopening to the public. Covid-related changes made in the previous year around visitor flow and safety were reviewed, with time limits on entry continuing, but elsewhere as much of the visitor experience as possible restored to a pre-Covid state.

Across the year, museum visitor numbers were understandably lower than in pre-Covid years at 13,801 as compared to 18,303 in 2019-20. In part this was due to ongoing limitations on admissions which sometimes caused us to turn customers away. Despite this, total Visitor Services income was up by over 23% when compared with previous years with a marked increase in Spend Per Visitor (SPV) particularly for the shop and café.

During lockdown we had taken the opportunity for a full review of our retail offer. This resulted in a considerable overhaul of the museum shop for our reopening, with revamped displays and a focus on higher value, more esoteric product lines. The role of Retail Coordinator was created to implement these changes. A review of the museum café also began in the summer of 2021, aiming to bring it in line with the refreshed shop offer. A job share Café Supervisor role was created to support these changes. In December 2021 we also launched a new online shop for the first time featuring our branded and bespoke PK Porthcurno and Planet PK products as well as an extensive new range of books and science-based toys and games.

Exhibitions

Our plans in 2020 for the 150th anniversary of the first cable landing at Porthcurno had necessarily been shelved due to the pandemic. However, in 2021-22 we were able to revisit and realise some of these ideas. Amongst these was the launch of a new exhibition called 'The Cable King' which opened in July 2021. Telling the story of entrepreneur, John Pender, founder of the Eastern Telegraph Company and Porthcurno Telegraph Station, the exhibition includes a range of objects, artefacts and documents from the Pender family, many of which have not previously been on public display. Central to the display is a specially commissioned Lego model of the first cable landing at Porthcurno in 1870. The exhibition was kindly made possible by donations from Trustees, Gareth Parry and Dave Foot.

As part of our environmental programme, Planet PK, we also created an exhibition to celebrate the beauty of the night sky. Titled 'Lights out for Darker Skies', this contributed to West Penwith's successful application for International Dark Sky Park status. The exhibition was supported by a grant from Cornwall AONB and focussed on Porthcurno Valley. It featured stunning dark sky images and nocturnal wildlife footage, inviting visitors to explore their own relationship with the night and consider their individual actions for promoting darker skies.

Engagement

During the year, the Engagement Team devised a rich range of inspiring and playful activities, events and workshops exploring the history and science of communications. Initially much of this was delivered online due to ongoing concerns over Covid and included activities such as PK Play@Home and remote versions of our

Director's Report (continued)

popular STEAM Explorers sessions. We also took part in the annual Festival of Tomorrow for the first time as a virtual stall holder.

In the summer of 2021, the Engagement Team recommenced 'in person' delivery including on site and outreach programming. Highlights included a new relationship with St Buryan Toddler Group to co-create playful and imaginative experiences with the group. Based on this work, our Engagement Team was later invited by *Kids in Museums* to present a case study on 'Meaningful Consultation with Families with Under 5's' as part of a Southwest Museums Development online event.

A further new collaboration was the creation of a theatre production and game based on PK with Ed Rowe (the Kernow King). A school tour of the new show commenced in February 2022, to continue through the following year.

On site at the museum, we held outdoor 'Pop Up' activities in PK gardens, mini PK tours of the museum and weekly family events throughout the summer with a range of wonderful hands on and interactive activities. At the end of the summer, our regular STEAM Explorers sessions recommenced in the Clore Learning Space with a special focus on the environment.

As a part of Speak Cornish Week, volunteers Gareth and Pat Parry designed a PowerPoint introduction to speaking Cornish which was shared with our Visitor Services team as training before the event. We also created a short introductory film on the museum in the Cornish language that was shared online.

Our commitment to improving access and inclusion at the museum continued with staff training from *Kids in Museums* on 'Welcoming Families with Autism'. As a result, we updated our Social Story and Sensory Map and made it available to download from our website as well as at the museum. These are designed for visitors with access needs and on the Autism Spectrum and both were very well received by Access Cornwall during a visit to PK. We also created a 'quiet room' for visitors that may benefit from a breakout space during a visit.

Work with Cornwall Museums' Partnership included hosting a visit to the museum from the Black British Museum. Via Cornwall Museums' Partnership we also took part in a joint project called 'Hireth' which saw the development of an audio-described film of our 150-year story by local artist Susanna Webster. The intention is that this will become an accessible resource that can be shared with groups such as care homes and memory cafés. An additional short 'mindfulness' film was commissioned from Alban Roinard using the environment of Porthcurno Valley and the PK gardens.

Our dedicated team of technical and engineer volunteers have continued to maintain interactive displays and other equipment throughout the museum. In addition, they have carried out PAT testing on all our portable appliances and created a cable game for visitors to try out in the museum. A small number of Cable Stitches worked remotely to knit an Afghan rug to celebrate the 150th anniversary of the first cable landing at Porthcurno. This has been hung in the museum reception area.

In addition to our museum-based helpers, we recruited several remotely based Young Curator volunteers. Two were in Australia and carried out research into how the undersea cables in there have recently been added to the NT Heritage list. Further Young Curators helped with transcribing the contents pages of the 'Zodiac' and assisting with developing and devising the kids' activities for the summer.

In the garden, we recruited our first gardener volunteer working with our gardener once a week as a work experience placement.

On 4 October, we hosted a party to celebrate Albert Lorens' 100th birthday in the museum café. Albert was a former employee of Cable & Wireless and a volunteer at the museum for many years. The gathering was attended by Albert's close friends and family and former colleagues/fellow volunteers at the museum.

Director's Report (continued)

Communications & PR

Good progress has been made in improving the museums communications channels with a greater focus on online content and a reduction in printed material. This started with an internal review of the layout of the website which was then substantially revised prior to reopening in May. Social media following continued to grow steadily across both the museum's own channels and our Planet PK environmental channels. After some technical issues, the PK Wi-Fi hotspot is up and running, providing free internet access for visitors and residents across the museum grounds and the public car parks.

In the summer a new PK Friends membership scheme was launched which is integrated with our EPOS system and website so that Friends can book their admission tickets online and receive discounts in the shop and café. A PK e-newsletter is now written and sent out monthly.

In March 2022, PK Porthcurno featured in the new BBC Radio 4 series 'The Museums That Make Us' with Neil MacGregor.

Environmental Responsibility

Environmental concerns are central to every decision we make at PK Porthcurno and the umbrella name we give this work is Planet PK. Planet PK formally recognises our duty of care as residents and landowners within the Valley, which is within an Area of Outstanding Natural Beauty. It embeds green values within the charity's future programming, engagement, commercial activities and business plans.

This year, the work of one individual staff member was recognised in terms of his contribution to the environment of Porthcurno Valley. Patrick Trembath is our gardener and groundsman but in addition he is our resident beekeeper and leads a small team of volunteers who keep bees on the museum site. In February, Patrick's hard work with the bees and the gardens throughout lockdown and last summer, won him and the museum a special 'Unsung Hero' award at the Cornwall Tourism Awards. PK also received commended in the Wildlife Friendly Tourist Attraction category.

In partnership with our neighbours in the National Trust, work has now commenced on a five-year project to clear invasive Clematis from our fields behind the museum. We look forward to having ponies grazing the land in the near future.

Our Planet PK digital media presence continues to be strong, drawing attention to issues including littering and behaviour as well as positive actions that can be taken around climate change and biodiversity. Several 'takeovers' have been performed for other like-minded bodies including The Wildlife Trusts, Cornwall AONB, Cornwall Mammal Group, Cornwall Seal Group Research Trust, Cornwall Museums' Partnership, Best Days Out Cornwall and Walking in Cornwall. Planet PK has also received national coverage with a featured wildlife night-cam post of a badger playing outside the museum on BBC Springwatch, which has 391k followers. At nearly 70,000 engagements, our badger post had the most engagements of any video on their channel. Planet PK also had a feature article on Finisterre clothing company's The Broadcast blog with supporting posts on the company's social media. There was also a feature article in print for Cornwall AONB's Environment Series article which appeared in the West Briton, Cornishman and Cornish Guardian.

Having now achieved Plastic Free Champion status with Surfers Against Sewage (SAS) for the museum, Planet PK have also assisted both The Minack Theatre and the Porthcurno Beach Café in getting the same. Following on from this, Planet PK created a Plastic Free Steering Group with the aim to achieve SAS accredited Plastic Free Community status for Porthcurno Valley. The group includes representatives from Cornwall AONB, National Trust, local council, The Minack Theatre, Porthcurno Beach Café and local Porthcurno residents. By the end of the year, we achieved official Plastic Free Community status from Surfers Against Sewage for the whole of Porthcurno.

Director's Report (continued)Collections*PKOC*

The largest project collections-based project of the year was undoubtedly PKOC (PK Online Collections) and the associated online symposium 'PK150 – Connected Collections'. This was a two-year project funded by Arts Council England, Designation Development Fund. It involved 'tidying up' all our 33,567 records to ensure that data was accurate and accessible before the platform was launched. The site itself was designed and built by Surface Impressions. Advice and guidance were kindly given to the PK team by Trustee, Deborah Tritton who had recently undertaken a similar project at Kresen Kernow.

As part of the project, we hosted our first online symposium titled 'PK150: Connected Collections' which went on to win the 2022 Cornwall Heritage Awards in the 'Opportunity' category. With support from Anwar Akhtar of The Samosa, the symposium showcased the work produced by five Citizen Curators from Exeter University, buddied with international students from communities at the other end of a telegraph cable. These included an interactive map of New Zealand telegraph history; a film and webpage about the life at the Singapore telegraph station; a second film looking at the spread of the English language in India and its link to telegraphy; blog posts exploring the impact of telegraphy in Zimbabwe and how telegraphy impacts and interacts with the environment. The symposium was a huge success and received excellent feedback. It is available to view on the PK Porthcurno website along with all the work produced by the students. Following the success of the project, a new temporary exhibition was installed in the Tunnels showcasing the students' work as well as highlighting the PK Online Collections (PKOC).

Higher Education

Our relationship with Exeter University continues to go from strength to strength. Following two successful student placements in 2020-2021, we were able to provide the university with three projects for 2021-2022. These included two around improving the searchability of our catalogue records for both our 'Zodiac' and oral history collections. The third linked with our Digital Takeover Day with *Kids in Museums* and focussed on the ecological impacts of the use of Gutta Percha by the telegraph industry.

Along with Exeter University, we are also involved in the delivery of two PhD studentships. The first, in collaboration with BT Archive and the Science Museum, is titled 'Race, Ethnicity and Telecommunications in Britain and its Empire, 1850-present'. The second, funded by AHRC, is titled 'Sustaining the Nervous System of the World: An Environmental History of Submarine Cable Telegraphy circa 1880-1940' is a collaboration between PK and the Universities of Exeter and Bath Spa.

Acquisitions

In December 2021, we took delivery of 14 portraits on long-term loan from the Pender family. These include an oil painting of John Pender attributed to George Frederic Watts, a large portrait of his wife Emma Pender by Philip Westcott and a painting of his mother Marion currently attributed to the German artist, Johann Zoffany. After cleaning decades of dust and dead arachnids from the rear of the paintings, these have now been stored in the archive. Research into the paintings and related artists is now underway, with plans to get them valued and raise funds to have them professionally conserved.

PK Porthcurno has been offered the GPO Mobile Telegraph Office (known as 'Poppy') to join the museum's collections. The office is in the form of a red bus and provided cable and wireless services at major sporting events between 1956 and 1972. Plans are now underway to bring Poppy to Porthcurno and provide suitable storage. The gift comes from Tony and Iris Leah.

Strategic Development

In June 2021, the leasehold purchase was completed of both the Cable Station Inn and the Coach House, Porthcurno. Both properties were part of the historic Porthcurno Telegraph Station site and, while not listed,

Director's Report (continued)

have significance and are part of our story. The freehold for both properties was owned by PK Porthcurno, but with a 1,000-year lease. This purchase enabled us to reunite the lease and freehold under one owner. At the time of purchase, the condition of the Cable Station Inn was known to be poor, as was reflected in the purchase price of £300,000. The Coach House, while in better condition, also required significant works to bring it up to standard for residential or holiday letting. Refurbishment of the Coach House began as a priority with a view to having it ready for holiday letting in 2022, under the new name 'Telegraph Cottage'. Refurbishment of the Cable Station Inn, renamed the 'Exiles Club', is to be at the centre of a new and ambitious development plan for the wider site over the next few years, for which funding will be sought. In the meantime, holding works have been undertaken to make the building safe and secure.

Conclusion

Reflecting on the year now, it was one of both successes tempered with some frustrations. The dip in visitor numbers was to be expected as we continued to emerge from the pandemic. However, it was balanced to some extent by an uptick in spend per visitor and dwell time, much of which is attributable to the excellent work of the team in improving the retail, café and exhibition offerings. The achievement of the collections and learning team made us all proud. Not only did they succeed in creating a fabulous online searchable database of our unique collections, but they also delivered our first ever online international symposium, which went on to win the 'Opportunities' prize at Cornwall Heritage Awards.

I must also say a word for our fabulous gardener and beekeeper, Patrick Trembath, who was recognised for his terrific work during Covid-19 with both an 'Unsung Hero' award at Cornwall Tourism Awards and a national prize for 'Outstanding Contribution' from the Cultural Enterprises Awards.

It was also brilliant that we finally completed on the purchase of the Cable Station Inn and Coach House cottage, after two years of negotiations. Despite their poor state of repair, these are historic properties that formed a central part of the original telegraph station site and reinstating them into the ownership of the charity is an exciting and symbolic moment.

To conclude I would like to express my deepest gratitude to everyone at PK Porthcurno; my colleagues, volunteers, funders, partners, visitors, the Board of Trustees and our Chair, Professor Gareth Parry, for supporting us through what has been tumultuous beginning for the new charity. If we manage this well and achieve this much in adversity, then we have much to look forward to.

Julia Twomlow

Creative Director & CEO

Trustees' report

The trustees are pleased to present their report together with the audited consolidated financial statements of PK Porthcurno for the year ended 31 March 2022 and confirm that the latter comply with the requirements of the Constitution and the Charities SORP 2019.

PK Porthcurno is a Charitable Incorporated Organisation (CIO) and its UK registered charity number is 1189090.

Structure, Governance and Management

Governing document

The governing document of the charity is a Constitution dated 14 April 2020. The charity is governed by a board of individual trustees.

Trustee induction and training

Existing trustees are already familiar with, and the majority experienced in, the work of charities by virtue of their currently holding or having previously held trustee appointments with other charities. New trustees may be appointed at any time (either by way of replacement or addition) by the existing trustees.

All trustees have been acquainted with the Charity Commission's guide "the Essential Trustee", which is distributed free to all trustees together with a copy of the charity's constitution and latest report and accounts. In the event of a vacancy a new trustee would be encouraged to attend a series of meetings with existing trustees and employees and, if necessary, attend a short external course.

A Governance Review was carried out during the year ended 31 March 2022 and is reviewed on an ongoing basis. The Trustee pack continues to be updated on a regular basis for the existing and new trustees.

Organisation

The board of trustees meet quarterly and are responsible for the strategic direction of the CIO. The day-to-day responsibility for the running of the charity rests with the CEO & Creative Director and assistants who report to the board of the trustees.

Risk Management

The trustees have examined the major operational and financial risks that the CIO faces and confirms that procedures have been implemented to enable regular reviews to be undertaken and reports to be produced in order that the necessary steps can be taken to minimise any potential impact on the charity should those risks materialise.

Objectives and Activities

PK Porthcurno is an educational charity, originally established by Cable and Wireless plc in 1997 as The Porthcurno Collections Trust, whose activities, assets and liabilities were transferred to the charity on 1 October 2020. The objects of the charity, as contained in the constitution 'are to advance the education of the public particularly in the sciences and the history of science and innovation and the history of Porthcurno including without prejudice to the generality by preserving, restoring, researching, maintaining and documenting for display to the general public the Tunnels, the Collection and telecommunications equipment and artefacts, buildings and documents and to undertake any charitable activity for the benefit of the public and in particular those members of the public living or working in the vicinity of the Charity's projects.'

The charity's major activities are the operation of an award-winning museum, the care and management of the Cable & Wireless historic archive, the maintenance of the object collections, historic buildings and grounds at Porthcurno and the provision of formal and informal learning opportunities. By providing access to unique, world-class historical resources on the history of telecommunications, the charity continues to increase the reputation of Porthcurno as an important centre for study and a valuable educational resource.

Trustees' report (continued)

The trustees consider that as an educational charity PK Porthcurno satisfies the meaning of charitable purpose as defined by section 2(2) of the Charities Act. As such it considers that it has complied with the duty in section 4 of the Act having due regard to public benefit guidance published by the Charity Commission.

Financial Review

In 2021/22 the group had incoming resources of £1,470,053. Of this total, £120,000 was provided by Vodafone Foundation. The charity continued to provide heritage services to the Company, focusing on the care and management of the historic archive. Vodafone Foundation's funding is a major contribution to the charity's museum activities. The funding has been important in maintaining the quality and range of museum activities offered by the charity.

The remainder of the charity's income is generated by: museum entrance fees £84,205, shop sales £31,746, café sales £50,357, property rentals £6,184, car park income £44,985, project grants £152,888, donation from Wilshaw Benevolent Trust on its closure £886,719, COVID-19 related funding £54,217 from a variety of sources, interest and dividends £5,699 and other miscellaneous sources £33,053.

Reserves Policy

The net income for the period on unrestricted funds was £696,213. There was also a transfer of £16,602 from the unrestricted funds to the restricted funds largely relating to the match funding for the National Portfolio Organisation funding and Designated Development Fund from Arts Council England. These amounts have been added to and deducted from the surplus balance of unrestricted income funds of £47,776 giving an accumulated surplus of £727,787 excluding amounts arising from the revaluation of fixed assets and investments.

The trustees have considered the charity's various sources of income and the risk that this could be reduced. Although the charity is not substantially dependent on donations, it is largely dependent on seasonal tourism and its location is very isolated. There is a risk that factors outside of the control of the charity could result in a substantial reduction in income one summer which would have an impact on the charity for 12 months. During the period under review, the effect of COVID-19 has had a significant impact on the organisation's income. This impact has been greatly mitigated by the various COVID-19 emergency funds. The trustees consider that reserves should be maintained at an amount equivalent to about 12 months' expenditure. The target reserves are £75,000.

The trustees monitor the need for reserves and the current level of reserves at least once a year considering factors such as sources of income, risks of income reduction, anticipated costs of maintaining the charity.

Fundraising Policy

PK Porthcurno does not use external fundraisers or commercial parties; all fundraising for the CIO is conducted by the CEO & Creative Director and staff of the CIO, with appropriate oversight and guidance by the board of trustees. Our strategic fundraising objective is to sustain and build the CIO's income to meet our long-term capital and revenue needs. The focus of our fundraising activity is on developing relationships with charitable trusts, local and central authorities, and appropriate corporate sponsors. We comply with all current fundraising legislation, seeking to keep abreast of fundraising developments to ensure best practice in all our fundraising activities.

PK Porthcurno encourages donations, both ad hoc or via appeals, through our newsletter to subscribers, website, on site donation boxes and via leaflets and posters. We do not run telephone campaigns or targeted personalised mailshots and we do not actively seek legacies from individuals unless approached by donors or their families. PK Porthcurno has not received any complaints about its fundraising practices.

Trustees' report (continued)

Investment policy

The Constitution permits the trustees to make such investments as they think proper. The policy is to achieve the maximum total return in terms of capital growth and income without incurring undue risks subject to any minimum income requirement agreed from time to time.

The Future

The charity is currently looking at the options available for development that would enable it to be more sustainable in the future. These options include seeking to attract new sponsors and funders (specifically to fund new exhibitions and initiatives), partnering with national museums, with local government and with other local attractions with the aim of boosting visitor numbers and, also, aiming to attract new sources of grant funding to support the development (as part of new visitor offerings) of other buildings which form part of the museum's campus.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements giving a true and fair view, the Trustee should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable it to ascertain the financial position of the charity and which enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware; and
- the trustees have taken all steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the trustees and signed on their behalf by:

Gareth Parry
Chairman
23 January 2023

Independent Auditor's Report to the Trustees of PK Porthcurno

Opinion

We have audited the financial statements of PK Porthcurno (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the consolidated and charity statement of financial activities, the consolidated and charity balance sheets, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2022, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 and parent charity 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the trustees and the related disclosures and the appropriateness of the going concern basis of preparation and the charity's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the charity's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a charity associated with these particular events.

Conclusions relating to going concern

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

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

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

Independent auditor's report to the Trustees of PK Porthcurno (continued)

Other information

The other information comprises the information included in the trustees report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within 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.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees 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 parent charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise

Independent auditor's report to the Trustees of PK Porthcurno (continued)

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.

As part of our audit work, we obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which they operate. We determined that the laws and regulations that were most significant were those that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, and compliance with the Charities Statement of Recommended Practice. In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charity's ability to operate or to avoid a material penalty. These include data protection regulations, health and safety regulations, licensing acts and employment legislation. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Review of the disclosures in the financial statements and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiries of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing minutes of trustee meetings and correspondence with regulators;
- Performing audit work in connection with the risk of management override of controls, including testing journal entries for reasonableness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for potential bias.

We also communicate relevant identified laws and regulations and potential fraud risk to all engagement team members and remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the

Independent auditor's report to the Trustees of PK Porthcurno (continued)

fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RRL LLP (Statutory Auditor)

*Peat House
Newham Road
TRURO
Cornwall
TR1 2DP*

January 2023

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

Charity statement of financial activities incorporating an income and expenditure account for the year ended 31 March 2022

	Note	Unrestricted funds	Restricted funds	Total 2022	2021
		£	£	£	£
Income					
Donations:					
- Donations	2	891,996	-	891,996	8,243
- Subscriptions and other gifts		15,231	-	15,231	458
Charitable activities:					
- Grants	2	37,817	289,526	327,343	333,078
- Service contracts		5,218	-	5,218	8,161
- Car parking		4,567	-	4,567	3,113
Other trading activities:					
- Museum entrance fees		84,205	-	84,205	476
- Gift shop income		31,746	-	31,746	3,341
- Café income		50,357	-	50,357	8,459
- Other activities		7,088	-	7,088	1,895
Investments:					
- Dividends & interest received		5,699	-	5,699	6,620
- Property rentals and services		20,434	-	20,434	1,680
Total income		1,154,358	289,526	1,443,884	375,524
Expenditure					
Raising funds:					
- Cost of raising funds		17,507	-	17,507	7,148
- Cost of goods sold and other costs		44,750	-	44,750	6,665
- Investment management costs	3	1,849	-	1,849	336
Charitable activities:					
- Service contracts	4 & 6	5,178	-	5,178	7,000
- Other activities	4 & 6	404,294	338,934	743,228	308,926
- Depreciation & amortisation of assets		5,000	96,957	101,957	47,969
Total expenditure		478,578	435,891	914,469	378,044
Net income/(expenditure)		675,780	(146,365)	529,415	(2,520)
Transfer between funds		(16,202)	16,202	-	-
Other recognised (losses)/gains:					
Net (losses)/gains on investments		(33,092)	-	(33,092)	16,551
Net movement in funds		626,486	(130,163)	496,323	14,031
Reconciliation of funds:					
Total funds as at 31 March 2021		2,391,041	2,448,750	4,839,791	4,825,760
Total funds as at 31 March 2022		3,017,527	2,318,587	5,336,114	4,839,791

A reconciliation of the movement in funds is given in note 14. There were no discontinued operations within the charity for the year ended 31 March 2022.

Consolidated statement of financial activities incorporating an income and expenditure account for the year ended 31 March 2022

	Note	2022 Group £	2021 Group £	2022 Charity £	2021 Charity £
Income					
Donations:					
- Donations	2	891,996	8,243	891,996	8,243
- Subscriptions and other gifts		15,231	458	15,231	458
Charitable activities:					
- Grants	2	327,343	333,078	327,343	333,078
- Service contracts		5,218	8,161	5,218	8,161
- Car parking		4,567	3,113	4,567	3,113
Other trading activities:					
- Museum entrance fees		84,205	476	84,205	476
- Gift shop income		31,746	3,341	31,746	3,341
- Café income		50,357	8,459	50,357	8,459
- Other activities		47,507	1,895	7,088	1,895
Investments:					
- Dividends & interest received		5,699	6,620	5,699	6,620
- Property rentals and services		6,184	1,680	20,434	1,680
Total income		1,470,053	375,524	1,443,884	375,524
Expenditure					
Raising funds:					
- Cost of raising funds		17,507	7,148	17,507	7,148
- Cost of goods sold and other costs		44,750	6,665	44,750	6,665
- Investment management costs	3	1,849	336	1,849	336
- Car parking		5,736	-	-	-
Charitable activities:					
- Service contracts	4 & 6	5,178	7,000	5,178	7,000
- Other activities	4 & 6	743,228	308,926	743,228	308,926
- Depreciation & amortisation of assets		101,957	47,969	101,957	47,969
Other expenditure:		-	1,239	-	-
Total expenditure		920,205	379,283	914,469	378,044
Net income/(expenditure)		549,848	(3,759)	529,415	(2,520)
Transfer between funds		-	-	-	-
Other recognised (losses)/gains:					
Net (losses)/gains on investments		(33,092)	16,551	(33,092)	16,551
Net movement in funds		516,756	12,792	496,323	14,031
Reconciliation of funds:					
Total funds as at 31 March 2021		4,838,405	4,825,613	4,839,791	4,825,760
Total funds as at 31 March 2022		5,355,161	4,838,405	5,336,114	4,839,791

A reconciliation of the movement in funds is given in note 14. There were no discontinued operations within the charity for the year ended 31 March 2022.

Restricted income & expenditure in the above group statement of financial activities wholly relates to the charity, details of which can be found in the charity statement of financial activities.

Charity balance sheet at 31 March 2022

	Note	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	2021 Total Funds £
Fixed assets					
Intangible assets	8	25,000	-	25,000	-
Tangible assets	9	2,511,236	2,248,359	4,759,595	4,329,778
Shares in subsidiary undertaking	10	10	-	10	10
Total fixed assets		2,536,246	2,248,359	4,784,605	4,329,788
Current assets					
Stock for resale		22,151	-	22,151	11,050
Debtors	12	27,394	48,804	76,198	92,768
Investments		454,387	-	454,387	341,879
Cash at bank and in hand		13,449	26,174	39,623	103,389
Total current assets		517,381	74,978	592,359	549,086
Creditors: amounts falling due within one year	13	36,100	4,750	40,850	39,083
Net current assets		481,281	70,228	551,509	510,003
Total assets less current liabilities		3,017,527	2,318,587	5,336,114	4,839,791
Net assets		3,017,527	2,318,587	5,336,114	4,839,791
The funds of the charity:					
Restricted funds					
- Restricted funds		-	2,318,587	2,318,587	2,448,750
Unrestricted funds:					
- Unrestricted income funds		1,017,517	-	1,017,517	391,031
- Revaluation reserve		1,500,000	-	1,500,000	1,500,000
- Land & buildings revaluation reserve		500,000	-	500,000	500,000
- Shares in subsidiary undertaking		10	-	10	10
Total charity funds	14	3,017,527	2,318,587	5,336,114	4,839,791

Consolidated Balance sheet at 31 March 2022

	Note	2022 Group £	2021 Group £	2022 Charity £	2021 Charity £
Fixed assets					
Intangible assets	8	25,000	-	25,000	-
Tangible assets	9	4,759,595	4,329,778	4,759,595	4,329,778
Shares in subsidiary undertaking	10	-	-	10	10
Total fixed assets		4,784,595	4,329,778	4,784,605	4,329,788
Current assets					
Stock for resale		22,151	11,050	22,151	11,050
Debtors	12	83,110	92,306	76,198	92,768
Investments		454,387	341,879	454,387	341,879
Cash at bank and in hand		53,782	106,864	39,623	103,389
Total current assets		613,430	552,099	592,359	549,086
Creditors: amounts falling due within one year	13	42,864	43,472	40,850	39,083
Net current assets		570,566	508,627	551,509	510,003
Total assets less current liabilities		5,355,161	4,838,405	5,336,114	4,839,791
Net assets		5,355,161	4,838,405	5,336,114	4,839,791
The funds of the charity:					
Restricted funds					
- Restricted funds		2,318,587	2,448,750	2,318,587	2,448,750
Unrestricted funds:					
- Unrestricted income funds		1,036,574	389,655	1,017,517	391,031
- Revaluation reserve		1,500,000	1,500,000	1,500,000	1,500,000
- Land & buildings revaluation reserve		500,000	500,000	500,000	500,000
- Shares in subsidiary undertaking		-	-	10	10
Total charity funds	14	5,355,161	4,838,405	5,336,114	4,839,791

The notes on pages 22 to 35 form part of these financial statements.

These financial statements were approved by the trustees on 23 January 2023 and were signed on its behalf by:

Chairman
Gareth Parry

Consolidated statement of cash flows for the year ended 31 March 2022

	Note	2022 Group £	2021 Group £	2022 Charity £	2021 Charity £
Cash flows from operating activities:					
- Net cash provided/(used) by operating activities	1	625,008	(10,948)	614,324	(9,885)
Cash flows from investing activities:					
- Dividends, interest and rents from investments		24,284	7,964	24,284	7,964
- Purchase of property, plant and equipment		(556,774)	(31,652)	(556,774)	(31,652)
- Proceeds from sale of investments		329,615	-	329,615	-
- Purchase of investments		(475,215)	-	(475,215)	-
Net cash used on investing activities		(678,090)	(23,688)	(678,090)	(23,688)
Change in cash and cash equivalents in the reporting period		(53,082)	(34,636)	(63,766)	(33,573)
Cash and cash equivalents as at 31 March 2021		106,864	141,500	103,389	136,962
Cash and cash equivalents at the end of the reporting period	2	53,782	106,864	39,623	103,389

Notes to the Statement of cash flows**Note 1 - Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	2022 £	2021 £	2022 £	2021 £
Net income/(expenditure) for the period ended 31 March 2022	549,848	(3,759)	529,415	(2,520)
Adjustments for:				
- Depreciation and amortisation charges	101,957	47,969	101,957	47,969
- Dividends, interest and rents from investments	(24,284)	(7,964)	(24,284)	(7,964)
- Decrease/(Increase) in stocks	(11,101)	3,132	(11,101)	3,132
- Decrease/(Increase) in debtors	9,196	(39,805)	16,570	(39,805)
- (Decrease)/Increase in creditors	(608)	(10,521)	1,767	(10,697)
Net cash (used)/provided by operating activities	625,008	(10,948)	614,324	(9,885)

Note 2 - Analysis of cash and cash equivalents

	2022 £	2021 £	2022 £	2021 £	Change in period £
Cash in hand	53,782	106,864	39,623	103,389	(53,082)
Total cash and cash equivalents	53,782	106,864	39,623	103,389	(53,082)

Notes (forming part of the financial statements)

1 Summary of significant accounting policies

(a) General information and basis of preparation

PK Porthcurno is a charitable incorporated organisation registered in England and Wales. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are preserving the important historic buildings and collections relating to the telegraph station at Porthcurno. It educates the general public about the history of the telegraph station and provides internationally significant archive and research resources for study of the history of international telecommunications.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Charities Act 2011 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives government grants in respect of a revenue grant from Cornwall Council of £21,334. Details of other government assistance received during the period are included within note 2. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

(c) Income recognition (continued)

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds comprise the costs of commercial trading including gift shop and café and their associated costs;
- Expenditure on charitable activities includes the costs of maintaining the collections, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated costs; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 6.

(f) Intangible fixed assets

Goodwill represents the excess cost of acquisition of unincorporated businesses over fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill shall be considered to have a finite useful life and shall be amortised on a systemic basis over its life of 5 years.

(g) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

(g) Tangible fixed assets (continued)

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land	Nil
Freehold buildings	50 years
Museum refurbishment	20 years
Permanent exhibitions	20 years
Car park and landscaping	15 – 20 years
Fixtures and fittings	5 – 10 years

The original value of the land and property assets has not been included in the balance sheet as the property is heritage property and the charity is not permitted to sell it on the open market.

(h) Heritage assets

Heritage assets are recognised on the balance sheet and initially measured at cost when purchased or if donated, their valuation. Assets are subsequently stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Fair values for donated assets are estimated by reference to market prices.

Where information on the cost or valuation of heritage assets is not available or the cost of providing such information significantly outweighs any benefit to the users of the accounts then heritage assets are not recognised on the balance sheet.

Acquisitions only arise when donated to the charity or if it is believed that they will further the charity's objectives. Once acquired they will be preserved by the charity in order to keep their historical, artistic, scientific, technological, geophysical or environmental qualities to such a high level as to contribute to knowledge and culture. A register of all assets held by the charity is available and the assets themselves are accessible to the public with prior agreement. Heritage assets are to be held for the foreseeable future.

Endowment funds represent those assets which must be held permanently by the charity, principally the original World War II communication centre, known as "the tunnels", built in the hillside of Porthcurno in the 1940's, access, car parking area and a collection of historic telecommunications equipment.

(i) Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA.

(j) Investments

Investments in subsidiaries are measured at cost less impairment.

(k) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first in, first out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

(l) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(m) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

(n) Concessionary loans

Concessionary loans include those payable to a third party which are interest free or below market interest rates and are made to advance charitable purposes.

(o) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised.

(p) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(q) Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

(r) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

(s) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

(t) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(u) Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and association assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision only affects that period, or in the period of the revision and future periods where the revision affects both current and future periods.

(v) Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Porthcurno Enterprises Limited on a line-by-line basis. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

(w) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently they are measured at fair value with changes recognised in 'net gains/ (losses) on investments' in the statement of financial activities if the shares are publicly traded or their fair value can otherwise be measured reliably.

For quoted shares, the fair value is deemed to be the quoted bid price as at the balance sheet date. Investments in subsidiaries are measured at cost less impairment.

2 Donations and grants

	2022	2021
	£	£
Restricted funds:		
Vodafone Foundation	120,000	60,000
Arts Council of England	113,934	40,122
UK Community Renewal Fund	20,000	-
COVID-19 funding		
- Arts Council England - Recovery Grant	16,400	147,600
- Arts Council England - Emergency Response Fund	-	3,500
- Clore Cultural Learning Fund	-	12,500
Pilgrim Trust	9,312	-
Cornwall Council	6,142	-
Grants from various sources listed below	3,738	2,001
Subsea Environmental Services	-	10,074
Esme Fairbairn Collections Fund - wAVE Project	-	6,443
	<u>289,526</u>	<u>282,240</u>

Donations from various sources include Esme Fairbairn Collections Fund - Audio Archive Project, Cornwall AONB Trust, difibrilator funding from Community Chest and Cornwall Community Foundation.

Included with unrestricted donations are the following:-

- Wilshaw Benevolent Trust - a donation of £886,719 was received on the dissolution of the charity.

Included with unrestricted grants are the following government grants:

- HMRC - grants have been received totalling £16,483 (2021: £38,338) to help with furloughed staff whilst in a nationwide lockdown due to COVID-19.
- Cornwall Council - grants have been received totalling £21,334 (2021: £12,500). The local restrictions support grant has been issued to help businesses during the national lockdown and COVID-19 outbreak.

3 Investment management costs

	2022	2021
	£	£
Other expenses	<u>1,849</u>	<u>336</u>
	<u>1,849</u>	<u>336</u>

4 Support and governance costs

	2022	2021
	£	£
Staff costs	72,671	30,846
Premises and running expenses	327,251	116,684
Audit and accountancy	<u>9,550</u>	<u>6,000</u>
	<u>409,472</u>	<u>153,530</u>

5 Staff costs

	2022	2021
	£	£
Salaries and wages	456,370	206,351
Social Security	26,240	13,297
Pensions	11,316	4,419
	<u>493,926</u>	<u>224,067</u>
Average monthly headcount was	<u>31.0</u>	<u>27.0</u>

Trustees are not remunerated.

The charity operated an auto-enrolment compliant pension scheme in line with the current legislation.

The key management personnel of the charity comprise the Creative Director & CEO, Head of Finance & Resources, Head of Collections & Learning, Head of Visitor Services & Operations and Head of Communications & Development. The total employee benefits of the key management personnel of the charity were £184,287 (2021: £81,562) for year.

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 during the year was:-

	2022	2021
£60,000 - £70,000	<u>1</u>	<u>-</u>

6 Charitable expenditure

Activity	Funded expenditure	Support and governance costs	Total 2022	Total 2021
		(see 1(e))		
	£	£	£	£
Archive & Museum	227,579	112,050	339,629	142,866
Gift shop and café	-	188,907	188,907	48,340
Learning & participation	85,309	108,515	193,824	96,209
Maintenance	26,046	-	26,046	28,511
	<u>338,934</u>	<u>409,472</u>	<u>748,406</u>	<u>315,926</u>

7 Taxation

PK Porthcurno is a registered charity and the results of its normal activities are not liable to Corporation Tax. Activities which are not primary purpose trades are within the statutory limits prescribed by the statutory exemption for small trading.

8 Intangible fixed assets

	Goodwill Exiles Club	Goodwill Telegraph Cottage	Total
Cost or valuation	£	£	£
At 31 March 2021	-	-	-
Additions	20,000	10,000	30,000
Disposal	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2022	20,000	10,000	30,000
	<hr/>	<hr/>	<hr/>
Amortisation			
At 31 March 2021	-	-	-
Charge for period	3,333	1,667	5,000
Amortisation on disposal	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2022	3,333	1,667	5,000
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2022	16,667	8,333	25,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2021	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Goodwill is being amortised on a straight-line basis over its estimated useful life of 5 years.

9 Tangible fixed assets

	Freehold land & buildings	Permanent exhibitions	Fixtures, fittings & equipment	Total
Cost or valuation	£	£	£	£
At 31 March 2021	5,163,461	745,504	257,373	6,166,338
Additions	511,235	-	15,539	526,774
Disposal	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	5,674,696	745,504	272,912	6,693,112
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 31 March 2021	1,386,974	220,702	228,884	1,836,560
Charge for period	48,912	37,275	10,770	96,957
Depn on disposal	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	1,435,886	257,977	239,654	1,933,517
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 March 2022	4,238,810	487,527	33,258	4,759,595
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2021	3,776,487	524,802	28,489	4,329,778
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The predecessor charity was gifted various property in the Porthcurno valley by Cable & Wireless Plc. The trustees decided to recognise the value of certain buildings to the charity. Other land included in the conveyance has not been valued because of its unsuitability for sale on the open market, being mainly scrub and hillside land. Some interest has been expressed by local residents to acquire parcels of the land adjacent to residential property and the trustees will consider these on a case by case basis.

In October 2020, the former Superintendent's house, Mercury House, was valued by a local surveyor. It had been recognised in the accounts at a value of £880,000 but following that valuation, is now recognised at a value of £500,000.

Only the specific refurbishment of freehold property has been depreciated. This is because the estimated residual value of land and buildings is not considered to be materially different to the carrying value of the assets. Therefore, any depreciation charge would also be immaterial. This situation will be reviewed annually.

The fixtures and fittings include many small items of equipment which have been fully depreciated but are still in use within the charity.

If the freehold land and buildings had not been included at valuation, they would have been included under the historical cost convention as follows:

	2022	2021
	£	£
Cost	4,174,695	3,663,460
Accumulated depreciation	(1,435,886)	(1,386,974)
Net book value	<u>2,738,809</u>	<u>2,276,486</u>

A legal charge over the freehold property had been given to the National Heritage Memorial Fund to secure the repayment of a grant should it become repayable.

10 Shares in subsidiary undertaking

	Issued Share Capital	Ownership
Porthcurno Enterprises Limited	£10	100%

The company is incorporated in England and Wales and its area of operation is the United Kingdom. The company's business is that of a charity trading company and an exhibition production company from 1 April 2017.

The profit/(loss) before tax for the period ended 31 March 2022 was £20,433 (2021: (£1,239)) and the value of the equity and reserves at 31 March 2022 was £19,057 (2021: £(1,376)).

11 Heritage property not recognised in the balance sheet

The charity owns the original World War II communication centre, known as "the tunnels", built in the hillside of Porthcurno in the 1940s. This property along with access, car parking area and a collection of historic telecommunications equipment, was gifted to the charity by The Eastern Telegraph Company Limited, a subsidiary of Cable & Wireless Plc.

There have been no acquisitions or disposals of heritage assets during the last five years.

The current insurance value for "the tunnels" is £1,850,000 on a replacement basis. The collection is insured to a value of £500,000 again on an estimated replacement basis, albeit that many of the items would now be irreplaceable.

12 Debtors	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade debtors	36,293	44,171	36,293	44,171
Amounts owed by group undertakings	-	-	-	5,240
Other debtors	13,442	20,391	6,900	15,613
Prepayments and accrued income	33,375	27,744	33,005	27,744
	83,110	92,306	76,198	92,768

13 Creditors: amounts falling due within one year	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade creditors	12,564	6,126	12,564	6,126
Other creditors including taxation	11,708	9,625	11,708	7,642
Accruals	14,527	24,568	12,513	22,162
Deferred income	4,065	3,153	4,065	3,153
	42,864	43,472	40,850	39,083

14 Analysis of charitable funds - year ended 31 March 2022 - Group

	At 31 March 2021	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2022
	£	£	£			£
Restricted funds						
- Heritage Lottery Fund	1,075,990	-	40,748	(2,594)	-	1,032,648
- Vodafone Foundation	-	120,000	120,000	-	-	-
- Cornwall Council Culture Team	117,226	-	4,450	-	-	112,776
- DCMS/Wolfson Fund	284,875	-	13,175	-	-	271,700
- Clore Duffield Foundation	97,690	-	3,708	-	-	93,982
- Wilshaw Benevolent Trust	242,898	-	8,900	(8,445)	-	225,553
- Other funds	630,071	169,526	244,910	27,241	-	581,928
- Total restricted income funds	<u>2,448,750</u>	<u>289,526</u>	<u>435,891</u>	<u>16,202</u>	<u>-</u>	<u>2,318,587</u>
Unrestricted funds:						
- Unrestricted income funds	47,776	1,180,527	484,314	(16,202)	-	727,787
- PK Contingency Investment portfolio	341,879	-	-	-	(33,092)	308,787
- Revaluation reserve	1,500,000	-	-	-	-	1,500,000
- Investment property revaluation reserve	500,000	-	-	-	-	500,000
- Total unrestricted funds	<u>2,389,655</u>	<u>1,180,527</u>	<u>484,314</u>	<u>(16,202)</u>	<u>(33,092)</u>	<u>3,036,574</u>
	<u><u>4,838,405</u></u>	<u><u>1,470,053</u></u>	<u><u>920,205</u></u>	<u><u>-</u></u>	<u><u>(33,092)</u></u>	<u><u>5,355,161</u></u>

Analysis of charitable funds - period ended 31 March 2022 - Charity only

	At 31 March 2021	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2022
	£	£	£			£
Restricted funds						
- Heritage Lottery Fund	1,075,990	-	40,748	(2,594)	-	1,032,648
- Vodafone Foundation	-	120,000	120,000	-	-	-
- Cornwall Council Culture Team	117,226	-	4,450	-	-	112,776
- DCMS/Wolfson Fund	284,875	-	13,175	-	-	271,700
- Clore Duffield Foundation	97,690	-	3,708	-	-	93,982
- Wilshaw Benevolent Trust	242,898	-	8,900	(8,445)	-	225,553
- Other funds	630,071	169,526	244,910	27,241	-	581,928
- Total restricted income funds	<u>2,448,750</u>	<u>289,526</u>	<u>435,891</u>	<u>16,202</u>	<u>-</u>	<u>2,318,587</u>
Unrestricted funds:						
- Unrestricted income funds	49,152	1,154,358	478,578	(16,202)	-	708,730
- PK Contingency Investment portfolio	341,879	-	-	-	(33,092)	308,787
- Revaluation reserve	1,500,000	-	-	-	-	1,500,000
- Investment property revaluation reserve	500,000	-	-	-	-	500,000
- Shares in subsidiary undertaking	10	-	-	-	-	10
- Total unrestricted funds	<u>2,391,041</u>	<u>1,154,358</u>	<u>478,578</u>	<u>(16,202)</u>	<u>(33,092)</u>	<u>3,017,527</u>
	<u><u>4,839,791</u></u>	<u><u>1,443,884</u></u>	<u><u>914,469</u></u>	<u><u>-</u></u>	<u><u>(33,092)</u></u>	<u><u>5,336,114</u></u>

Analysis of charitable funds - period ended 31 March 2021 - Group

	Transferred in 1 October 2020	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2021
	£	£	£			£
Restricted funds						
- Heritage Lottery Fund	1,114,667	-	38,677	-	-	1,075,990
- Vodafone Foundation	-	60,000	60,000	-	-	-
- Cornwall Council Culture Team	119,451	-	2,225	-	-	117,226
- DCMS/Wolfson Fund	291,463	-	6,588	-	-	284,875
- Clore Duffield Foundation	99,544	-	1,854	-	-	97,690
- Wilshaw Benevolent Trust	247,348	-	4,450	-	-	242,898
- Other funds	582,377	222,240	96,571	(77,975)	-	630,071
- Total restricted income funds	<u>2,454,850</u>	<u>282,240</u>	<u>210,365</u>	<u>(77,975)</u>	<u>-</u>	<u>2,448,750</u>
Unrestricted funds:						
- Unrestricted income funds	45,435	93,284	168,918	77,975	-	47,776
- PK Contingency Investment portfolio	325,328	-	-	-	16,551	341,879
- Revaluation reserve	1,500,000	-	-	-	-	1,500,000
- Investment property revaluation reserve	500,000	-	-	-	-	500,000
- Total unrestricted funds	<u>2,370,763</u>	<u>93,284</u>	<u>168,918</u>	<u>77,975</u>	<u>16,551</u>	<u>2,389,655</u>
	<u>4,825,613</u>	<u>375,524</u>	<u>379,283</u>	<u>-</u>	<u>16,551</u>	<u>4,838,405</u>

Analysis of charitable funds - period ended 31 March 2021 - Charity only

	Transferred in 1 October 2020	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2021
	£	£	£			£
Restricted funds						
- Heritage Lottery Fund	1,114,667	-	38,677	-	-	1,075,990
- Vodafone Foundation	-	60,000	60,000	-	-	-
- Cornwall Council Culture Team	119,451	-	2,225	-	-	117,226
- DCMS/Wolfson Fund	291,463	-	6,588	-	-	284,875
- Clore Duffield Foundation	99,544	-	1,854	-	-	97,690
- Wilshaw Benevolent Trust	247,348	-	4,450	-	-	242,898
- Other funds	582,377	222,240	96,571	(77,975)	-	630,071
- Total restricted income funds	<u>2,454,850</u>	<u>282,240</u>	<u>210,365</u>	<u>(77,975)</u>	<u>-</u>	<u>2,448,750</u>
Unrestricted funds:						
- Unrestricted income funds	45,572	93,284	167,679	77,975	-	49,152
- PK Contingency Investment portfolio	325,328	-	-	-	16,551	341,879
- Revaluation reserve	1,500,000	-	-	-	-	1,500,000
- Investment property revaluation reserve	500,000	-	-	-	-	500,000
- Shares in subsidiary undertaking	10	-	-	-	-	10
- Total unrestricted funds	<u>2,370,910</u>	<u>93,284</u>	<u>167,679</u>	<u>77,975</u>	<u>16,551</u>	<u>2,391,041</u>
	<u>4,825,760</u>	<u>375,524</u>	<u>378,044</u>	<u>-</u>	<u>16,551</u>	<u>4,839,791</u>

All restricted funds are raised and given for specific purposes and projects and are output related. These outputs incorporate fees, consultancies, project spend and implementation work. The conditions governing the income or grants restrict these funds and costs are allocated against the funded element available. Excess expenditure on such projects is met from unrestricted funds.

The charity's unrestricted funds can be used, with the approval of the trustees, to fund any expenditure relating to projects or general running costs which fall within the charity's general aims and objectives.

The restricted funds represent the residue of the initial grants and other funding received to finance the redevelopment of the museum and refurbish the heritage property and grounds donated as a permanent endowment.

15 Lease commitments

Total commitments under non-cancellable operating leases are as follows:

	Other	
	2022	2021
	£	£
Expiry date:		
- Within one year	1,789	4,490
- Between two and five years	1,711	3,501
	<u>3,500</u>	<u>7,991</u>

16 Related party transactions

Spouse of the CEO & Creative Director. Transactions totalling £585 (2021: £3,505) took place during the year in relation to exhibition research and curation. There were nil amounts outstanding as at 31 March 2022 (2021: £nil).

Three children of the CEO & Creative Director. Transactions totalling £22,067 (2021: £4,487) relating to employment (including employer's pension contributions and expenses) took place during the year. There were nil amounts outstanding as at 31 March 2022 (2021: £nil).

Porthcurno Enterprises Ltd - wholly owned subsidiary of the charity. As at 31 March 2022 the company owed £nil to the CIO (2021: £5,240).

PK PORTHCURNO

England & Wales - Charity number 1189090

Accounts



PK Porthcurno

Trustees' Report and Consolidated Financial Statements
Period ended 31 March 2021
Registered charity number 1189090

Contents

Page No.

1. Contents
2. Vision
3. Legal and administrative information
5. Director's Report
9. Trustees' Report
 - a. Structure Governance and Management
 - b. Financial Review
 - c. Reserves Policy
 - d. The Future
 - e. Statement of Trustee's Responsibilities
12. Report of the Auditor to the trustees of PK Porthcurno
16. Charity Statement of Financial Activities incorporating an Income and Expenditure account
17. Consolidated Statement of Financial Activities incorporating an Income and Expenditure account
18. Charity Balance Sheet
19. Consolidated Balance Sheet
20. Consolidated Statement of cashflows
21. Notes

Vision

"We have designed our civilization based on science and technology and at the same time arranged things so that almost no one understands anything at all about science and technology. This is a clear prescription for disaster"

Carl Sagan

OUR VISION:

A world where people are inspired by the past, understand the science and technology that connects them, and use that knowledge to imagine and shape a better future.

OUR MISSION:

We enable people to explore the connected world, understand the history, science and technology of global communications, and consider what this means in their own lives.

OUR VALUES:

Inspiring: we love what we do and hope to inspire others by sharing our enthusiasm and inviting their participation

Progressive: we are forward thinking, adventurous and not afraid to try new things

Relevant: we engage people with our collections and stories and how these relate to their own lives

Sustainable: we work towards a sustainable world and aim to do no harm

Open: we create an inclusive and open environment which welcomes respectful discourse

Legal and administrative information

Registered office and

principal place of business: Eastern House
Porthcurno
Penzance
Cornwall, TR19 6JX

Charity registration number: 1189090

VAT number: GB 699 4558 55

Trustees

The trustees of PK Porthcurno during the period under review were:

Gareth Parry (Chairman, Vice-chairman to 28 April 2021)
Tamsin Daniel (Vice-chairman from 28 April 2021) (appointed 1 October 2020)
Christopher Fyles (Chairman to 28 April 2021, Treasurer to 15 May 2021)
Polina Bayvel (appointed 27 January 2021)
Patrick Cowan (resigned 28 April 2021)
David Foot (appointed 28 April 2021)
Peter Johnson (resigned 28 April 2021)
Andrew MacLeod (appointed 28 October 2020)
Simon Menneer
Richard Perry (appointed 1 October 2020)
Bryony Robins (resigned 28 April 2021)
Julie Seyler (appointed 1 October 2020, resigned 28 April 2021)
Deborah Tritton (appointed 1 October 2020)

Principal officers

The management team reports to the board of trustees and is responsible for the overall management of the charity.

The team of managers comprise:

Chairman: Gareth Parry

Treasurer: Christopher Fyles (Treasurer to 15 May 2021)

Creative Director & CEO: Julia Twomlow

Head of Finance & Resources: Patricia McCartney

The Chairman, Treasurer, CEO & Creative Director and Head of Finance & Resources are responsible for managing the finances and administration of the charity and for ensuring compliance with all legal obligations.

Legal and administrative information (continued)

Independent advisers

Solicitors: Murrell Associates LLP
14 High Cross
Truro
Cornwall
TR1 2AJ

Counterculture LLP
Unit 115 Ducie House
Ducie Street
Manchester
M1 2JW

Auditor: RRL LLP
Peat House
Newham Road
Truro
Cornwall, TR1 2DP

Bankers: CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Director's Report

This is the first report of PK Porthcurno, the new Charitable Incorporated Organisation which was founded in 2020 to take over ownership and management of the former Telegraph Museum Porthcurno from its predecessor, the Porthcurno Collections Trust. The museum now operates under the new name, PK Porthcurno, Museum of Global Communications.

As a result of this restructure, the final report of the Porthcurno Collections Trust covered the extended 18-month period from April 2019 to September 2020 when the Trust finally transferred ownership and control of the museum, collections and site to the new charity. This report covers the subsequent 6 months from October 2020 to March 2021, bringing the reporting period back in line with the financial year.

PK Porthcurno took over ownership and control of the museum during the COVID-19 pandemic. Consequently, when the museum reopened to the public it was with multiple restrictions in terms of prebooking, visitor numbers, timed visits, routes through the museum, removing or disabling interactive displays and providing hand sanitizing stations. Planned activities around the 150th anniversary had already been shelved, cancelled, or postponed and the new charity found itself navigating uncharted waters.

I have divided this report into sections which broadly align with the areas and activities delivered at PK Porthcurno.

Operations & Visitor Services

The museum had reopened to the public on 10 September, with free admission subsidised by Arts Council England Recovery Fund. Free entry was offered as a temporary measure to reflect the diminished offer we were able to provide whilst remaining COVID-secure, and to try and regain momentum after the lengthy period of closure. Many changes were introduced to make the visitor experience more COVID-safe including a controlled one-way route around the museum, recommended pre-booking, 'test and trace' data collection and a limit of only 12 customers per half hour slot. These measures were in place throughout the season.

While visitor numbers in September had been steady, running at just over 75% of the same period in the previous year, by October they were very strong and were up by 38% on last year. Visitor feedback about the COVID-related measures was overwhelmingly positive and visitor flow was well managed without any pinch-points or areas of concern. One benefit of the new system was in levelling the peaks in visitor ingress and making for an easier, safer and more pleasant environment in the museum for both staff and visitors.

On 3 November 2020, the museum closed again with the imposition of the second lockdown. The intention was to reopen for the post-Christmas period 28 – 31 December but Cornwall was placed into Tier 3 with effect from midnight on 30 December, enforcing closure a day earlier than planned. Travel restrictions placed on large parts of the country in December also impacted on the number of visitors from the home counties and the southeast, traditionally a source of many of our winter visitors.

We used the quiet time afforded by the enforced closure to review and revise our retail strategy in relation to the shop, in readiness for an improved offer in the next financial year.

We also took the opportunity to plan changes for the monitoring and enforcement of parking in the museum's car park.

Public Programming & Projects

Despite COVID-19 and the cancellation of events, we honoured our contracts with artists that had already been commissioned. Lucy Birbeck made a set of silk flags for display on the café terrace during the summer months and Graham Jobbins worked on a large withy sculpture of Mercury, The Messenger.

Grants from Arts Council England Recovery Funding and the Clore Duffield Foundation enabled us to commission two new touring productions to take our story out into the community. These were with Ed Rowe and Palores Productions to produce a new schools' show called The Cable King telling the story of John Pender

Director's Report (continued)

and the 1870 cable. The second was with Annamaria Murphy and Bagas Degol to write a new music and spoken word production called 'Exiles', touring to community venues and village halls in 2021.

Plans to import and install Morgy - the Giant Communications Squid, made by Portuguese/Italian artist collective Moradavaga, were put on hold due to COVID-19. We plan to revisit and complete this project in 2022.

Engagement & Learning

We were accepted onto the 'Kids in Museums' Playful Museums mentoring project alongside 10 other national museums. This included online training sessions and a 1-2-1 with 'Kids in Museums' play workers, as well as trialling ideas at PK Porthcurno in order to embed an element of playfulness across engagement activity and to promote happiness and playful connection. During October half term and as part of the Playful Museums mentoring project, we shared ideas of things to play at home for families including 'Time travel' and 'Build a den'. All the museum case studies were shared by Kids in Museums in the Spring and the blog was included on our website.

A 5-week partnership project with artists 'Storylines' and Sennen Primary School took place in November and December 2020. This project involved Year 2/3/4 children acting as 'Story Messengers' both in class and at home. The children explored themes including communication, kindness, connection, community, and COVID-19.

Our regular STEAM Explorers sessions became remote based. Once a month our Science Learning Facilitator shared an activity online to do at home or in school. These included making a PK Rocket and Algorithmic Art. We also created remote resources for schools based on our 150th anniversary and delivered remote sessions about PK Porthcurno to the Café Sci-Fi Group.

Before Christmas, Children from St Buryan Academy School designed their own wishes in a bubble for 2021 that were displayed at PK Porthcurno during the days the museum was open in December. A 'Wish in a Bubble' takeaway pack was also made available for visitors to PK Porthcurno to pick up and do at home or display in the museum on our 'Wish in a Bubble' wishing line.

Volunteers

A small group of technical and engineering volunteers returned to work in the workshop during October. Our Learning Facilitator maintained connection with all our volunteers and staff during periods of lockdown through sharing editions of 'Stay Connected' internal newsletters.

The Pandemic meant that we are still unable to welcome back our archive volunteers to the Search Room. We therefore created archive projects that could be done remotely including transcribing documents from scanned copies. Several students from Exeter University were keen to be involved, as well as our current archive volunteers.

Collections

Funded with a grant from Arts Council England, Designated Collections Development Fund, our project PK150: Connected Collections made good progress. The aim of this project was to create an online searchable database to provide remote access to our collections. Alongside the online database, we had to provide an engagement programme to connect people to the collections remotely and explore their use. The project had to be reframed from its original plan due to COVID-19, but this did not diminish its quality. An Archive Research Facilitator was appointed who in turn recruited a group of five Citizen Curators from Exeter University and a further five international students based at locations connected to the telegraph. Each Citizen Curator was paired with an international student to work remotely to research an agreed topic. International students were in universities in South Africa, India, New Zealand, Hong Kong and Portugal. As the students are

Director's Report (continued)

unable to visit the museum, the Archive Research Facilitator worked with a local filmmaker to create a 25-minute introduction to PK Porthcurno, focusing on different aspects of the collection and archive.

In November 2020 we appointed a new Collections Cataloguer to work on the Connected Collections project, improving and modifying our MODES database in preparation for our online collections catalogue that is planned to go live in 2021/22. Following tendering and interview, developers, Surface Impressions were appointed for the online catalogue.

Student placements

In addition to the student involvement in PK150: Connected Collections, we were able to work with two groups of History students from Exeter University. Each group worked with digitised material from the archive that has been recently gifted to the collections. One project involves cataloguing Sir Edward Wilshaw's family films dating between the 1930s and 1950s. The other project involves the transcription of letters written by an employee of The Western Telegraph Company detailing his career which began in 1915.

In collaboration with Richard Noakes (Associate Professor at Exeter University) we also put together an expression of interest for a PhD in collaboration with BT Archive for a start in late 2021. The subject of the PhD is 'Race, ethnicity and telecommunications in Britain and its empire, 1850-present'.

Environmental Responsibility

In October 2020 we appointed a Project Development Manager as a temporary (6-month) post initially to provide support on our "Planet PK" Environmental Programme.

In early 2020 PK Porthcurno were thrilled to be national winners of the Cultural Enterprises Green Award. In October we went on to win the award for Contribution to the Environment and the Circular Economy at the Cornwall Heritage Awards 2020 for our work on wildflower planting and beekeeping. We also received 'Commended' in the Wildlife Friendly Award category at Cornwall Tourism Awards 2021.

Work commenced on our fields behind the museum to clear invasive clematis. This is a five-year project and is being led and managed by the National Trust.

Our Gardener and Groundsman continued to lead on the beekeeping with support from volunteers. By the end of the season, we had five active hives on site. Honey produced was put into jars and sold through the museum shop.

Having worked with Tevi to strip most single use plastics from the shop, café and office areas, PK Porthcurno is now an official Surfers Against Sewage Plastic Free Business Champion. We are now heading up a partnership for the whole of Porthcurno Valley to become a Plastic Free Community; this involves the formation of a Plastic Free Steering Group to carry out the necessary procedures. Partners include The Minack Theatre, the National Trust and the Porthcurno Residents' Association.

In November 2020, Planet PK launched its own Instagram channel which documents wildlife and natural history in Porthcurno Valley as well as promoting PK Porthcurno's environmental and sustainability actions. The channel grew in size quickly and now also has its own dedicated page on the PK Porthcurno website which hosts a regular 'Young Curators' blog documenting wildlife and environmental stories in the museums grounds and Porthcurno Valley. A night-time wildlife camera (supplied by Tevi, Exeter University) was installed outside the museum office and footage from which has included regular visits from foxes and badgers which is regularly shared on the Young Curators blog and Planet PK Instagram.

Via Planet PK, we became active supporters and partners in the West Penwith application to become an official International Dark Sky Park, sitting on the steering group alongside representatives from Cornwall Council, Cornwall AONB and Penwith Landscape Partnership.

Director's Report (continued)

Marketing & Communication

In October 2020, thanks to funding from Arts Council England Recovery Fund, we were able to appoint a temporary Marketing and Communications Manager enabling us to complete and launch our new website and roll out our rebranding. In January 2021 we also appointed a new Digital Marketing Apprentice on an 18-month contract.

In November 2020, we launched a new E-newsletter via a sign-up button on the website, social media advertising, online booking system email capture and an onsite newsletter sign-up form. The first e-newsletter was sent mid-January to 222 subscribers.

We also tendered for and engaged a research company to create bespoke market research of our current visitors and non-visitors.

Our Valley Wi-Fi Hotspot was enhanced with the addition of a Wi-Fi CRM system to track the Wi-Fi usage points around the valley. This system allows us to create an attractive landing page for the Wi-Fi, and point users to our valley app, and the PK Porthcurno website. It will provide us with user data (if users agree they can join our e-newsletter – growing our subscriber base), allowing us to build a profile of visitors to the valley and where they log in to the Valley Wi-Fi, which will be useful in developing marketing strategies for the future.

Conclusion

Like everyone, we continue to live and work within the constraints of the pandemic, and now a range of new uncertainties that accompany Brexit. This is a difficult time, and one in which future planning is especially challenging, requiring a mixture of caution and brave innovative thinking as we reframe ourselves for a changed way of working that is not going away anytime soon.

Where we used to focus on tourism, we now need to look closer to home. Where museum visitors were once our priority, we need to give equal weight to outreach programmes, remote and digital engagement. Where visitor experience was all about hands on interaction, we must explore new forms of interpretation that keep people safe. On the positive side, this is not an entirely new way of thinking for us. This has been our direction of travel at PK Porthcurno since before COVID-19 and was the basis of the strategic plan which we adopted in December 2019, and which secured three years' funding from the Vodafone Foundation.

I feel especially proud of the extraordinary team at PK Porthcurno – those that have worked at the museum for years and have had to adapt to a whole new way of working, and those that have joined us for the first time in the midst of a pandemic. They have all risen to the challenge bravely and cheerfully. At the end of our first six months of trading as the new charity, we look forward collectively to the year ahead with caution but also with genuine excitement knowing that the challenges are significant, but that they also bring opportunities.

Julia Twomlow

Creative Director & CEO

Trustees' report

The trustees are pleased to present their report together with the audited consolidated financial statements of PK Porthcurno for the period ended 31 March 2021 and confirm that the latter comply with the requirements of the Constitution and the Charities SORP 2019.

PK Porthcurno is a Charitable Incorporated Organisation (CIO) and its UK registered charity number is 1189090.

On 1 October 2020, The Porthcurno Collections Trust (registered charity number 1062233), transferred its activities, assets and liabilities to the CIO, PK Porthcurno.

Structure, Governance and Management

Governing document

The governing document of the charity is a Constitution dated 14 April 2020. The charity is governed by a board of individual trustees.

Trustee induction and training

Existing trustees are already familiar with, and the majority experienced in, the work of charities by virtue of their currently holding or having previously held trustee appointments with other charities. New trustees may be appointed at any time (either by way of replacement or addition) by the existing trustees.

All trustees have been acquainted with the Charity Commission's guide "the Essential Trustee", which is distributed free to all trustees together with a copy of the charity's constitution and latest report and accounts. In the event of a vacancy a new trustee would be encouraged to attend a series of meetings with existing trustees and employees and, if necessary, attend a short external course.

A Governance Review was carried out during the period ended 31 March 2021 and is reviewed on an ongoing basis. The Trustee pack continues to be updated on a regular basis for the existing and new trustees.

Organisation

The board of trustees meet quarterly and are responsible for the strategic direction of the CIO. The day-to-day responsibility for the running of the charity rests with the CEO & Creative Director and assistants who report to the board of the trustees.

Risk Management

The trustees have examined the major operational and financial risks that the CIO faces and confirms that procedures have been implemented to enable regular reviews to be undertaken and reports to be produced in order that the necessary steps can be taken to minimise any potential impact on the Trust should those risks materialise.

Objectives and Activities

PK Porthcurno is an educational charity, originally established by Cable and Wireless plc in 1997 as The Porthcurno Collections Trust, whose activities, assets and liabilities were transferred to the charity on 1 October 2020. The objects of the charity, as contained in the constitution 'are to advance the education of the public particularly in the sciences and the history of science and innovation and the history of Porthcurno including without prejudice to the generality by preserving, restoring, researching, maintaining and documenting for display to the general public the Tunnels, the Collection and telecommunications equipment and artefacts, buildings and documents and to undertake any charitable activity for the benefit of the public and in particular those members of the public living or working in the vicinity of the Charity's projects.'

The charity's major activities are the operation of an award-winning museum, the care and management of the Cable & Wireless historic archive, the maintenance of the object collections, historic buildings and grounds at Porthcurno and the provision of formal and informal learning opportunities. By providing access to unique, world-class historical resources on the history of telecommunications, the charity continues to increase the reputation of Porthcurno as an important centre for study and a valuable educational resource.

Trustees' report (continued)

The trustees consider that as an educational charity the PK Porthcurno satisfies the meaning of charitable purpose as defined by section 2(2) of the Charities Act. As such it considers that it has complied with the duty in section 4 of the Act having due regard to public benefit guidance published by the Charity Commission.

Financial Review

In 2020/21 the charity had incoming resources of £375,524. Of this total, £60,000 was provided by Vodafone Foundation. The charity continued to provide heritage services to the Company, focusing on the care and management of the historic archive. Vodafone Foundation's funding is a major contribution to the charity's museum activities. The funding has been important in maintaining the quality and range of museum activities offered by the charity.

The remainder of the charity's income is generated by: museum entrance fees £476, shop sales £3,341, café sales £8,459, property rentals £1,680, car park income £3,113, project grants £57,389, COVID-19 related funding £176,100 from a variety of sources, interest and dividends £6,620 and other miscellaneous sources £58,346.

Reserves Policy

The net expenditure for the period on unrestricted funds was £74,395. There was also a transfer of £77,795 from the restricted funds to the unrestricted funds. This largely related to £65,948 from the ACE Recovery Fund to compensate for the COVID-19 related free admissions and to reflate the reserves. These amounts have been added to and deducted from the surplus balance of unrestricted income funds of £45,572 giving an accumulated surplus of £49,152 excluding amounts arising from the revaluation of fixed assets and investments.

The trustees have considered the charity's various sources of income and the risk that this could be reduced. Although the charity is not substantially dependent on donations, it is largely dependent on seasonal tourism and its location is very isolated. There is a risk that factors outside of the control of the charity could result in a substantial reduction in income one summer which would have an impact on the charity for 12 months. During the period under review, the effect of COVID-19 has had a significant impact on the organisation's income. This impact has been greatly mitigated by the various COVID-19 emergency funds. The trustees consider that reserves should be maintained at an amount equivalent to about 12 months' expenditure. The target reserves are £75,000.

The trustees monitor the need for reserves and the current level of reserves at least once a year considering factors such as sources of income, risks of income reduction, anticipated costs of maintaining the charity.

Fundraising Policy

PK Porthcurno does not use external fundraisers or commercial parties; all fundraising for the CIO is conducted by the CEO & Creative Director and staff of the CIO, with appropriate oversight and guidance by the board of trustees. Our strategic fundraising objective is to sustain and build the CIO's income to meet our long-term capital and revenue needs. The focus of our fundraising activity is on developing relationships with charitable trusts, local and central authorities, and appropriate corporate sponsors. We comply with all current fundraising legislation, seeking to keep abreast of fundraising developments to ensure best practice in all our fundraising activities.

PK Porthcurno encourages donations, both ad hoc or via appeals, through our newsletter to subscribers, website, on site donation boxes and via leaflets and posters. We do not run telephone campaigns or targeted personalised mailshots and we do not actively seek legacies from individuals unless approached by donors or their families. PK Porthcurno has not received any complaints about its fundraising practices.

Trustees' report (continued)

Investment policy

The Constitution permits the trustees to make such investments as they think proper. The policy is to achieve the maximum total return in terms of capital growth and income without incurring undue risks subject to any minimum income requirement agreed from time to time.

The Future

The charity is currently looking at the options available for development that would enable it to be more sustainable in the future. These options include seeking to attract new sponsors and funders (specifically to fund new exhibitions and initiatives), partnering with national museums, with local government and with other local attractions with the aim of boosting visitor numbers and, also, aiming to attract new sources of grant funding to support the development (as part of new visitor offerings) of other buildings which form part of the museum's campus.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements giving a true and fair view, the Trustee should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable it to ascertain the financial position of the charity and which enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware; and
- the trustees have taken all steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the trustees and signed on their behalf by:

Gareth Parry
Chairman
27 January 2022

Independent auditor's report to the Trustees of PK Porthcurno

Opinion

We have audited the financial statements of PK Porthcurno (the 'parent charity') and its subsidiary (the 'group') for the period ended 31 March 2021 which comprise of the Statement of Financial Activities, the Balance Sheet, Statement of Cash flows 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 parent charity's affairs as at 31 March 2021, and of the group's incoming resources and application of resources, including its 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 Charities Act 2011.

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 and parent charity 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charity's ability

Independent auditor's report to the Trustees of PK Porthcurno (continued)

to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

In our evaluation of the trustees' conclusion, we considered the risks associated with the charity's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit. We analysed how those risks might affect the charity's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charity will continue in operation.

Other information

The other information comprises the information included in the trustee's annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual 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.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees 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 and parent charity's ability to

Independent auditor's report to the Trustees of PK Porthcurno (continued)

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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

- Obtain an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which they operate. We determined that the following laws and regulations were most significant: the Charities Act 2011 and the Companies Act 2006;
- Review of the disclosures in the financial statements and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiries of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing minutes of trustee meetings and correspondence with regulators (where relevant);
- Performing audit work in connection with the risk of management override of controls, including testing journal entries for reasonableness and evaluating the business rationale of significant transactions outside the normal course of business.

We also communicate relevant identified laws and regulations and potential fraud risk to all engagement team members and remain alert to any indicators or fraud or non-compliance with laws and regulations throughout the audit.

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 is available on the FRC's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Independent auditor's report to the Trustees of PK Porthcurno (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RRL LLP

Statutory Auditors

Peat House

Newham Road

TRURO

Cornwall

TR1 2DP

27 January 2022

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

Charity statement of financial activities incorporating an income and expenditure account for the period ended 31 March 2021

	Note	Unrestricted funds £	Restricted funds £	Total £
Income				
Donations:				
- Donations	2	8,243	-	8,243
- Subscriptions and other gifts		458	-	458
Charitable activities:				
- Grants	2	50,838	282,240	333,078
- Service contracts		8,161	-	8,161
- Car parking		3,113	-	3,113
Other trading activities:				
- Museum entrance fees		476	-	476
- Gift shop income		3,341	-	3,341
- Café income		8,459	-	8,459
- Other activities		1,895	-	1,895
Investments:				
- Dividends & interest received		6,620	-	6,620
- Property rentals and services		1,680	-	1,680
Total income		93,284	282,240	375,524
Expenditure				
Raising funds:				
- Cost of raising funds		7,148	-	7,148
- Cost of goods sold and other costs		6,665	-	6,665
- Investment management costs	3	336	-	336
Charitable activities:				
- Service contracts	6	7,000	-	7,000
- Other activities	4 & 6	146,530	162,396	308,926
- Depreciation of assets		-	47,969	47,969
Total expenditure		167,679	210,365	378,044
Net expenditure/(income)		(74,395)	71,875	(2,520)
Transfer between funds		77,975	(77,975)	-
Other recognised gains/(losses):				
Net gains/ on investments		16,551	-	16,551
Net movement in funds		20,131	(6,100)	14,031
Reconciliation of funds:				
Total funds transferred in on 1 October 2020		2,370,910	2,454,850	4,825,760
Total funds as at 31 March 2021		2,391,041	2,448,750	4,839,791

A reconciliation of the movement in funds is given in note 13. There were no discontinued operations within the charity for the period ended 31 March 2021.

On 1 October 2020 the activities, assets, liabilities and funds of The Porthcurno Collection Trust (charity number 1062233) were transferred to PK Porthcurno. PK Porthcurno commenced to trade on 1 October 2020.

Consolidated statement of financial activities incorporating an income and expenditure account for the period ended 31 March 2021

	Note	2021 Group £	2021 Charity £
Income			
Donations:			
- Donations	2	8,243	8,243
- Subscriptions and other gifts		458	458
Charitable activities:			
- Grants	2	333,078	333,078
- Service contracts		8,161	8,161
- Car parking		3,113	3,113
Other trading activities:			
- Museum entrance fees		476	476
- Gift shop income		3,341	3,341
- Café income		8,459	8,459
- Other activities		1,895	1,895
Investments:			
- Dividends & interest received		6,620	6,620
- Property rentals and services		1,680	1,680
Total income		375,524	375,524
Expenditure			
Raising funds:			
- Cost of raising funds		7,148	7,148
- Cost of goods sold and other costs		6,665	6,665
- Investment management costs	3	336	336
Charitable activities:			
- Service contracts	6	7,000	7,000
- Other activities	4 & 6	308,926	308,926
- Depreciation of assets		47,969	47,969
Other expenditure:		1,239	-
Total expenditure		379,283	378,044
Net expenditure		(3,759)	(2,520)
Transfer between funds		-	-
Other recognised gains:			
Net gains/(losses) on investments		16,551	16,551
Net movement in funds		12,792	14,031
Reconciliation of funds:			
Total funds transferred in on 1 October 2020		4,825,613	4,825,760
Total funds as at 31 March 2021		4,838,405	4,839,791

A reconciliation of the movement in funds is given in note 13. There were no discontinued operations within the charity for the period ended 31 March 2021.

Restricted income & expenditure in the above group statement of financial activities wholly relates to the charity, details of which can be found in the charity statement of financial activities.

Charity balance sheet at 31 March 2021

	<i>Note</i>	Unrestricted Funds	Restricted Funds	2021 Total Funds
		£	£	£
Fixed assets				
Tangible assets	8	2,000,001	2,329,777	4,329,778
Shares in subsidiary undertaking	9	10	-	10
Total fixed assets		2,000,011	2,329,777	4,329,788
Current assets				
Stock for resale		11,050	-	11,050
Debtors	11	38,344	54,424	92,768
Investments		341,879	-	341,879
Cash at bank and in hand		38,655	64,734	103,389
Total current assets		429,928	119,158	549,086
Creditors: amounts falling due within one year	12	38,898	185	39,083
Net current assets		391,030	118,973	510,003
Total assets less current liabilities		2,391,041	2,448,750	4,839,791
Net assets		2,391,041	2,448,750	4,839,791
The funds of the charity:				
Restricted funds				
- Restricted funds		-	2,448,750	2,448,750
Unrestricted funds:				
- Unrestricted income funds		391,031	-	391,031
- Revaluation reserve		1,500,000	-	1,500,000
- Land & buildings revaluation reserve		500,000	-	500,000
- Shares in subsidiary undertaking		10	-	10
Total charity funds	13	2,391,041	2,448,750	4,839,791

Consolidated Balance sheet at 31 March 2021

	<i>Note</i>	2021 Group	2021 Charity
		£	£
Fixed assets			
Tangible assets	8	4,329,778	4,329,778
Shares in subsidiary undertaking	9	-	10
Total fixed assets		4,329,778	4,329,788
Current assets			
Stock for resale		11,050	11,050
Debtors	11	92,306	92,768
Investments		341,879	341,879
Cash at bank and in hand		106,864	103,389
Total current assets		552,099	549,086
Creditors: amounts falling due within one year	12	43,472	39,083
Net current assets		508,627	510,003
Total assets less current liabilities		4,838,405	4,839,791
Net assets		4,838,405	4,839,791
The funds of the charity:			
Restricted funds			
- Restricted funds		2,448,750	2,448,750
Unrestricted funds:			
- Unrestricted income funds		389,655	391,031
- Revaluation reserve		1,500,000	1,500,000
- Land & buildings revaluation reserve		500,000	500,000
- Shares in subsidiary undertaking		-	10
Total charity funds	13	4,838,405	4,839,791

The notes on pages 21 to 32 form part of these financial statements.

These financial statements were approved by the trustees on 27 January 2022 and were signed on its behalf by:

Chairman
Gareth Parry

Vice Chairman
Tamsin Daniel

Consolidated statement of cash flows for the period ended 31 March 2021

	Note	2021 Group £	2021 Charity £
Cash flows from operating activities:			
- Net cash used by operating activities	1	<u>(10,948)</u>	<u>(9,885)</u>
Cash flows from investing activities:			
- Dividends, interest and rents from investments		7,964	7,964
- Purchase of property, plant and equipment		<u>(31,652)</u>	<u>(31,652)</u>
Net cash used on investing activities		<u>(23,688)</u>	<u>(23,688)</u>
Change in cash and cash equivalents in the reporting period		(34,636)	(33,573)
Cash and cash equivalents transferred in on 1 October 2020		<u>141,500</u>	<u>136,962</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>106,864</u></u>	<u><u>103,389</u></u>

Notes to the Statement of cash flows**Note 1 - Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	2021 £	2021 £
Net expenditure for the period ended 31 March 2021	(3,759)	(2,520)
Adjustments for:		
- Depreciation charges	47,969	47,969
- Dividends, interest and rents from investments	(7,964)	(7,964)
- Decrease/(Increase) in stocks	3,132	3,132
- Decrease/(Increase) in debtors	(39,805)	(39,805)
- (Decrease)/Increase in creditors	<u>(10,521)</u>	<u>(10,697)</u>
Net cash (used)/provided by operating activities	<u>(10,948)</u>	<u>(9,885)</u>

Note 2 - Analysis of cash and cash equivalents

	2021 £	2021 £	Change in period £
Cash in hand	<u>106,864</u>	<u>103,389</u>	<u>(34,636)</u>
Total cash and cash equivalents	<u><u>106,864</u></u>	<u><u>103,389</u></u>	<u><u>(34,636)</u></u>

Notes (forming part of the financial statements)

1 Summary of significant accounting policies

(a) General information and basis of preparation

PK Porthcurno is a charitable incorporated organisation registered in England and Wales. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are preserving the important historic buildings and collections relating to the telegraph station at Porthcurno. It educates the general public about the history of the telegraph station and provides internationally significant archive and research resources for study of the history of international telecommunications.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives government grants in respect of a revenue grant from Cornwall Council of £12,500. Details of other government assistance received during the period are included within note 3. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

(c) Income recognition (continued)

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds comprise the costs of commercial trading including gift shop and café and their associated costs;
- Expenditure on charitable activities includes the costs of maintaining the collections, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated costs; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 7.

(f) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

(f) Tangible fixed assets (continued)

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land	Nil
Freehold buildings	50 years
Museum refurbishment	20 years
Permanent exhibitions	20 years
Car park and landscaping	15 – 20 years
Fixtures and fittings	5 – 10 years

The original value of the land and property assets has not been included in the balance sheet as the property is heritage property and the charity is not permitted to sell it on the open market.

(g) Heritage assets

Heritage assets are recognised on the balance sheet and initially measured at cost when purchased or if donated, their valuation. Assets are subsequently stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Fair values for donated assets are estimated by reference to market prices.

Where information on the cost or valuation of heritage assets is not available or the cost of providing such information significantly outweighs any benefit to the users of the accounts then heritage assets are not recognised on the balance sheet.

Acquisitions only arise when donated to the charity or if it is believed that they will further the charity's objectives. Once acquired they will be preserved by the charity in order to keep their historical, artistic, scientific, technological, geophysical or environmental qualities to such a high level as to contribute to knowledge and culture. A register of all assets held by the charity is available and the assets themselves are accessible to the public with prior agreement. Heritage assets are to be held for the foreseeable future.

Endowment funds represent those assets which must be held permanently by the charity, principally the original World War II communication centre, known as "the tunnels", built in the hillside of Porthcurno in the 1940's, access, car parking area and a collection of historic telecommunications equipment.

(h) Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA.

(i) Investments

Investments in subsidiaries are measured at cost less impairment.

(j) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first in, first out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

(k) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(l) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

(m) Concessionary loans

Concessionary loans include those payable to a third party which are interest free or below market interest rates and are made to advance charitable purposes.

(n) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised.

(o) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(p) Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

(q) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

(r) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

(s) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(t) Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and association assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision only affects that period, or in the period of the revision and future periods where the revision affects both current and future periods.

(u) Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Porthcurno Enterprises Limited on a line-by-line basis. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

(v) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently they are measured at fair value with changes recognised in 'net gains/ (losses) on investments' in the statement of financial activities if the shares are publicly traded or their fair value can otherwise be measured reliably.

For quoted shares, the fair value is deemed to be the quoted bid price as at the balance sheet date. Investments in subsidiaries are measured at cost less impairment.

2 Donations

	2021
	£
Restricted funds:	
Vodafone Foundation	60,000
Arts Council of England	40,122
Subsea Environmental Services	10,074
Esme Fairbairn Collections Fund - wAVE Project	6,443
COVID-19 funding	
- Arts Council England - Recovery Grant	147,600
- Arts Council England - Emergency Response Fund	3,500
- Clore Cultural Learning Fund	12,500
Grants from various sources listed below	2,001
	<u>282,240</u>

Donations from various sources include Access to Learning and the Digital Commissioning Fund.

Included with unrestricted donations are the following:-

- G & E Pollitzer Charitable Fund - a donation of £5,000 was received.

Included with unrestricted grants are the following government grants:

- HMRC - grants have been received totalling £38,338 to help with furloughed staff whilst in a nationwide lockdown due to COVID-19.

- Cornwall Council - grants have been received totalling £12,500. The local restrictions support grant has been issued to help businesses during the national lockdown and COVID-19 outbreak.

3 Investment management costs

	2021
	£
Other expenses	336
	<u>336</u>

4 Support and governance costs

	2021
	£
Staff costs	30,846
Premises and running expenses	116,684
Audit and accountancy	6,000
	<u>153,530</u>

5 Staff costs

	2021 £
Salaries and wages	206,351
Social Security	13,297
Pensions	4,419
	<u>224,067</u>
Average monthly headcount was	<u>27.0</u>

Trustees are not remunerated.

The charity operated an auto-enrolment compliant pension scheme in line with the current legislation.

The key management personnel of the charity comprise the Creative Director & CEO, Head of Finance & Resources , Head of Collections & Learning, Head of Visitor Services & Operations and Finance & Resources Manager. The total employee benefits of the key management personnel of the charity were £81,562 for the 6 month period .

There were no employees whose annual remuneration was £60,000 or more.

6 Charitable expenditure

Activity	Funded expenditure	Support and governance costs (see 1(e))	Total 2021
	£	£	£
Archive & Museum	82,891	59,975	142,866
Gift shop and café	-	48,340	48,340
Learning & participation	50,994	45,215	96,209
Maintenance	28,511	-	28,511
	<u>162,396</u>	<u>153,530</u>	<u>315,926</u>

7 Taxation

PK Porthcurno is a registered charity and the results of its normal activities are not liable to Corporation Tax. Activities which are not primary purpose trades are within the statutory limits prescribed by the statutory exemption for small trading.

8 Tangible fixed assets

	Freehold land & buildings	Permanent exhibitions	Fixtures, fittings & equipment	Total
Cost or valuation	£	£	£	£
Transfer 1 October 2020	5,157,450	723,977	257,663	6,139,090
Additions	6,011	21,527	4,114	31,652
Disposal	-	-	(4,404)	(4,404)
At 31 March 2021	<u>5,163,461</u>	<u>745,504</u>	<u>257,373</u>	<u>6,166,338</u>
Depreciation				
Transfer 1 October 2020	1,362,518	202,160	228,317	1,792,995
Charge for period	24,456	18,542	4,971	47,969
Depn on disposal	-	-	(4,404)	(4,404)
At 31 March 2021	<u>1,386,974</u>	<u>220,702</u>	<u>228,884</u>	<u>1,836,560</u>
Net book value				
At 31 March 2021	<u><u>3,776,487</u></u>	<u><u>524,802</u></u>	<u><u>28,489</u></u>	<u><u>4,329,778</u></u>
Transfer 1 October 2020	<u>3,794,932</u>	<u>521,817</u>	<u>29,346</u>	<u>4,346,095</u>

The predecessor charity was gifted various property in the Porthcurno valley by Cable & Wireless Plc. The trustees decided to recognise the value of certain buildings to the charity. Other land included in the conveyance has not been valued because of its unsuitability for sale on the open market, being mainly scrub and hillside land. Some interest has been expressed by local residents to acquire parcels of the land adjacent to residential property and the trustees will consider these on a case by case basis.

In October 2020, the former Superintendent's house, Mercury House, was valued by a local surveyor. It had been recognised in the accounts at a value of £880,000 but following that valuation, is now recognised at a value of £500,000.

Only the specific refurbishment of freehold property has been depreciated. This is because the estimated residual value of land and buildings is not considered to be materially different to the carrying value of the assets. Therefore, any depreciation charge would also be immaterial. This situation will be reviewed annually.

The fixtures and fittings include many small items of equipment which have been fully depreciated but are still in use within the charity.

If the freehold land and buildings had not been included at valuation, they would have been included under the historical cost convention as follows:

	2021
	£
Cost	3,663,460
Accumulated depreciation	(1,386,974)
Net book value	<u><u>2,276,486</u></u>

A legal charge over the freehold property had been given to the National Heritage Memorial Fund to secure the repayment of a grant should it become repayable.

9 Shares in subsidiary undertaking

	Issued Share Capital	Ownership
Porthcurno Enterprises Limited	£10	100%
	<u>£10</u>	<u>100%</u>

The company is incorporated in England and Wales and its area of operation is the United Kingdom. The company's business is that of a charity trading company and an exhibition production company from 1 April 2017.

The loss before tax for the period ended 31 March 2021 was £1,239 (2020: £4,778) and the loss after tax credit was £1,239 (2020: nil) and the value of the equity and reserves at 31 March 2021 was £(1,376) (2020: £(137)).

10 Heritage property not recognised in the balance sheet

The charity owns the original World War II communication centre, known as "the tunnels", built in the hillside of Porthcurno in the 1940s. This property along with access, car parking area and a collection of historic telecommunications equipment, was gifted to the charity by The Eastern Telegraph Company Limited, a subsidiary of Cable & Wireless Plc.

There have been no acquisitions or disposals of heritage assets during the last five years.

The current insurance value for "the tunnels" is £1,850,000 on a replacement basis. The collection is insured to a value of £500,000 again on an estimated replacement basis, albeit that many of the items would now be irreplaceable.

11 Debtors	Group	Charity
	2021	2021
	£	£
Trade debtors	44,171	44,171
Amounts owed by group undertakings	-	5,240
Other debtors	20,391	15,613
Prepayments and accrued income	27,744	27,744
	<u>92,306</u>	<u>92,768</u>
	<u>92,306</u>	<u>92,768</u>
12 Creditors: amounts falling due within one year	Group	Charity
	2021	2021
	£	£
Trade creditors	6,126	6,126
Other creditors including taxation	9,625	7,642
Accruals	24,568	22,162
Deferred income	3,153	3,153
	<u>43,472</u>	<u>39,083</u>
	<u>43,472</u>	<u>39,083</u>

13 Analysis of charitable funds - period ended 31 March 2021

	Transferred in 1 October 2020	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2021
	£	£	£			£
Restricted funds						
- Heritage Lottery Fund	1,114,667	-	38,677	-	-	1,075,990
- Vodafone Foundation	-	60,000	60,000	-	-	-
- Cornwall Council Culture Team	119,451	-	2,225	-	-	117,226
- DCMS/Wolfson Fund	291,463	-	6,588	-	-	284,875
- Clore Duffield Foundation	99,544	-	1,854	-	-	97,690
- Wilshaw Benevolent Trust	247,348	-	4,450	-	-	242,898
- Other funds	582,377	222,240	96,571	(77,975)	-	630,071
- Total restricted income funds	<u>2,454,850</u>	<u>282,240</u>	<u>210,365</u>	<u>(77,975)</u>	-	<u>2,448,750</u>
Unrestricted funds:						
- Unrestricted income funds	45,572	93,284	167,679	77,975	-	49,152
- PK Contingency Investment portfolio	325,328	-	-	-	16,551	341,879
- Revaluation reserve	1,500,000	-	-	-	-	1,500,000
- Investment property revaluation reserve	500,000	-	-	-	-	500,000
- Shares in subsidiary undertaking	10	-	-	-	-	10
- Total unrestricted funds	<u>2,370,910</u>	<u>93,284</u>	<u>167,679</u>	<u>77,975</u>	<u>16,551</u>	<u>2,391,041</u>
	<u><u>4,825,760</u></u>	<u><u>375,524</u></u>	<u><u>378,044</u></u>	<u><u>-</u></u>	<u><u>16,551</u></u>	<u><u>4,839,791</u></u>

All restricted funds are raised and given for specific purposes and projects and are output related. These outputs incorporate fees, consultancies, project spend and implementation work. The conditions governing the income or grants restrict these funds and costs are allocated against the funded element available. Excess expenditure on such projects is met from unrestricted funds.

The charity's unrestricted funds can be used, with the approval of the trustees, to fund any expenditure relating to projects or general running costs which fall within the charity's general aims and objectives.

The restricted funds represent the residue of the initial grants and other funding received to finance the redevelopment of the museum and refurbish the heritage property and grounds donated as a permanent endowment.

The board agreed that the investment portfolio element of the Wilshaw Benevolent Trust fund should be reclassified as part of the unrestricted funds and is shown above as the PK Contingency Investment portfolio.

14 Lease commitments

Total commitments under non-cancellable operating leases are as follows:

	Other
	2021
	£
Expiry date:	
- Within one year	4,490
- Between two and five years	3,501
	<hr/>
	7,991
	<hr/> <hr/>

15 Related party transactions

Spouse of the CEO & Creative Director. Transactions totalling £3,505 took place during the period in relation to exhibition research and curation. There were nil amounts outstanding as at 31 March 2021.

Daughter of the CEO & Creative Director. Transactions totalling £4,487 relating to employment (including employer's pension contributions and expenses) took place during the period. There were nil amounts outstanding as at 31 March 2021.

Porthcurno Enterprises Ltd - wholly owned subsidiary of the charity. As at 31 March 2021 the company owed £5,240 to the CIO.

On 1 October 2020 the activities of The Porthcurno Collection Trust (charity number 1062233) were transferred to PK Porthcurno along with the assets, liabilities and reserves of the charity. See the statement of financial activities for details of the reserves transferred on 1 October 2020.

16 Post balance sheet events

On 18 June 2021, the charity purchased the leasehold of The Cable Station Inn and the Coach House, in Porthcurno for £550,000. The charity already owns the freehold of the two properties.