

REG NO: 5679997

**THE FRIENDS OF THE BRITISH POSTAL
MUSEUM & ARCHIVE**

(The Friends of the BPMA)
(Company Limited by Guarantee)
(Registered Charity No 1113569)

FINANCIAL STATEMENTS

For the Year Ended

31 March 2012

The Friends of the British Postal Museum & Archive
(The Friends of the BPMA)
(Company Limited by Guarantee)
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Financial Statements

For the Year Ended 31 March 2012

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LEGAL AND ADMINISTRATIVE INFORMATION

For the Year Ended 31 March 2012

DIRECTORS AND TRUSTEES: *The Directors of the charitable company (“the Charity”) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.
The Trustees serving during the year ended 31 March 2012 and since then are as follows:*

D C Brunning
Jean Stephanie Elley ‡
Avice Harms
M A Kearnes ‡
B N Livingstone
C G Macey
G H Morgan ‡
C R H Parsons ‡
F B J Sole ‡
R J West ‡
Patricia Jane Wortley

‡ Indicates also a member of the Management Board

SECRETARY: C R H Parsons, AFA

REGISTERED OFFICE AND PRINCIPAL ADDRESS: Freeling House, Phoenix Place
London, WC1X 0DL

REGISTERED NUMBER: 5679997 (England & Wales)

CHARITY NUMBER: 1113569

EXAMINER: Abingdon Accountancy Centre Ltd
23 Stockey End, Abingdon, OX14 2NF

BANKERS: CAF Bank Ltd
25 Kings Hill Avenue, Kings Hill
West Malling, ME19 4JQ

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REPORT OF THE TRUSTEES

For the Year Ended 31 March 2012

The Trustees are pleased to present their Report together with the Financial Statements for the year ended 31 March 2012.

Structure, Governance and Management

Governing Document

The Charity is a company limited by guarantee, incorporated on 19 January 2006 and placed on the Central Register of Charities on 5 April 2006. Prior to this date its forerunner was an unincorporated association, latterly with the same name. However, at the time of its formation on 10 April 1985 it was known as The Association of Friends of the National Postal Museum. The present Charity is governed by the Company's Memorandum and Articles of Association.

Recruitment and Appointment of Trustees

The Directors of the company are also Charity Trustees for the purpose of charity law. Generally Trustees are recruited from among the membership of the Charity, being selected for the knowledge and skills that they can contribute to its management and development. The Board of Trustees currently numbering 11 administers the Charity, one third of whom retire by rotation at each Annual General Meeting. Messrs B N Livingstone, G H Morgan, C R H Parsons and R J West retire by rotation at the AGM to be held on 4 December 2012 and all of them being eligible offer themselves for re-election.

Trustee Training

To prepare new Trustees for their role as Trustees, the Charity relies upon literature provided by The Charity Commission plus briefings from existing Trustees.

Risk Management

The Trustees carry out an annual review of the risks, both financial and operational, that the Charity may face. At each meeting of the Board of Trustees the Board reviews the financial situation of the Charity.

Organisation Structure

The AGM held on 7 December 2010 confirmed the appointment of a Management Board comprising six of the Trustees to be responsible for the day to day running of the Charity subject to approval by the Board of Trustees, the latter meet twice each year. The Charity does not employ any staff, so all operating decisions are made by the Trustees.

Related Parties

The Charity has a very close relationship with The British Postal Museum & Archive (BPMA), the public identity of the Postal Heritage Trust (Registered as a charity in England and Wales, Charity No: 1102360, Company No: 4896056). To that end the Director of the Postal Heritage Trust or his representative attends all meetings of the Board of Trustees.

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REPORT OF THE TRUSTEES *(continued)*

Objectives and Activities

The Charity's objects are "to advance public education in the history and technology of postal communications by assisting in the establishment and maintenance of a British postal heritage museum and by the provision of financial or material assistance in its continued operation."

The Charity's activities that seek to achieve the above objects include:

- The Charity is a key consultative body that comments upon BPMA's strategies and plans as BPMA develops. Specifically the Charity will comment upon plans for the future British postal heritage museum, its displays and activities.
- The Charity seeks to act as a coordinating body with other postal heritage groups with the aim of bringing together cohesive support for BPMA's strategies.
- Its members promote the resources and facilities of BPMA among fellow collectors and through their contacts with other organisations, for example by giving talks to such organisations as U3A and Women's Institutes.
- Its members contribute articles to the Charity's own journal, *Cross Post*, and other collectors' magazines recording the results of research that they have undertaken at BPMA. As well as promoting BPMA such research activity adds to the collective knowledge of the history and technology of postal communication.
- Members act as extra eyes and ears for BPMA in the search for collections, individual items and artefacts that should be added to BPMA's collections and archives.
- The Charity will use its charitable status to develop support for all areas of volunteering linked to the work of BPMA. Volunteers will carry out a range of duties in accordance with the policies of BPMA.
- The Charity makes grants to BPMA to fund particular projects and is currently committed to contribute to the cost of conserving the *MailRail* cars recently moved to the Museum Store. At its 2011 AGM the Charity presented a cheque for £500 to BPMA as its first instalment to this project.
- Members with specialist knowledge of aspects of philately and postal history act as consultants to BPMA in their specialisms.

Achievements and Performance

During the year members continued to enjoy a programme of meetings and visits, received two issues of the Charity's full-colour journal *Cross Post* and two issues of the Charity's *Newsletter* giving details of forthcoming events. Members participated in BPMA's programme of visits and evening lectures and benefitted from generous discounts when purchasing DVDs, books, postcards and other merchandise from BPMA. The Charity's 2012 AGM will be held on the afternoon of 4 December at the Phoenix Centre (adjacent to Freeling House) in conjunction with an evening lecture organised by BPMA. By these means the Charity promotes awareness of the breadth of material in the care of BPMA and adds to the collective knowledge of Britain's postal history among its members.

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REPORT OF THE TRUSTEES *(continued)*

Achievements and Performance *(continued)*

During the year individual members of the Charity assisted BPMA many ways including:

- publicising BPMA (and the Friends) through articles in the philatelic press;
- acting as invigilators at Open Days held at the Museum Store;
- identifying items offered for sale by auction that could be added to BPMA's collections.
- helping to sell BPMA's merchandise at Open Days and on the Charity's stand at Stampex;
- assisting on a regular basis with tasks at the Museum Store and also with the organisation and research of material held in the Archives and Collections at Freeling House;
- introducing other heritage bodies interested in acquiring from BPMA items surplus to its requirement;
- supporting BPMA's events and evening lecture programme by attending them; and
- obtaining a 50% response to a comprehensive questionnaire sent to all Friends seeking details of their collecting interests and their views on a wide range of relevant topics.

The Trustees' belief that the decline in membership noted in their previous Annual Reports would be temporary and possibly linked to current economic difficulties has been borne out in practice. Membership at 31 March 2012 stood at 277 (2011 – 290). The experience of the friends of other heritage organisations suggests that it is unlikely that the Charity will record significant growth in membership until the new heritage centre becomes operational.

Financial Review

Funding

Subscriptions and donations from members, Gift Aid on some subscriptions and donations from members who are UK taxpayers and fees received from advertising in the Charity's journal, *Cross Post*, fund the Charity's activities. From time to time the Charity launches appeals to fund specific projects being undertaken by BPMA.

Financial Performance

At the 2010 AGM Friends passed a resolution increasing subscription rates with effect from April 2011 from £15 to £20 for UK-based Friends and from £20 to £25 for those living overseas. As a concession UK-based Friends aged 65 years and over can continue to pay £15, but if they choose to pay £20 the additional £5 becomes a donation to BPMA. This was the first increase in subscriptions for over 10 years and aimed to put the Charity's finances on a firmer footing.

As anticipated at the 2011 AGM the year to 31 March 2012 ended showing a loss in the event of £204 (2011 – a loss of £927) in both instances ignoring movements on the Restricted Fund. The loss arose mainly because the Trustees did not know how many Friends would be entitled to the concessionary subscription rate. Subscription income increased by only 7%. The loss would have been greater if the Charity had not been able to sell the residue of the stock of postcards that had been on hand for over 10 years. If planned economies being made in the year ending 31 March 2013 do not yield a surplus at the year end, serious consideration will have to be given to a further increase in subscription rates.

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REPORT OF THE TRUSTEES (continued)

Reserves Policy

After careful review the Board of Trustees has concluded that it is prudent to ensure that there are sufficient reserves to provide financial flexibility should the Charity experience unforeseen difficulties. The aim is that reserves should cover a minimum of six months' running costs, that is approximately £3,300 (£3,525 – 2011) being mainly the cost of printing and distributing one issue of *Cross Post*.

Plans for the Future

- To support BPMA by providing volunteer assistance at events, exhibitions and open days;
- To offer an educational and social programme through lectures and study visits;
- To publish for members and others through the pages of *Cross Post* material appertaining to the history of the postal service;
- To support BPMA in developing the new centre for the study of postal heritage, now that a suitable site has been found; and
- To continue raising funds to contribute to the cost of conserving the MailRail cars.

Trustees' Responsibilities in Relation to the Financial Statements

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Charity at the balance sheet date and of the surplus or deficit for the financial year. In preparing those financial statements the Trustees are required to:

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

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are 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.

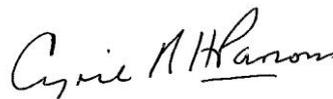
Small Company Special Provision

This Report of the Trustees has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 applicable to companies subject to the small companies' regime.

This Report was approved by the Board of Trustees on 7 June 2012.



.....
F B J SOLE – Chairman of the Trustees



.....
C R H PARSONS – Treasurer

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**Report of the Independent Examiner to the Trustees of
The Friends of the British Postal Museum & Archive**

For the Year Ended 31 March 2012

I report on the accounts of the Charity for the year ended 31 March 2012 set out on pages 10 to 15.

Respective Responsibilities of Trustees and the Examiner

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the accounts. The trustees consider that an audit is not required for this year under Section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The Charity is required by company law to prepare accrued accounts and I am qualified to undertake the examination by being a qualified member of Association of Accounting Technicians.

Having satisfied myself that the Charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the general Directions given by the Charity Commission under Section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention which gives me reasonable cause to believe that in any material respect the requirements

- to keep accounting records in accordance with Section 386 of the Companies Act 2006 and Section 130 of the Charities Act; and

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Report of the Independent Examiner to the Trustees of
The Friends of The British Postal Museum & Archive *(continued)*

- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and reporting by Charities

have not been met.

Signed:



M P Chick, BEd, FMAAT, AFA, FFTA
Director
Abingdon Accountancy Centre Ltd
23 Stockey End
Abingdon, OX14 2NF

13 June 2012

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Statement of Financial Activity
Revenue Account for the Year Ended 31 March 2012

	Notes	2012 £	2011 £
Turnover	1 (b), 1 (c)	7,314	7,442
Administrative Expenses		7,491	8,632
Operating Deficit	3	<u>(177)</u>	<u>(1,190)</u>
Interest Received	1 (d)	20	20
Retained Surplus for the Year		<u>(157)</u>	<u>(1,170)</u>
Retained Surplus Brought Forward		9,123	10,293
Retained Surplus Carried Forward		<u><u>8,966</u></u>	<u><u>9,123</u></u>

This statement of financial activity includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

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CHARITY BALANCE SHEET as at 31 March 2012

	Notes	2012		2011	
		£	£	£	£
Current Assets					
Debtors	5	691		1,163	
Stock of Stamps		180		96	
Cash at Bank		9,735		10,390	
		-----		-----	
		10,606		11,649	
Creditors: Amounts falling due within one year	6	1,640		2,526	
		-----		-----	
Net Current Assets			8,966		9,123
			-----		-----
Total Assets less Current Liabilities			£ 8,966		£ 9,123
			=====		=====
Capital and Reserves					
Unrestricted Funds			8,487		8,691
Restricted Funds	7		479		432
			-----		-----
			£ 8,966		£9,123
			=====		=====

The Trustees are satisfied that the Company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006 and that members have not required the Company to obtain an audit in accordance with section 475 of the Act.

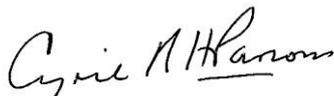
The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts

These Accounts have been prepared in accordance with the provisions of Part 15 of Companies Act 2006 applicable to companies subject to the small companies' regime.

The Accounts were approved by the Board on 7 June 2012 and were signed on its behalf by:



] F J B Sole (Chairman of Trustees)



] C R H Parsons (Treasurer)

The notes on pages 12 to 14 form part of these financial statements.

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Notes to the Financial Statements at 31 March 2012

1 ACCOUNTING POLICIES

(a) Basis of preparation of accounts

The financial statements have been prepared under the historic cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2008). The Charity has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

(b) Incoming Resources

Turnover represents the subscriptions and donations received by the Charity during the year. The whole turnover and deficit is attributable to the Charity's principal activity, namely that of running a charity.

(c) Donations

Income from donations is included in incoming resources when these are receivable.

(d) Interest Receivable

Interest is included when received by the Charity.

(e) Resources expended

Resources expended are included in the Statement of Financial Activities on an accrual basis, inclusive of VAT that cannot be recovered.

(f) Fund Accounting

Funds held by the Charity are either:

- Unrestricted general funds.* These are funds that can be used in accordance with the charitable objects at the discretion of the Trustees.
- Restricted funds.* These are funds that can be used only for particular restricted purposes within the objects of the Charity. Restrictions arise when funds are raised for particular restricted purposes, such as making grants to BPMA's project to conserve its *MailRail* cars.

2 LEGAL STATUS OF THE CHARITY

The Charity is a company limited by guarantee and has no share capital. The liability of each Member in the event of winding up is limited to not more than £10.

3 OPERATING SURPLUS/(DEFICIT)

The Operating Surplus/(Deficit) is stated after crediting:

	2012	2011
	£	£
Bank Interest Received	20	20
	=====	=====

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Notes to the Financial Statements at 31 March 2012 *(continued)*

4 TAXATION

The Friends of the British Postal Museum & Archive is a registered charity and as such is exempt from Corporation Tax.

5 DEBTORS

	2012	2011
	£	£
Gift Aid Repayments Receivable	673	895
Sundry Sales	–	250
Prepaid Expenses (<i>Insurance Premium</i>)	18	18
	-----	-----
	£ 691	£ 1,163
	=====	=====

6 CREDITORS AND PREPAYMENTS: Amounts falling due within one year

	2012	2011
	£	£
Subscriptions Paid in Advance	1,250	1,910
Meeting Fees Paid in Advance	5	87
Accruals	385	529
	-----	-----
	£1,640	£ 2,526
	=====	=====

7 RESTRICTED FUNDS

As stated on the previous page [*Note 1(f)*] these funds can be used only for particular restricted purposes within the objects of the Charity. With effect from the year ended 31 March 2008 the Charity reinstated a policy of the former unincorporated association to set aside at the end of each financial year 10% of the surplus on its Income and Expenditure Account to build up a fund to make grants to BPMA. Sadly the Unrestricted Fund showed deficits at 31 March 2011 and 31 March 2012, so the Charity was not able to add to the Restricted Fund from the latter source in those two years.

[continued on page 14]

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Notes to the Financial Statements at 31 March 2012 *(continued)*

7 RESTRICTED FUNDS *(continued)*

	2012	2011
	£	£
At Beginning of Year	432	675
Incoming Resources	547	957
Outgoing Resources	(500)	(1,200)
	-----	-----
At End of Year	£479	£ 432
	=====	=====

In 2011 BPMA launched an appeal for funds to conserve the *MailRail* cars recently moved to the Museum Store. As stated in the Report of the Trustees at the 2011 AGM the Charity presented a cheque for £500 to BPMA in response to this appeal. This contribution included donations from Friends aged 65 years and over who declined to take advantage of the concessionary subscription rate when renewing their membership for 2011/12. The Trustees plan to make another such presentation at the 2012 AGM.

8 CAPITAL COMMITMENTS

The Charity had no capital commitments at 31 March 2012.

9 CONTINGENT LIABILITIES

The Charity had no contingent liabilities at 31 March 2012.

10 RELATED PARTIES

The Charity has a very close relationship with The Postal Heritage Trust (Charity No: 1102360) whose public identity is The British Postal Museum & Archive (BPMA).

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Detailed Income and Expenditure Account

For the Year Ended 31 March 2012

	£	2012 £	£	2011 £
	Unrestricted	Restricted	Total	Total
Income				
Subscriptions	4,765		4,765	4,437
Advertising in <i>Cross Post</i>	800		800	1,060
BPMA Library Fund Appeal	–	547	547	957
Gift Aid	788		788	988
Contribution to Debden Meeting	156		156	–
Sundry Sales	258		258	–
	<u>6,767</u>	<u>547</u>	<u>7,314</u>	<u>7,442</u>
Bank Interest Received	20		20	20
	<u>6,787</u>	<u>547</u>	<u>7,334</u>	<u>7,462</u>
Expenses				
Printing <i>Cross Post</i>	4,962		4,962	5,057
Printing and Stationery	406		406	683
Postage	1,231		1,231	1,311
Insurance	61		61	60
Examiner's Fee	210		210	198
Travelling Expenses	78		78	88
Meeting Expenses	27		27	–
Donation to BPMA	–	500	500	1,200
Sundry Expenses	16		16	35
	<u>6,991</u>	<u>500</u>	<u>7,491</u>	<u>8,632</u>
Surplus/(Deficit) on Ordinary Activities	(204)	47	(157)	(1,170)
Transfer to Restricted Fund <i>(10% of surplus)</i>				
	<u>(204)</u>	<u>47</u>	<u>(157)</u>	<u>(1,170)</u>

This statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.

This page does not form part of the Statutory Accounts.