

POSTAL HERITAGE COLLECTION TRUST
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE SEVEN MONTHS ENDED 31 DECEMBER 2012

Charity Number 1102361
Company Number 4896026



POSTAL HERITAGE COLLECTION TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE SEVEN MONTHS ENDED 31 DECEMBER 2012

Contents	Page
Legal and administrative information	1
Trustees' report	2 – 10
Auditors' report	11 - 12
Consolidated statement of financial activities	13
Consolidate balance sheet	14
Charitable company balance sheet	15
Notes to the financial statements	16 - 26

POSTAL HERITAGE COLLECTION TRUST

LEGAL & ADMINISTRATIVE INFORMATION

FOR THE SEVEN MONTHS ENDED 31 DECEMBER 2012

Trustees

Helen Forde
Jonathan Evans
Richard Adams
Javid Canteenwala
Peter D'Sena
Robert Anderson
Brian Goodey
Nick Booker
Hamish Clifton
Andrew Holden
Julian Barker
Adrian Steel
Susan Crichton
Jayne Billam
Chris Naylor
Catherine Churchard

Chairman
Co Vice Chair, Vice Chair from 10 July 2012
Company Secretary

Co Vice Chair (until 10 July 2012), resigned 10 July 2012
Resigned 9 October 2012

Resigned 10 July 2012
Resigned 10 July 2012

Appointed 15 January 2013
Appointed 15 January 2013
Appointed 15 January 2013

Secretary

Richard Adams

Bankers

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

Auditors

haysmacintyre
Fairfax House
15 Fulwood Place
London
WC1V 6AY

Solicitors

Russell-Cooke
2 Putney Hill
London
SW15 6AB

Registered office

Freeling House
Phoenix Place
London
WC1X 0DL

Organisation

Postal Heritage Collection Trust is a registered charity (number 1102361) and company limited by guarantee (number 4896026). The charity is governed by its Memorandum and Articles of Association.

Website

www.postalheritage.org.uk

POSTAL HERITAGE COLLECTION TRUST

TRUSTEES' REPORT

FOR THE SEVEN MONTHS ENDED 31 DECEMBER 2012

The trustees who are also directors for the purposes of charity law present the annual report and the audited financial statements of the company for the period ended 31 December 2012. This is a seven month financial period, the reporting date having been amended by the trust from a year ending 31 May to a year ending 31 December.

NAME AND REGISTERED OFFICE OF THE CHARITY

Postal Heritage Collection Trust is a company limited by guarantee company number 4896026 and a registered charity in England & Wales charity number 1102361. Its registered address is Freeling House, Phoenix Place, London WC1X 0DL.

Postal Heritage Trust, Postal Heritage Collections Trust and Postal Heritage Services Limited trade as the British Postal Museum and Archive.

DIRECTORS/TRUSTEES

The trustee Board is composed of up to 15 members: 10 selected by the Trust via an open selection policy and 5 are nominated by Royal Mail/Post Office Ltd following their own internal selection policy. At present there are 9 Trust-appointed trustees and 3 nominated by Royal Mail/Post Office Ltd. The Royal Mail/Post Office Ltd trustees were previously selected by Royal Mail alone, but under the 2011 Postal Services Act the two companies have separated and, both supporting the Trust financially, have agreed to divide their nominations to the PHT board between them. Of the 3 presently nominated, one is a Post Office Ltd nominee, the other two Royal Mail nominees.

The board can be added to by co-option, but at present there are no co-opted trustees.

The trustees met three times during the period June-December 2012, with further meetings via teleconference.

Trustees joining the Board get a full introduction to the Trust's purpose and premises. They receive the Trustees' handbook which includes links to the Charities Commission best practice documentation.

ORGANISATIONAL STRUCTURE

Postal Heritage Collection Trust is the parent company in the group that owns the collection of historic material known as the British Postal Museum collection. Postal Heritage Trust is an intermediary charity which is set up to manage the collection held by Postal Heritage Collection Trust. Postal Heritage Trust also owns the entire share capital of a trading subsidiary, Postal Heritage Services Limited that is engaged in archive services for the collection. The Trusts and Trading Company are known as the British Postal Museum and Archive ('BPMA'). These financial statements are the consolidated financial statements for the Postal Heritage Collection Trust Group.

The group workforce is conventionally organised through a line management structure. The Director has a senior management team which meets fortnightly, including the external financial advisor. There are monthly full staff meetings and team meetings for each of the trust's teams / disciplines. Managers update the BPMA's Management Reporting System which includes the projects and core activities of the Trust. Key performance indicators and management performance indicators are included in this process. This is reported to trustees quarterly.

In 2013 the Trust Board will meet five times, including a strategy away-day in June 2013, and other meetings including conference calls taking place related to strategic development and BPMA's new home (although these may not always be constituted as full board meetings). An Audit and Finance sub-committee, reporting on internal and external audit factors and risk, meets three times per year or more, and reports to the board. A Human Resources sub-committee will meet adhoc and report to the main board. There is also a Collections sub-committee which meets to discuss issues related to the management of BPMA's heritage material.

The trading company board within the group, Postal Heritage Services Ltd meets independently and reports to the main board quarterly.

POSTAL HERITAGE COLLECTION TRUST

TRUSTEES' REPORT (Continued)

FOR THE SEVEN MONTHS ENDED 31 DECEMBER 2012

The objectives of the Postal Heritage Trust (adopted 12 October 2010) are

- to advance the education of the public particularly in the history of postal communication and related services and of the activities of the British Post Office and its successors and the postal and communications systems worldwide,
- to establish and maintain museum(s) and/or archive(s) for the benefit of the public, and in pursuit of that object
 - collect artefacts and archives including postal artefacts and archives which may be British or international to a published policy agreed by the Charity,
 - manage, document, conserve and safeguard the national postal collections and other collections and holdings to the highest appropriate professional standards,
 - exhibit, interpret and provide access to the collections
- restore, exhibit and preserve objects, (including vehicles and where appropriate buildings and other structures) particularly those objects associated with the history of postal and related services and the activities of the British Post Office and its successors
- to undertake any other charitable purpose

The Trustees confirm that they have complied with the duty in section 174 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity

ACTIVITIES AND PUBLIC BENEFIT-MEETING THE CHARITABLE OBJECTS

To advance education

We have extended both the reach and scope of our access and learning offer, reaching greater number of people, and building up to the opening of the BPMA's new centre, as a result of a new strategy adopted in 2011 and greater resource being focused on this area of work. Trustees review performance in this area regularly and the Access and Learning Manager presents progress reports directly to the board of trustees

During the BPMA financial period June-December 2012 the BPMA welcomed a total of just over 130,000 visitors to exhibitions and displays across the country. These included

- Touring exhibitions loaned to other organisations – such as the WWI-themed display *Last Post* and *Designs on Delivery*, an exhibition about early poster design in the General Post Office (GPO),
- Temporary exhibitions at partner venues, such as the successful *The Post Office in Pictures* which ran in London from mid-May to the end of August 2012,
- Displays in our Archive Search Room, which included that to mark the Diamond Jubilee from early May 2012,
- Our permanent satellite Museum of the Post Office in the Community, at Blists Hill Victorian Town, Ironbridge Gorge Trust Museums

The latter of these (MPOiC) was seen by more than 40,000 people between June and December, whilst our Travelling Post Office (TPO) display at Bressingham Steam Museum and Gardens in Norfolk was enjoyed by a further 50,000 + visitors in the same period

POSTAL HERITAGE COLLECTION TRUST

TRUSTEES' REPORT (Continued)

FOR THE SEVEN MONTHS ENDED 31 DECEMBER 2012

ACTIVITIES AND PUBLIC BENEFIT-MEETING THE CHARITABLE OBJECTS (CONTINUED)

The Post Office in Pictures was produced following preservation and access work carried out during the 2010-11 project *Picture Post*, funded through the Museums Libraries and Archive Council's Development Designation scheme. Featuring inspiring images selected from the Archive, the exhibition received more than 14,000 visitors during its month run at the Lumen URC in Bloomsbury London between mid-May and the end of August 2012. Around 40% of visitors surveyed were new to the BPMA, with 91% rating the exhibition as good or very good and 96% stating that they would recommend the exhibition to a friend. Over 250 people attended the public launch (advertised under the banner of *Museums at Night*), and the exhibition was featured in the Camden New Journal, the Times Literary Supplement, BBC History Magazine, as well as featuring as top story on the London section of the Telegraph website.

Just over 3,000 people discovered and learned from the BPMA and its collections through our **public programme of events and activities** during June to December 2012. Over 2,000 adults and children were reached through outreach activities – including fun days, festivals, and other events across the country – whilst the tours and open days held at the BPMA Museum Store in Essex attracted more than 600 people. More than 200 people attended talks and lectures given by BPMA staff, whilst another 50 adults enjoyed a GPO walking tour around Central London.

The BPMA continued to work with informal learning providers to develop key audiences and build links with the local community in Clerkenwell and Holborn. Our partnership with the Camden Adult and Community Learning Team and City Lit allowed us to engage with and pilot activities for families with school-age children – including participation in a *Majestic Magic* themed fun day in Coram's Field, a local children's park, in September 2012.

The BPMA's adult informal learning programme involved collaborative work with a diverse range of partners, including artists and creative cultural organisations such as the Museum of the Order of St John, the Foundling Museum, the Windmill Theatre Company, The October Gallery and Hidden Cities, the organisers of the annual Bloomsbury Festival, which the BPMA participated in for the second time in October 2012.

The BPMA's evening talks during June to December 2012 were attended by an average of just over 30 people per event, with perhaps the highlight of the programme being a talk on *The History of the Christmas Card* by BPMA Archivist Anna Flood which attracted an audience of more than 60 people.

Surveys of attendees at events delivered as part of the public programme demonstrated the value of the offer in terms of learning and audience development. 92% rated their experiences as 'good' or 'very good', 97% learned something new, 76% were 'first-timers' at BPMA events, and 98% stated that they would recommend the programme to a friend.

In the **formal learning** sector, the BPMA continued to support the invaluable work of ex-teacher and volunteer Erene Grieve, whose *Stamps in Schools* outreach programme reached just under 700 teachers and students in schools across the country. BPMA Learning staff delivered sessions for an additional 400 school users, as well as carrying out extensive consultation with local teachers to help shape the development of the New Centre schools offer.

More BPMA Learning Packs were distributed in 2012 than ever before, with over 1,500 downloads from the Times Educational Supplement (TES) website during June to December. Popular packs included *The Penny Black Changed the World* (574 downloads), *Last Post – Primary* (364 downloads), *Last Post – Secondary* (253 downloads) and *First Class* (154 downloads). In addition, high number of downloads were received via the BPMA website, and just under 100 hard-copies of the packs distributed to teachers across the country.

POSTAL HERITAGE COLLECTION TRUST

TRUSTEES' REPORT (Continued)

FOR THE SEVEN MONTHS ENDED 31 DECEMBER 2012

ACTIVITIES AND PUBLIC BENEFIT-MEETING THE CHARITABLE OBJECTS (CONTINUED)

AHRC Collaborative PhD students BPMA presently has three collaborative PhD awards from the Arts & Humanities Research Council this year, two in partnership with the Institute for Historical Research and one with the Royal College of Art. These will advance educational partnership and research and lead to the production of three PhD theses over the life of the awards. All cover the second half of the 19th century, two studying employment / staff and welfare and one is based upon the London Postal Map.

To establish and maintain museums and archives for the benefit of the public

Archives –The authorised history of Royal Mail, *Masters of the Post* by Duncan Campbell Smith was published in a paperback edition in November 2012, and the book won the Wadsworth Prize 2011.

The National Archives approval of the service was confirmed again in Summer 2012, and extended until the move to the BPMA's new home, expected 2016, provided that the structural integrity of the existing strong room does not deteriorate further.

Museums – The BPMA has continued to grow and develop its Museum of the Post Office in the Community which it opened in April 2009. Visitor numbers remain strong (see note above) and BPMA are continuing to work with the host organisation, the Ironbridge Gorge Museums Trust (IGMT) on a future exhibition for one of their other sites in 2014. This exhibition will be themed 'Last Post' as part of the national commemoration of the 100th anniversary of the outbreak of the First World War.

See also the note on establishing a new postal museum/archive centre in London, below.

Public Access - Providing access to the collections in our care is central to BPMA's delivery of public benefit and delivery of its charitable objectives. The crucial importance of this work was among the aspects of BPMA debated in Parliament during the passage of the Postal Services Act in 2011 and this resulted in an additional clause being added to the Act before it received Royal Assent in June 2011, to strengthen support for Britain's postal heritage after Royal Mail privatisation.

The BPMA website received 204,922 visits in the period June-December, with more than 71% of visitors using the website for the first time. There was an increased website dwell time on previous years, with the average visit lasting 3 minutes and 5 seconds. By the end of 2012, 11.37% of visits to the website were via mobile devices. The same figure was 5.25% in December 2011 indicating the growing use of mobile devices by our online audiences. In April 2012 an online events ticket booking facility was added to the website. Uptake increased steadily throughout 2012, with almost half of all ticket bookings being taken online in the period June-December.

BPMA's social media presences continued to perform well. The blog received 119,178 views, Flickr received 94,395 views, and History Pin received 4,458 views during the period. By the end of 2012 we had 1,404 fans on Facebook, 3,160 followers on Facebook, 548 followers on Pinterest, and 966 people had us in their circles on Google+.

The Digital Media Strategy, to drive BPMA's digital development towards the New Centre and beyond, was finalised at the end of 2012.

The BPMA has continued with major work to address the backlog of cataloguing of its holdings, the crucial stage in making material accessible to more people. Other programmes such as digitisation and online catalogue development have continued, and a seven year cataloguing project addressing the backlog of museum objects awaiting documentation was successfully concluded in 2012 and the outcome is now available to the public. Below is a summary of work to date and its effect on public use – the greater percentage of the collection catalogued, the more material available to the public to use, learn from and enjoy.

POSTAL HERITAGE COLLECTION TRUST

TRUSTEES' REPORT (Continued)

FOR THE SEVEN MONTHS ENDED 31 DECEMBER 2012

ACTIVITIES AND PUBLIC BENEFIT-MEETING THE CHARITABLE OBJECTS (CONTINUED)

Cataloguing summary	April 2004	May 2008	May 2012	Dec 2012	Notes
Archive (Public Record) Catalogued	3%	71%	80%	81.5%	
Archive (Public Record) work in hand	-	7%	9%	8.2%	
Museum Collection catalogued	nil	8%	50%	50%	Focus of work has been around readying the collection for the move so work in this area has not been progressed
Museum Collection Work in hand	-	39%	49%	49%	Focus of work has been around readying the collection for the move so work in this area has not been progressed
On-line Catalogue Archive and museum	nil	70,083	102,694 records	105,504 records	

Access via the catalogue continues to be a major factor in increasing public benefit, broadening use, developing online and distance use and giving everyone a clearer insight into the richness of BPMA's holdings

Effect of improved access	2003 RM Heritage	2010-11	2011-12	2012 June-Dec
Search Room visitors	1,315	2743	3238	1324
Telephone enquirers	3,236	3403	4817	1462
Written enquiries	645	2097	1969	1146

A second Stamp Artwork cataloguing project, supported by grants from the Charles Hayward foundation, the Aurelius Trust and the Leche Trust, has been worked upon and completed early in 2013

New Museum / Archive centre – A joint press statement was issued in March 2012 by BPMA, Royal Mail and the Department for Business, Innovation & Skills to unveil the project to transform the BPMA and move it to its new home. At that time agreements for core financing for the project were signed and sums of money transferred from Royal Mail and Post Office Ltd to BPMA for the project. Development of plans continued apace and planning permission for the new centre at Calthorpe House, Phoenix Place, was granted by Camden Council in Summer 2012.

The new centre will include a new purpose-built archive repository to safeguard collections for the future, a public research facility, and exhibition gallery to restore physical access to the BPMA's museum collection. There will also be new offices for staff (currently spread across multiple locations), conservation and digitisation facilities, and public and community meeting spaces, cafe and shop. Education facilities will also be provided, allowing BPMA to open up on site access to schools on an ongoing basis for the first time.

Because of the significance of this project and the positive impact the opportunity will make to our beneficiaries, we are focussing a good deal of time and resource now to achieve a successful outcome. We have also increased our fundraising capacity in order to solicit the external financial support we need to fulfil the potential of this project. In October 2012 the Heritage Lottery Fund awarded a Round One pass to the project, and development funding of up to £250,000 – this will lead to an application for funding of £4million in 2013 for the delivery stage of the project.

POSTAL HERITAGE COLLECTION TRUST

TRUSTEES' REPORT (Continued)

FOR THE SEVEN MONTHS ENDED 31 DECEMBER 2012

ACTIVITIES AND PUBLIC BENEFIT-MEETING THE CHARITABLE OBJECTS (CONTINUED)

Restore, Exhibit and Preserve Objects

Work has taken place this year in conserving the collections. As well as on going preservation of the Collection that takes place all the time BPMA has proactively been conserving some of its objects. Thanks to grant aid from the Arts Council England PRISM fund and the AIM/Pilgrim Trust Conservation Scheme, as well as donations from the Friends of the BPMA and private donation, three rail cars formally used on the Post Office Railway, and now part of the Collection, have been conserved by George Monger Conservation. This will ensure the long term preservation of these important objects and enable them to be put on display in the future.

Objects from the Museum Collection have also continued to be made accessible through events at the Museum Store and via loans of objects we continue to exhibit material. New loans at the end of 2012 included the loan of a 1960s designed pillar box to the Design Museum in London for their exhibition.

In preparation for the move of the Collections to the new Museum & Archive much work has been taking place in repacking elements of the Collections. Over 30% of the stored Museum material at both the Museum Store and the main facility at Freeling House have been re-packed and the BPMA conservation team, working with the Archivists and some volunteers have been re-housing part of the Archive to ensure they are in a good condition to move and also to aid the long term preservation of the documents.

FINANCE REVIEW

During the 7 months to 31 December 2012 the consolidated group received total incoming resources of £1,482,345 (12 months to 31 May 2012 £2,812,058) with expenditure of £1,126,254 (12 months to 31 May 2012 £1,820,281). The principal source of income was a charitable donation from Royal Mail (and, from April 2012, contributed to in equal shares by Post Office Ltd), to pay for the development of Access and Learning, and the on-going management of the BPMA's museum collection.

BPMA also earned money from its trading company, through grant for specific projects, and on interest on its reserve. There was also a one-off major legacy. The major areas of expenditure were on the staff to carry out its core work and development programmes and purchase of services and materials to support them.

RISK

The Audit & Finance sub-committee consider a full Risk Register.

The major areas of risk are -

- Single major funders – as of April 2012 funding from Royal Mail is provided in equal shares by Royal Mail Group and Post Office Ltd, the two having been separated under the Postal Services Act 2011. However, long term legally binding funding agreements with both Royal Mail and Post Office Ltd have been signed and these run until 2040, thus mitigating this risk.
- Staff retention - staff leaving and taking skills with them. BPMA has been active as a good employer in training and managing staff. A change to the leadership structure in January 2013 has seen the appointment of a Deputy Director but there are some key posts where succession planning needs to be developed and this will be addressed by the trust during 2013.
- Relocation development project – this is crucial to BPMA's future and its capacity to deliver on its charitable objects. Excellent progress has been made during the year but the scale and complexity of this project means that it is inherently a risk that has to be properly managed.
- Insurance & security – as holders of unique and valuable items in our collections, collection security is a significant risk and one we continue to monitor closely. We take every recognised professional measure to address this risk, are regularly. All collections will be audited as part of the move to BPMA's new home and additional audit work is currently being done on high value material in the collections.
- Compliance - BPMA is managing compliance with external assistance. Ensuring that the most up to date HR, insurance, health & safety etc legislation and best practice is complied with requires constant vigilance.

POSTAL HERITAGE COLLECTION TRUST

TRUSTEES' REPORT (Continued)

FOR THE SEVEN MONTHS ENDED 31 DECEMBER 2012

RELATED PARTIES

Postal Heritage Trust was formed from the Heritage department of Royal Mail Group in 2004, from whom it received fixed assets and staff

Royal Mail Group nominated two members on the Trust's board upon foundation, and continues to nominate board members (now up to five) As of April 2012 it shares both fundraising obligation and trustee representation in equal shares with Post Office Ltd

Both Royal Mail Group Ltd and Post Office Ltd have Funding Agreements to 2040 to provide the charity with over £1.3 million (for the year 2013, but index linked in future years) of unrestricted funds, payable over the year to December 2013, for the general purpose of meeting its charitable objectives It has also transferred some of its intellectual rights to the charity

Both Post Office Ltd and Royal Mail Group Ltd have an Archive Services Agreement with the Trust and its trading subsidiary, Postal Heritage Services Ltd, which provides the latter with over £800,000 of unrestricted funds over the year to December 2013, for the purpose of maintaining the Royal Mail archives This agreement runs until 2040 and is index linked for future years

The charity has a Service Agreement with Royal Mail for the provision and procurement of services by Royal Mail Group on the charity's behalf

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

RESERVES

The BPMA aimed to build a free reserve equivalent to half a year's unrestricted charitable expenditure by the end of its first five years Development of the reserve is currently on target £250,000 was added in 2004/5 and a further £100,000 per year in the next 7 years This reserve currently stands at £1,050,000 In addition designated funds totalling £189,726 have been set aside for specific purposes including the costs of relocating the archive and collection as set out in Note 10 to the financial statements A further £350,000 was set aside as designated for the New Centre project in 2012 The new centre project reserves are now being spent delivering the project

PLANS FOR THE FUTURE

The Trust has a Strategic Plan to 2016 and a Business Plan, revised, updated, and adopted by the Board of Trustees (in October 2010) which runs to 2013 Although some revision of the business plan takes place year by year the core activities remain unchanged

The major strategic aims are

- 1 Increase **access** to the BPMA collections for all possible groups and individuals, by directing *all* we do towards fulfilling this aim
- 2 **Sustain** our work to increase access by developing strong and lasting partnerships, and generating funding from all available sources
- 3 Ensure the **organisational capability** to increase and sustain access, by developing our staff to improve the organisation
- 4 **Preserve**, conserve, and manage our collections to support increasing access now, and to sustain this into the future

The strategy will be reviewed as part of establishing BPMA at its new centre in London in the near future

The activities BPMA plans for the coming years are described in the Business Plan under the four strategic aims, and summary points are given to expand upon each Unless otherwise stated the assumption is that activity is directed in support of the New Centre Project and ensuring that it is successfully achieved and sufficient funds raised The emphasis in BPMA's work in the period 2012 has to be on securing the remaining capital funding needed to make the New Centre fulfil its potential

POSTAL HERITAGE COLLECTION TRUST

TRUSTEES' REPORT (Continued)

FOR THE SEVEN MONTHS ENDED 31 DECEMBER 2012

Access

- Website upgrade and development online catalogue overhaul has begun and a new Digital Media Strategy has been launched both to advance progress and to link in with the opening of our new museum/archive
- Education and Access development maintain new strategy in this area, increase contact with schoolchildren and both formal and informal learning
- Existing Audience development develop Friends organisation and volunteering opportunities, continue programme of talks and events until we close prior to move to new centre
- Development of Academic community / FE & HE links publication activity continues, formal links with FE/HE institutions develop, progress new Arts & Humanities Research Council funded PhD collaborative awards with Institute of Historical Research and Royal College of Art
- Exhibitions continue to exhibit as premises allow including displays offsite in 2013 and the 'Last Post' display in 2014 as part of the national commemoration of the 100th anniversary of the First World War's outbreak
- Philatelic Audience Development and the Legacy of London 2010 Festival of Stamps continue to develop as legacy to 2010 Festival of Stamps, work in co-operation with the British Philatelic Trust and other philatelic bodies
- Travelling Post Office activity and possible partnership work involving BPMA and Bressingham Steam Museum / Nene Valley Railway
- Bruce Castle Museum and the Morten collection of Postal History develop partnership with Bruce Castle Museum, work towards resolving collection custody issues
- Cataloguing, and development of the online catalogue continue work on archive cataloguing backlog, develop online access via online catalogue, support ongoing museum documentation and provision of access to catalogue entries and images online as part of Digital Media Strategy
- Digitisation and digital content provision grow relationship with ancestry.co.uk and service development around this form of online access, develop digital content provision and improve image management as part of Digital Media Strategy
- Search Room services and access to the Royal Mail Archive continue operation of the service including maintenance of the enhanced Saturday service and closure of the search room on 12 Mondays a year to support learning / schools access, plan move of service to New Centre, maintain TNA approval for archive service
- Research Services formalisation of the Family History Research Service, promotion and expansion (including consideration of other forms of research) to suit demand

Sustainability

- Open a new home for BPMA comprising archive, offices, and public access and engagement facilities to enhance public benefit and support sustainability
- Trading (via BPMA's trading company, Postal Heritage Services Ltd) activity to generate income to support BPMA delivering on its charitable objectives including licensing, publication, poster sales, image reproduction
- PR, Marketing & Communications through the work of a new Communications Manager, ensure profile to support fundraising, sustainability and to promote access, market and audience research to ensure BPMA continues to meet the needs of its audiences
- Consultancy and service provision to support sustainability and access
- BPMA Management and administrative systems – keep up to ensure the effective operation of the organisation, continue to manage and work with all stakeholders well
- Fundraising including grants, donations, corporate sponsorship and major donor development, supported by rollout of the Donor Strategy CRM system which has now been introduced
- Continue to fundraise to support the capital campaign for the new centre

Organisational Capability

- Administration of the BPMA manage and monitor to ensure BPMA continues as an effective organisation, and realign staff structure ready for new centre
- Administration of the BPMA's collections to deliver on charitable objectives and public benefit, continue to effectively manage archival, curatorial, cataloguing and conservation functions
- Training and development maintain a strong and skilled professional staff to deliver on BPMA's charitable objects

POSTAL HERITAGE COLLECTION TRUST

TRUSTEES' REPORT (Continued)

FOR THE SEVEN MONTHS ENDED 31 DECEMBER 2012

Preservation

- Preservation Management to secure Britain's postal heritage for the future. Work will be done on digital curation, collection care and premises/store management
- Conservation Management to secure Britain's postal heritage for the future, conservation programmes and support will continue
- Collections development to ensure continued relevance of the collection by acquiring new material and reviewing existing collection

POST BALANCE SHEET EVENTS

Grants of £850,000 (from the British Philatelic Trust) and £300,000 (from the Garfield Weston Foundation) were pledged towards the new centre project in early 2013. Other sums of funding for the new centre project have been received, from Royal Mail and from individual and other donors.

A series of legal agreements relating to the new centre project and to future funding for the Postal Heritage Trust until 2040, in the form of charitable donations from Royal Mail and Post Office Ltd, were signed and executed on 28 March 2013.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees also confirm that they have made all necessary enquiries and taken such steps that they ought to, to ensure that they become aware of any relevant audit information and that they confirm that the charitable company's auditors have been made aware of such information.

Approved by the Board on 30 April 2013 and signed on their behalf by



Helen Forde
Trustee

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POSTAL HERITAGE COLLECTION TRUST

We have audited the financial statements of Postal Heritage Collection Trust for the seven months ended 31 December 2012 which comprise the consolidated Statement of Financial Activities, the consolidated and charitable company Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2012 and of the groups' 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 Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

POSTAL HERITAGE COLLECTION TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

SEVEN MONTHS ENDED 31 DECEMBER 2012

Matters on which we are required to report by exception

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

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



Richard Weaver (Senior Statutory Auditor)
for and on behalf of haysmacintyre
Chartered Accountants & Statutory Auditors

30 April 2013

Fairfax House
15 Fulwood Place
London, WC1V 6AY

POSTAL HERITAGE COLLECTION TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE SEVEN MONTHS ENDED 31 DECEMBER 2012

	Notes	Unrestricted Funds £	Restricted Funds £	7 months to Dec 2012 £	Year to May 2012 £
INCOMING RESOURCES					
<i>Incoming resources from generated funds</i>					
Voluntary income					
Donations – Royal Mail plc		748,555	-	748,555	1,642,605
Donations - Other		2,704	21,000	23,704	279,296
Legacies		180,000	-	180,000	939
Bank Interest		24,843	-	24,843	38,799
Activities for generating funds:					
Income of trading company	5	505,243	-	505,243	850,419
TOTAL INCOMING RESOURCES		<u>1,461,345</u>	<u>21,000</u>	<u>1,482,345</u>	<u>2,812,058</u>
RESOURCES EXPENDED					
Costs of activities to generate funds:					
Expenses of trading company	5	381,271	-	381,271	641,270
Charitable expenditure:					
Curatorial		225,715	4,697	230,412	473,922
Conservation and preservation		165,063	6,610	171,673	132,652
Outreach and exhibitions		314,906	9,943	324,849	540,089
Governance		<u>18,049</u>	<u>-</u>	<u>18,049</u>	<u>32,348</u>
TOTAL RESOURCES EXPENDED	4	<u>1,105,004</u>	<u>21,250</u>	<u>1,126,254</u>	<u>1,820,281</u>
Net incoming resources and movement in funds for the year		<u>356,341</u>	<u>(250)</u>	<u>356,091</u>	<u>991,777</u>
Funds brought forward		2,041,646	1,064,750	3,106,396	2,114,619
FUNDS CARRIED FORWARD		<u>2,397,987</u>	<u>1,064,500</u>	<u>3,462,487</u>	<u>3,106,396</u>

There were no recognised gains and losses other than those shown in the above Statement of Financial Activities

The notes on pages 16 to 26 form part of these financial statements

POSTAL HERITAGE COLLECTION TRUST (Company Number: 4896026)

CONSOLIDATED BALANCE SHEET

AT 31 December 2012

	Note	7 months to Dec 2012 £	Year to May 2012 £
FIXED ASSETS			
Tangible fixed assets	6		
Assets under development		1,217,102	752,319
Other fixed assets		89,801	88,470
Museum Collection	7	55,598	55,598
CURRENT ASSETS			
Debtors and prepayments	8	138,871	255,090
Short term deposits		6,216,070	6,376,163
Cash at bank and in hand		3,038,450	3,028,475
		<u>9,393,391</u>	<u>9,659,728</u>
CREDITORS amounts falling due within one year	9	(1,293,405)	(1,449,719)
NET CURRENT ASSETS		<u>8,099,986</u>	<u>8,210,009</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,462,487</u>	<u>9,106,396</u>
CREDITORS : amounts falling due after more than one year	9	(6,000,000)	(6,000,000)
NET ASSETS		<u><u>3,462,487</u></u>	<u><u>3,106,396</u></u>
FUNDS			
Restricted funds	10	1,064,500	1,064,750
Unrestricted funds	10		
General		450,907	381,627
Designated		1,769,726	1,489,726
Trading subsidiary reserves		177,354	170,293
		<u><u>3,462,487</u></u>	<u><u>3,106,396</u></u>

The notes on pages 16 to 26 form part of these financial statements

Approved and authorised for issue by the board of directors on 30 April 2013 and signed on their behalf by

Helen Forde

Helen Forde
Director

POSTAL HERITAGE COLLECTION TRUST (Company Number: 4896026)

BALANCE SHEET

AT 31 December 2012

	Note	Dec 2012 £	May 2012 £
FIXED ASSETS			
Museum collection	7	<u>55,598</u>	<u>55,598</u>
FUNDS			
Restricted funds	10	5,000	5,000
Unrestricted funds			
General	10	<u>50,598</u>	<u>50,598</u>
		<u>55,598</u>	<u>55,598</u>

The notes on pages 16 to 26 form part of these financial statements

Approved and authorised for issue by the board of directors on 30 April 2013 and signed on their behalf by

Helen Forde

Helen Forde
Director

POSTAL HERITAGE COLLECTION TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
SEVEN MONTHS ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

a) Accounting Basis

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The financial statements are prepared in accordance with the Statement of Recommended Practice (Accounting & Reporting by Charities) SORP 2005, and Companies Act 2006.

b) Consolidation Basis

The consolidated financial statements include the financial statements of the Charity together with its wholly owned charitable subsidiary undertaking, Postal Heritage Trust, and its trading subsidiary Postal Heritage Services Limited, made up to the balance sheet date. The charity has taken advantage of Section 397 of SORP 2005 and has not prepared a separate Statement of Financial Activities.

The charity has taken advantage of the exemption in Financial Reporting Standard 1, from presenting a cash-flow statement as it qualifies as a small company.

c) Unrestricted Funds

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

c) Restricted Funds

The restricted funds are to be used for specified purposes, as laid down by the grant-making body or donor. Expenditure which meets these criteria is allocated to these funds, together with a reasonable allocation of support costs.

d) Donations and gifts

Income received by way of donations and gifts is included in the Statement of Financial Activities when received.

e) Revenue Grants

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

f) Resources Expended

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

Salaries are allocated to the Postal Heritage Trust and its trading subsidiary, Postal Heritage Services Limited, on the basis of time spent on each activity. The Postal Heritage Collection Trust does not employ any staff.

POSTAL HERITAGE COLLECTION TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
SEVEN MONTHS ENDED 31 DECEMBER 2012

1 ACCOUNTING POLICIES (continued)

g) Depreciation and Amortisation

The costs of fixed assets are written off on a straight line basis over their useful lives, as follows

Office equipment, fixtures and fittings 5 years

h) Museum Collection

The charity holds a collection of assets which reflect the history of the postal system and will be held in a Museum open to the general public. The assets are considered to be irreplaceable and for this reason do not have an identifiable market value. No value has been attributed to the collection within these accounts. Additions to the collection which are acquired or donated will be valued at a best estimate of the market value where this is determinable.

i) Pension scheme

The charity makes employer's contributions into the Royal Mail Group Ltd POS and POPS defined benefit final salary schemes on the behalf of employees transferred into its employment from Royal Mail Group Ltd. The costs are charged to the Statement of Financial Activities when they fall due. The schemes are multi employer schemes.

j) Heritage assets

The museum collection is comprised of items which would fall under the definition of heritage assets in FRS 30 where such a heritage asset is defined as an asset "with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture".

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

A small number of heritage assets were acquired by purchase in relatively recent past and, in the case of these assets, the cost of purchase is known. The aggregate cost of these assets is shown on the balance sheet.

FRS30 requires certain disclosure in respect of all Heritage Assets and these are given in note 16.

POSTAL HERITAGE COLLECTION TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
SEVEN MONTHS ENDED 31 DECEMBER 2012

2. STAFF NUMBERS AND COSTS

	7 months to Dec 2012 Number	Year to May 2012 Number
(a) The number of employees during the year were as follows	39	36

(b) Two (May 2012 one) employees received pro-rata annual remuneration in the band £60,000 - £70,000 during the period

	7 months to Dec 2012 £	Year to May 2012 £
Wages and salaries	679,680	1,100,031
Social security costs	67,130	115,070
Pension costs	70,808	129,196
	<u>817,618</u>	<u>1,344,297</u>

During the seven months reimbursable expenses of £2,880 (May 2012 £4,891) were paid to 6 (May 2012 6) trustees for travelling expenses and subsistence

The charity made payments of Nil (May 2012 £567) in the period for trustees indemnity insurance

Adrian Steel, employed throughout the seven months as Director of the charity, was appointed as a Trustee on 11 October 2011. During this time he received remuneration of £40,585 (May 2012 £63,000) in respect of his employment. In addition, the charity made contractual pension contributions of £6,451 (May 2012 £10,204). The legal authority for these payments was Charity Commission Order.

3. NET MOVEMENT IN FUNDS FOR THE YEAR

	7 months to Dec 2012 £	Year to May 2012 £
This is stated after charging		
Auditors' remuneration for audit	12,780	10,850
Auditors' remuneration for other services	4,800	5,925
Operating lease payments – other equipment	2,497	4,281
Depreciation of fixed assets	<u>4,419</u>	<u>7,383</u>

POSTAL HERITAGE COLLECTION TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
SEVEN MONTHS ENDED 31 DECEMBER 2012

4. ANALYSIS OF CHARITABLE EXPENDITURE

					7 months to Dec 2012	Year to May 2012
	Curatorial	Conservation	Outreach &	Governance	Total	Total
	£	£	£	£	£	£
DIRECT COSTS						
Staff Costs	92,272	67,925	134,538	3,374	298,109	515,703
Other staff related items & consultancy	14,630	28,800	35,603	-	79,033	48,971
Trustee Expenses	-	-	-	3,060	3,060	4,891
Property costs	55,090	23,365	49,928	1,161	129,544	203,539
Direct activity costs	9,509	8,215	18,883	-	36,607	38,733
Audit	-	-	-	8,300	8,300	7,431
Depreciation	681	501	992	25	2,199	3,770
	<u>172,182</u>	<u>128,806</u>	<u>239,944</u>	<u>15,920</u>	<u>556,852</u>	<u>823,038</u>
SUPPORT COSTS						
Staff Costs	38,491	28,336	56,124	1,408	124,359	276,282
Other staff related items & consultancy	8,850	6,514	12,903	324	28,591	28,995
Insurance	1,051	774	1,533	38	3,396	3,458
Post, stationery, telephone	1,386	1,020	2,021	51	4,478	10,518
Office equipment	2,251	1,657	3,281	82	7,271	33,150
IT costs	427	315	624	16	1,382	7,439
Legal & Professional	5,563	4,095	8,111	203	17,972	22,208
Irrecoverable VAT	-	-	-	-	-	(32,911)
Other	209	156	309	8	682	6,834
	<u>58,228</u>	<u>42,867</u>	<u>84,906</u>	<u>2,130</u>	<u>188,131</u>	<u>355,973</u>
Total expenditure	<u>230,410</u>	<u>171,673</u>	<u>324,850</u>	<u>18,050</u>	<u>744,983</u>	<u>1,179,011</u>

POSTAL HERITAGE COLLECTION TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
SEVEN MONTHS ENDED 31 DECEMBER 2012

5. RESULTS FROM TRADING SUBSIDIARY

Postal Heritage Services Limited is a wholly owned trading subsidiary of Postal Heritage Trust incorporated in the UK

	7 months to Dec 2012	Year to May 2012
	£	£
Income and Expenditure		
Turnover	505,243	850,419
Cost of sales	(381,271)	(641,270)
Gross profit	123,972	209,149
Interest Received	364	578
Net result	124,336	209,727
Profit gift aided to parent	117,275	(202,127)
Retained profit	7,061	7,600
Balance Sheet		
Fixed Assets	9,060	5,530
Debtors	28,010	33,873
Cash	604,465	722,465
Short term deposits	-	-
Creditors	(464,180)	(591,574)
Net Assets	177,355	170,294
Funds		
Share Capital	1	1
Reserves	177,354	170,923
Net Assets	177,355	170,924

Postal Heritage Services Limited has produced audited accounts for the seven months to 31 December 2012

POSTAL HERITAGE COLLECTION TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
SEVEN MONTHS ENDED 31 DECEMBER 2012

6. FIXED ASSETS - GROUP

	Long term Lease	Fixtures, fittings and equipment	Assets in course of development	Total
GROUP	£	£	£	£
Cost				
At 31 May 2012	94,250	381,247	752,319	1,227,816
Additions	-	5,830	464,783	470,613
Disposals	-	-	-	-
At 31 December 2012	<u>94,250</u>	<u>387,077</u>	<u>1,217,102</u>	<u>1,698,429</u>
Depreciation				
At 31 May 2012	11,310	375,717	-	387,027
Charged during the year	2,199	2,300	-	4,499
Disposals	-	-	-	-
At 31 December 2012	<u>13,509</u>	<u>378,017</u>	<u>-</u>	<u>391,526,886</u>
Net Book Value				
At 31 December 2012	<u>80,741</u>	<u>9,060</u>	<u>1,217,102</u>	<u>1,306,903</u>
At 31 May 2012	<u>82,940</u>	<u>5,530</u>	<u>752,319</u>	<u>840,789</u>

The Postal Heritage Collection Trust has no fixed assets other than the museum collection detailed in note 7

7. MUSEUM COLLECTION

During the prior year the collection was transferred by Royal Mail. No value has been attributed to the collection as stated in the accounting policies note. Additions to the collection during the seven months amounted to £Nil (May 2012 £2,298) which was donated by the Postal Heritage Trust. No formal valuation has been made of the collection.

8. DEBTORS

	7 months to Dec 2012		Year to May 2012	
	Group	Charity	Group	Charity
	£	£	£	£
Trade debtors	11,748	-	20,109	-
Prepayments and accrued income	40,567	-	77,711	-
Other Debtors	86,556	-	157,270	-
	<u>138,871</u>	<u>-</u>	<u>255,090</u>	<u>-</u>

POSTAL HERITAGE COLLECTION TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
SEVEN MONTHS ENDED 31 DECEMBER 2012

9 CREDITORS

Amounts falling due within one year	7 months to Dec 2012		Year to May 2012	
	Group £	Charity £	Group £	Charity £
Trade creditors	243,879	-	453,439	-
Accruals and deferred income	415,914	-	361,259	-
VAT	81,013	-	83,460	-
Loans	550,000	-	550,000	-
Other creditors	2,599	-	1,561	-
	<u>1,293,405</u>	<u>-</u>	<u>1,449,719</u>	<u>-</u>
Amounts falling due after more than one year	7 months to Dec 2012		Year to May 2012	
	Group £	Charity £	Group £	Charity £
Loans – assets under development	6,000,000	-	6,000,000	-
	<u>6,000,000</u>	<u>-</u>	<u>6,000,000</u>	<u>-</u>
The above loans are repayable				
In less than one year	550,000	-	550,000	-
Between one and two years	-	-	-	-
Between two and five years	493,368	-	493,368	-
After more than five years	5,506,632	-	5,506,632	-
	<u>6,550,000</u>	<u>-</u>	<u>6,550,000</u>	<u>-</u>

Interest on the loans is payable at an annual rate of 2.5%. Interest will not start to accrue until one year after practical completion of the New Centre project.

The loans are secured over three of the Trust's bank accounts, which total £6,452,823 at the balance sheet date. The Trust's trading subsidiary, Postal Heritage Services Ltd, has provided a guarantee in respect of the loans.

POSTAL HERITAGE COLLECTION TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
SEVEN MONTHS ENDED 31 DECEMBER 2012

10. GROUP FUNDS	Brought forward	Incoming resources	Resources Expended	Transfers / Consolidation adjustments / Gift Aid	Carried forward
	£	£	£	£	£
UNRESTRICTED					
General fund					
Postal Heritage Collection Trust	50,598	-	-	-	50,598
Postal Heritage Trust	331,029	775,738	(723,733)	17,275	400,309
Trading Subsidiary	170,293	505,607	(381,271)	(117,275)	177,354
Designated fund					
Reserve policy Fund	950,000	-	-	100,000	1,050,000
Collections	9,726	-	-	-	9,726
Collection Relocation	80,000	-	-	-	80,000
Archive Relocation	100,000	-	-	-	100,000
Calthorpe Fixed Asset	350,000	180,000	-	-	530,000
	<u>2,041,646</u>	<u>1,461,345</u>	<u>(1,105,004)</u>	<u>-</u>	<u>2,397,987</u>
RESTRICTED					
Publications	2,000	-	-	-	2,000
Postal Heritage Collection Trust	5,000	-	-	-	5,000
Capital Relocation	447,000	-	-	-	447,000
Debden Move Project	-	15,000	(15,000)	-	-
Stamp Artwork Project	6,250	-	(6,250)	-	-
Calthorpe Capital Project	604,500	6,000	-	-	610,500
	<u>1,064,750</u>	<u>21,000</u>	<u>(21,250)</u>	<u>-</u>	<u>1,064,500</u>
	<u>3,106,396</u>	<u>1,482,345</u>	<u>(1,126,254)</u>	<u>-</u>	<u>3,462,487</u>

The Calthorpe Capital Project restricted fund is represented by assets under development within tangible fixed assets All Other restricted funds are represented by net current assets

General fund – monies available to the charity and includes grant income to be used in period to 30 September 2012

DESIGNATED FUNDS

Collections Fund – Income from the disposal of assets held against future exhibit purchase or exhibit preservation expenditure

Reserve Policy Fund –to support the work of the trust and ensure a safety net

Collection relocation – to fund project development of work to secure a long term home for the museum collection

Archive relocation – a fund to develop the planning for a display and education centre linked to the Royal Mail Archive

Calthorpe Fixed Asset – monies set aside to contribute towards Calthorpe Capital Project

RESTRICTED FUNDS

Publications Fund – monies donated to assist in the publication of material in any format to improve access to the BPMA's collections and archives

Capital Relocation – monies donated towards a capital relocation project or other such project as specifically agreed in writing by Royal Mail Group

Debden Move Project – monies donated towards the Debden Move Project

Stamp Artwork Project – contribution from the C Hayward Foundation and the Aurelius Trust to the named project

Calthorpe Capital Project – monies donated towards the Calthorpe Capital Project

POSTAL HERITAGE COLLECTION TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
SEVEN MONTHS ENDED 31 DECEMBER 2012

11 FINANCIAL COMMITMENTS

At 31 December 2012 the group had the following annual commitments under non-cancellable operating leases

	7 months to Dec 2012	Year to May 2012
	£	£
Other Equipment 2-5 Years	4,281	4,281

12 GROUP UNDERTAKINGS

The Postal Heritage Collection Trust is the parent company in the group. The trustees of the Trust jointly control Postal Heritage Trust. Postal Heritage Trust has a wholly owned trading subsidiary, Postal Heritage Services Ltd. The subsidiary is a company limited by shares and incorporated in the United Kingdom.

13. RELATED PARTY TRANSACTIONS

Royal Mail Group Ltd has a Funding Agreement to 2013 to provide the charity with £1,280,000 of unrestricted funds, payable over the year to March 2013, for the general purpose of meeting its charitable objectives. It has also transferred some of its intellectual property rights to the charity.

Royal Mail Group Ltd has an Archive Services Agreement with the Trust and its trading subsidiary, Postal Heritage Services Ltd, which provides the latter with £797,974 of unrestricted funds over the year to March 2013, for the purpose of maintaining the Royal Mail archives.

Royal Mail Group and Post Office Ltd have both signed legal agreements with the Trust and Postal Heritage Services Ltd related to the New Centre project and to future funding, which will provide income to the trust in the form of unrestricted funds, index linked, until 2040 (see Post Balance Sheet Events).

14. LIABILITY OF MEMBERS

The Postal Heritage Collection Trust is a company limited by guarantee. The liability of the 10 members in the event of a winding up amounts to £1 each.

15. PENSIONS

For the purposes of FRS17 the group cannot identify its share of the underlying assets and liabilities of the defined benefit schemes in which it participates. The Postal Heritage Trust and Postal Heritage Services Limited make pension contributions based on the advice of a qualified independent actuary whose calculations are based upon total scheme membership. A fundamental change in the defined benefit schemes occurred as a result of the passage of the Postal Services Act 2011, with the transfer of all the historic liabilities of the Royal Mail Pension Plan (RMPP) to the new government-backed Royal Mail Statutory Pension Scheme (RMSPS) as at 31 March 2012. Those already receiving a pension, and those who had left service but contributed to the pension prior to 31 March 2012, will receive it from the RMSPS, those who continue to contribute after 31 March will, upon retirement, receive pensions from both schemes. The government reports that "the RMPP that remains with the Royal Mail is fully funded at 1 April 2012 – its large and volatile deficit was removed at the date of transfer".

POSTAL HERITAGE COLLECTION TRUST
NOTES TO THE FINANCIAL STATEMENTS
SEVEN MONTHS ENDED 31 DECEMBER 2012

16. HERITAGE ASSETS

Nature and scale of the assets

Postal History

The BPMA owns c 250 albums of "postal history" – i.e. examples of mail through the post with postal markings from the 16th century to the present day. There are c 30-c 50 pages per album and anything from 1 to c 5 items per page. Virtually all were bought, or given to, the National Postal Museum when part of Royal Mail, and were subsequently donated by Royal Mail to the BPMA. Detailed records of individual purchases do not exist.

Duplicate Registration Sheets of Stamps

For every issue of British stamps created by Royal Mail one sheet is registered and kept as a standard. These are normally imperforate (i.e. not as issued to the public) and one of each is kept as a public record. From the period of King George V to that of Queen Elizabeth II the BPMA often has a duplicate (non-public record) copy of each (a total of hundreds of sheets). Small parts of some of these were sold in the mid-1980s by the then National Postal Museum but with very poor results. There are also duplicate sheets (perforated as issued) of a number of stamps overprinted for use in British postal agencies overseas. All these were subsequently donated by Royal Mail to the BPMA.

Letter Boxes

The BPMA's collection of letter boxes ranges from one of the earliest examples to prototypes and modern designs. No valuation exercise has ever taken place on this group and individual items would range in value were they ever to appear on sale. Several items are unique or very rare and there is no market precedence for many.

Paintings, Prints and Engravings

The BPMA's collection of paintings, prints and engravings vary in quality, size and medium. All however represent a postal theme, either by being of postal buildings or activities such as mail coaches or by being representations of eminent postal characters. In the case of some paintings a commercial valuation was completed in the mid 1990s by Christies' Auctioneers. For the remainder of the collection, and all of the prints and engravings no such valuation has taken place. A valuation on the engravings would be difficult as much research would be needed. The prints would be of very little sale value.

Vehicles

The BPMA's vehicle collection represents approximately 65 years of Royal Mail road transport and has railway vehicles dating back as early as 1861. No valuation exercise has ever taken place for this group. The motor vehicles have a low monetary value from the point of view of vehicles but the monetary value to collectors from a historic point of view has not been tested for the vehicles in the collection. The Railway wagon has similarly never been tested on the open market, it would be very difficult to ascertain a value given the age of this unit (1908) and the amount of restoration that has taken place. No Post Office underground railway unit has ever been sold to our knowledge.

Uniform

The collection of postal uniform held by the BPMA principally originates from a sample collection retained by the Post Office during development of new uniforms. No valuation has ever taken place for these items and this would be a very difficult collection group to value. There is no similar collection of civil service career ware in existence and is likely to have only very limited appeal on the open market.

POSTAL HERITAGE COLLECTION TRUST

NOTES TO THE FINANCIAL STATEMENTS

SEVEN MONTHS ENDED 31 DECEMBER 2012

Postal Tools and Equipment (including machines and furniture)

This collection group is wide ranging and extends from small items of desk furniture and stationery to large postal and sorting office machines such as 1950s mechanised letter coding machines. Many of the machines would rarely if ever appear on the market and so no precedence exists for value. Some of the smaller items would be of very little financial value in their own right but may have increased historical value. The range of type of tools and equipment would make seeking a general valuation for this group very difficult indeed.

Ephemera Collection

The ephemera collection comprises mainly works on paper and are generally items that would have been sent through the post or publications and ephemeral material related to it. The value of the items in this collection varies from a few pounds to a few thousand pounds but would be very labour intensive to value individually. The mixed element to the group makes a single group value very difficult to ascertain.

Photographs and Film

Photographs held represent postal themes and maybe in a variety of formats from glass negatives and lantern slides to more traditional printed images and slides. Films are very few in number and are in the main copies rather than masters. Individual items would generally be of low value. A value for the group would be difficult to establish as the range of subject matter and individual media and condition varies.

Oral History

The BPMA oral history collection contains unique records of personal testimonies of people's memories of the postal service either as current or former staff or users of the service. Recordings are all digital and range from a few minutes long each to a couple of hours. No valuation has ever taken place on this group and such an exercise would be very difficult as the value is in the spoken word rather than any tangible object.

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

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

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

Assets reported on the balance sheet

Heritage assets reported on the balance sheet are all reported at cost. There have been no additions or disposals in the year.

Transactions relating to heritage assets

There were no other transactions related to the acquisition, disposal or impairment of heritage assets in the year.