

ISLE OF MAN GOVERNMENT

Isle of Man Post Office: Statutory Board Plan 2025-26



Our Island Plan:

Building A Secure,
Vibrant And Sustainable
Future For Our Island



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1. Chairman's Foreword

Stu Peters MHK

CHAIRMAN

ISLE OF MAN POST OFFICE

It is with great pride that I present the Chairman's Statement for 2024/2025, a year in which Isle of Man Post Office has once again demonstrated resilience, adaptability, and strong financial performance.

This consistent performance is a direct result of the loyalty and trust of our customers, the dedication of my colleagues, and the strategic oversight from our Board. We continue to make significant progress in delivering our long-term strategy, supported by the Department for Enterprise, ensuring the business remains sustainable and relevant in a rapidly evolving market.

Our retail offering has undergone further evolution this year, reflecting our commitment to innovation and customer service. These enhancements are part of our broader modernisation and service excellence and are designed to enhance accessibility and convenience to postal services across the Island. Changes driven by our key commercial agency customers, coupled with evolving compliance standards, will see further change to our retail offering in the near term, as we refocus on maintaining and improving access to postal services, a fundamental part of our business.

This year also saw a change in our Board membership, as Diane Kelsey MLC stepped down as Vice Chairman and was succeeded by Kirstie



Morphet MLC. On behalf of the Board, I would like to thank Diane for her valued contribution and welcome Kirstie, whose insight and experience will be a great asset as we continue to navigate the challenges and opportunities ahead.

I would like to sincerely thank the Executive Team, the Board, and all our colleagues for their dedication and hard work throughout the year. Their collective efforts have been the driving force behind our achievements.

As we look ahead, I am confident that we are well-positioned to embrace the opportunities and challenges that lie ahead to the benefit of our customers. Together, we will continue to build a resilient, innovative, and customer-focused organisation that delivers lasting value for the Island.



2. Chief Officer's Introduction

Simon Kneen

CHIEF EXECUTIVE
ISLE OF MAN POST OFFICE

Performance and Strategic Overview

As we reflect on the past year, I'm proud of our success, both in terms of financial performance, and how our teams have adapted to change, whilst continuing to serve our valued customers with dedication and care.

The year ending 31 March 2025 was one of strong financial performance and strategic progress for Isle of Man Post Office (IOMPO). We delivered a profit of £3.85m, up £1.25m from the previous year, with turnover steady at £25.1m. The improvement in profitability was driven largely by operational efficiencies through innovation and adaptability, with actuarial pension adjustments also contributing to the result.

Letter volumes declined by 11%, in line with expectations, while e-commerce parcel volumes saw modest growth, supported by new contracts with UK logistics partners. Our parcel services, which lie outside the postal monopoly, remain subject to commercial competition. Securing new delivery contracts is a testament to our agility and customer focus.

We maintained high service standards, with just four complaints per 100,000 items handled, underscoring the dedication of our teams and the trust placed in us by our customers.



Strategic Transformation and Innovation

This year marked significant progress in digital transformation, sustainability, and data capability, as we continue to evolve in response to changing customer needs. We launched our Online Postage service, offering doorstep collections and flexible digital access, which has been very well received.

Our fleet strategy advanced with the acquisition of 26 electric vehicles, reducing emissions and supporting our broader environmental goals. We progressed plans to install solar panels and electric vehicle infrastructure, with implementation plans now being finalised following a successful tender. We are on course to submit our third public sector climate return in September which will show a further notable reduction in Scope 1 and 2 emissions of 8.3%, compared to 6% in the previous period.

We invested in new tools and expertise to strengthen reporting and support better business planning. Building on this foundation, we will continue to develop our reporting capabilities to identify trends and support predictive analysis for informed decision-making.

We closely monitored the acquisition of Royal Mail's parent company (International Distribution Services plc) by the EP Group, and welcomed their commitment to consult with Crown Dependencies on any changes affecting postal services.

Retail and Commercial Services

Our retail network continues to evolve in response to digital transformation across government services. The withdrawal of MiCard by December 2025 and vehicle licensing services by March 2026 will reshape counter service delivery, impacting over 70% of non-postal transactions. We remain committed to maintaining accessible community postal services and expanding digital alternatives such as Online Postage and Click & Dispatch. A customer needs survey will help inform future service strategy.

Business Solutions exceeded expectations, achieving strong customer retention and transitioned to the latest information security management (ISO27001) and quality management certifications (ISO9001). Maintaining these 'best in class' certifications provides our customers with comfort that our services meet the highest standards. Clients rated our services highly for support, confidentiality, and reliability.

Stamps & Coins had a dynamic year, including a historic digital stamp collaboration in lunar orbit and several well-received issues. With fewer regular collectors, we've taken steps to broaden our market reach and diversify our revenue, launching a Shopify store and partnering with international postal administrations.







Recognition from Linn's Stamp News as one of the most influential philatelic businesses affirms our standing in the industry.

Corporate Developments and Outlook

We're well advanced with our legacy system replacement programme. We introduced our new HR platform to support and improve the efficiency of HR processes, training and recruitment. Our impending implementation of 'SAP Business ByDesign' will improve our accounting processes and introduce enhanced customer relationship management and workflow functionality. Our new corporate website is in development and will enhance accessibility and user experience.

IOMPO operates within a competitive environment, and as such medium to long term

financial stability is inherently challenging to predict. This uncertainty is further compounded by the volatility associated with managing a defined benefit pension scheme, resulting in material financial risks. We welcomed Treasury's consultation with IOMPO on proposed levies. Following consultation, the Board received a formal Direction from Treasury to transfer £500,000 from our reserves for each of the years ending 31 March 2024 and 2025, and £1m for 2026, which will be provisioned accordingly.

As we reflect on the year, we do so with immense pride in our achievements and gratitude to our dedicated teams. Their resilience and commitment have driven our success, and we look forward to building on this momentum in the year ahead.

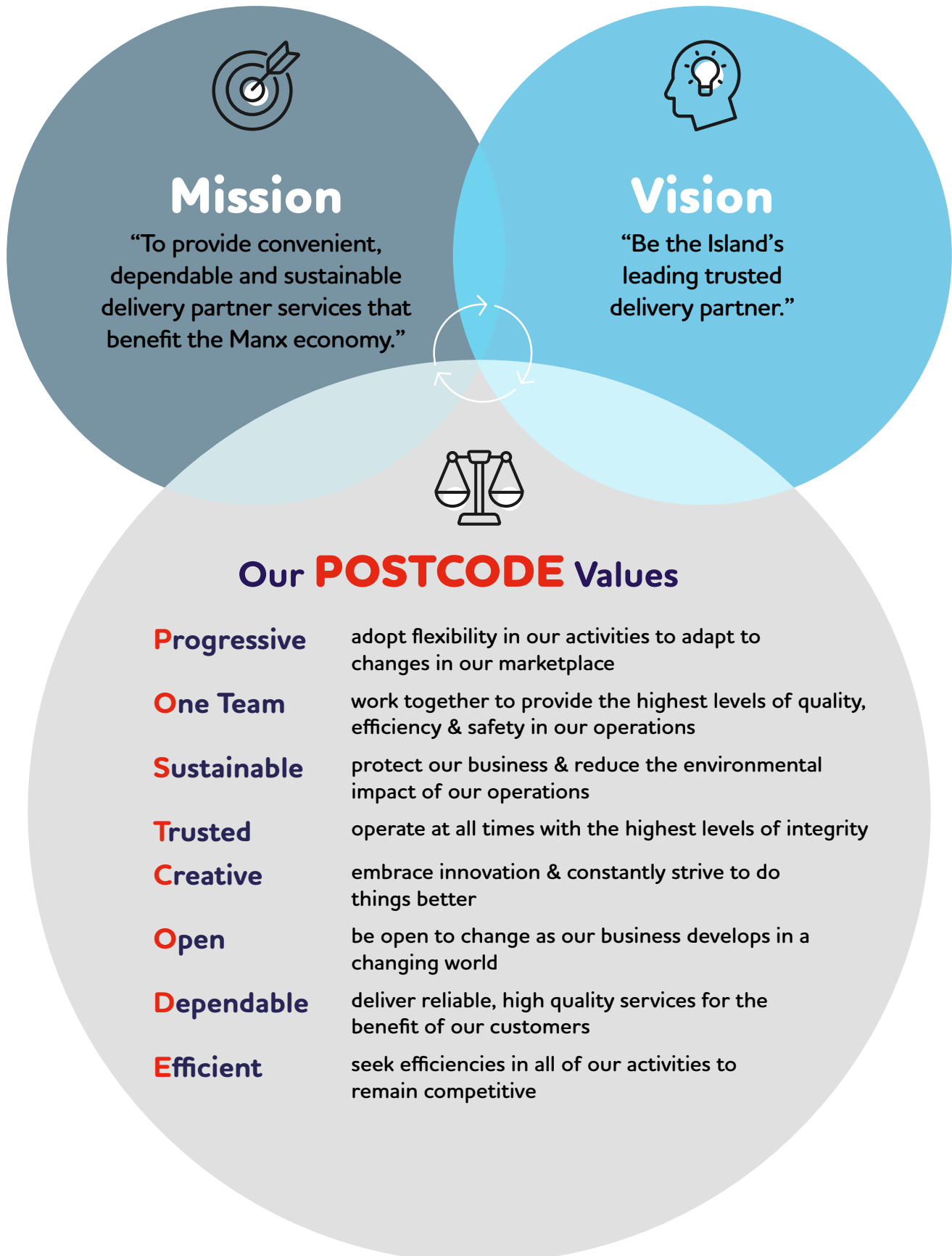
3. 2024/25 Key Achievements

Key Priorities in 2024/25 Department Plan	2024/25 Financial Year Achievement vs. Plan
1. Financial performance	- For the year ended 31 March 2025, Isle of Man Post Office (IOMPO) reported a profit of £3.85m, a gratifying £1.25m increase on the previous year's £2.6m. Turnover held steady at £25.1m, reflecting our longstanding strategy to grow parcel volume sales to offset inherent letter mail decline - The improvement in profitability stems largely from cost efficiencies particularly across payroll, actuarially assessed pension charges, and logistics
2. Transformational change delivery:	
Mails operation modernisation	- Successfully secured new customers for 'last-mile' parcel deliveries, a credible achievement in a highly competitive market. Commercial success underpins our ability to sustain the universal postal service without reliance on central funding - We take great pride in the quality of service we provide, consistently maintaining high standards across our operations. This is reflected in our exceptionally low complaint rate - just four complaints per 100,000 items handled which highlights the dedication of our teams and the trust our customers place in us - Launched our 'Online Postage' service which has seen excellent growth in popularity since it was launched in late 2024. The service, which also includes free doorstep collections, offers customers a convenient, flexible alternative to traditional counter services, with more people choosing digital solutions that fit around their busy lives. By making it easier to send mail we're not only enhancing accessibility, but also streamlining our operations to better meet modern delivery needs. This evolution is a key part of our strategy to stay relevant and responsive in a fast-changing postal landscape.
Retail service modernisation	- In light of Treasury preparing to conclude its MiCard contract in December 2025, and the Department of Infrastructure digitising its driver and vehicle licensing services by March 2026, IOMPO has been working on a retail transition plan which reflects the broader shifts in service delivery, while ensuring we remain deeply committed to supporting our customers through the transition and seeking to increase the availability of our services in the community - Gradually introducing postal-only community services
ICT Systems & applications modernisation	- Successfully launched a Shopify e-commerce site for our Stamps and Coins division - Advanced our legacy systems replacement programme, implementing 'SAP Business ByDesign', a cloud-based enterprise solution - Implemented the 'Access - People HR' portal, a cloud-based HR platform designed to support various aspects of employee administration and improve the efficiency of HR processes, staff training and recruitment - Progressed work on a new corporate website which will deliver a significantly enhanced user experience when it goes live during 2025/26

Key Priorities in 2024/25 Department Plan	2024/25 Financial Year Achievement vs. Plan
ICT Systems & applications modernisation (Continued)	- Completed our integrated reporting proof of concept, adopting compliant data warehousing principles, with the aim of harnessing our big data to inform decisions - Reducing our impact on the environment
Reducing our impact on the environment	Continued to take meaningful steps toward becoming a greener organisation, reducing our carbon footprint for the benefit of the Isle of Man and future generations. - Reducing our Printer Estate - consolidating printers across the organisation to cut down on energy use, paper waste, and consumables - Ran in-house green campaigns - Ongoing consideration of climate change duties in our business as usual everyday thinking - Continued to evolve our fleet strategy with a focus on modernisation and sustainability; in the last financial year we purchased 26 electric vehicles. Transitioning our fleet to be greener is a key step in aligning our operations with our environmental value



4. Our Mission, Vision and Values



5. Our Trusted Identity

Isle of Man Post Office has been on the Island's doorsteps and at the centre of communities for more than 50 years. The business stands as a cornerstone of the Island's infrastructure, delivering services that connect communities locally and globally. With a focus on operational excellence and putting customers at the heart of service, we continue to evolve in response to the changing needs of our customers while maintaining the trust and reliability that define our legacy.

Our organisation consistently upholds the highest standards of service excellence, operating an extensive and accessible postal network strategically positioned across the Island. This infrastructure enables the efficient handling of approximately 13 million letters and parcels annually. Our combined letters and parcel delivery network is our legal requirement that we are proud to deliver. Delivering mail on time and to the same standard is an essential part of the universal service. We regularly perform quality of service tests to ensure our delivery rates are in line with our service level targets, while having adapted to the structural decline in letter volumes, while meeting the growing demand for larger parcels.

In recent years we have been keen to focus on our 'in home' offering, increasing the options for customers to send post more conveniently at a time and place to suit them. We successfully launched our increasingly popular Online Postage self-service solution in late 2024, which includes free doorstep collections and an expanding network of parcel boxes. Our focus is on implementing meaningful changes that ensure a modern, reliable, and financially sustainable service for generations to come.





"Our Christmas Tree Recycling Service wouldn't be what it is without the invaluable support from Isle of Man Post Office! The £100,000 raised in total through the scheme goes to show just how important this service is that we provide to the Island. We cannot thank the team at Isle of Man Post Office enough for giving up their time to support us with this initiative. Without them, we simply couldn't do it. All money raised through the Christmas Tree Recycling Service goes towards supporting the work of everyone at Hospice, helping our patients and their loved ones when they need it most, so thank you."

Hospice Isle of Man

In addition to our core postal operations, our Stamps and Coins division continues to garner international recognition for its curated collections of premium stamp issues and memorabilia. This success reflects our strategic approach to cultural preservation and business diversification, further strengthening our global presence and brand narrative. While our Business Solutions offer an unrivalled 360 approach to printing, fulfilment, franking and scanning for corporate customers both on and off the Island.

Our Community Response

We're proud to embed corporate social responsibility into our work, actively supporting local charities through our Sponsorship Committee. In 2024/25, beneficiaries included the Great North Air Ambulance, A Little Piece of Hope, Hospice Isle of Man, Manx Stroke Foundation, and several others.

Our largest corporate social responsibility event every year is the Christmas Tree Recycling event we undertake with Hospice Isle of Man in conjunction with a number of other local businesses and with support from FC Isle of Man. Since its inception in 2015, this initiative has raised £106,608.78 for Hospice Isle of Man with 6,953 trees collected and recycled.

Our annual stamp issue programme also reflects our commitment to community and culture, partnering with a wide range of local groups, schools, and government bodies to celebrate the Island's heritage and creativity. Recent collaborators include Rushen Heritage Trust, RNLI, Isle of Man Arts Society, and Manx National Heritage.

However, our commitment to the community is much more than this, we recognise our duty to protect the security and integrity of the mail and work closely with the relevant authorities, our employees and industry partners to counter criminal activity that uses the postal system. We also value our role to protect and strengthen our support for our most vulnerable customers, seeking to improve the accessibility of our services and provide advice about the risk of scams etc.

A proud employer of
251
local people



The service provider enabling people to send letters and parcels to any worldwide destination



The Island's leading **trusted delivery partner** who provides final mile deliveries for residential and commercial purposes

IOMPO is an **essential courier service** for the healthcare sector on the Island through its work with the hospital and GP surgeries



A **positive and trusted brand** committed to becoming a greener organisation with a journey plan to net zero



The postie who delivers parcels, business letters, bills, appointment letters, birthday cards plus much more.

We also offer doorstep collections (as part of our Online Postage service) for customers' ease or those who may not be able to easily leave their homes



The ISO accredited business partner providing outsourced printing, postal and scanning services

A customer service team dedicated to **providing expert care** for our valued customers



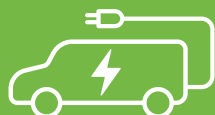
The **stamps expert** with a global reach and collectors worldwide with an improved e-commerce website



A network of independent retailers offering **postal and agency counter services** across the Island



A business which listens to customer feedback and **takes action to make improvements**



The proud owner of **45 electric vehicles** in its fleet as we accelerate towards having a zero-emissions fleet by 2028



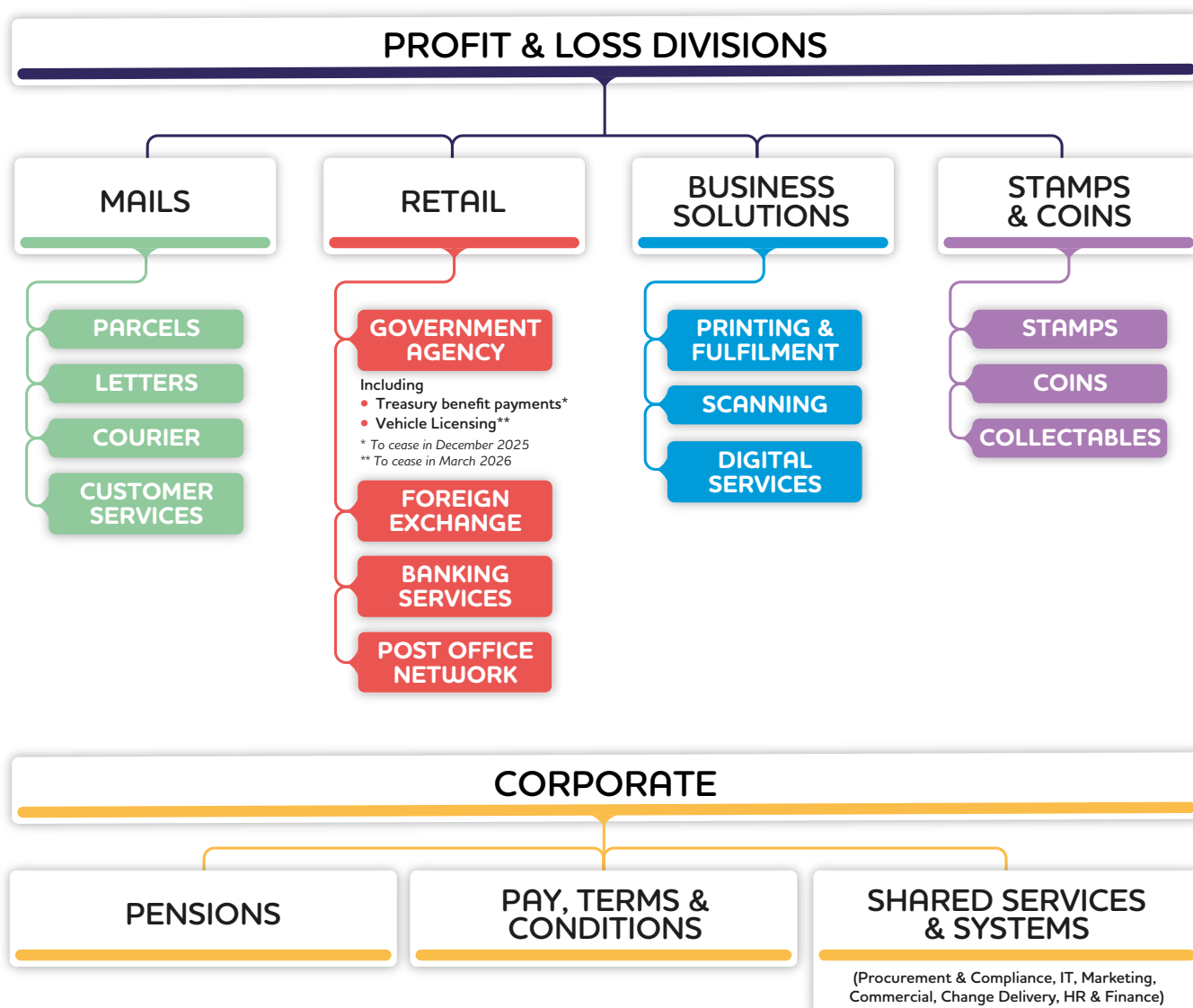
A significant contributor to the **Island's economy**, working with many local businesses and suppliers



6. Our Operating Model

Isle of Man Post Office operates as a Statutory Board, established under the Statutory Boards Act 1987 and governed in accordance with the principles set out in the Corporate Governance Code. The Board comprises of five members, including a Chairman and Vice Chairman appointed from Tynwald, alongside three independent lay members who each serve a five-year term. As a collective decision-making body, the Board holds shared corporate responsibility for the strategic direction and governance of the organisation, operating within the framework defined by relevant legislation and governance standards. It may also receive direction from the Council of Ministers, the Department for Enterprise, and Treasury, as outlined in the Statutory Boards Act 1987 and the Post Office Act 1993.

The Chief Executive leads the organisation, overseeing the implementation of strategic objectives and ensuring the effective delivery of services across all operational areas. The business is structured into four core divisions - Mails, Retail, Business Solutions and Stamps & Coins - each supported by centralised corporate services. Every division develops an annual operating plan that outlines its strategic priorities and key deliverables for the year, aligned with the overarching business strategy and ongoing operational commitments.



7. Statutory Duties & Tynwald-Endorsed Principles

Established as an independent Statutory Board, Isle of Man Post Office (IOMPO) operates with defined powers and responsibilities, including the exclusive right to convey letters across the Island - a role comparable to the universal service obligation recognised internationally. The Act also places a financial duty on IOMPO to operate profitably while fulfilling its public service mandate.

Recognising the evolving needs of customers in a digital age, Tynwald approved a strategic shift in 2006, enabling IOMPO to diversify and pursue new commercial opportunities. This directive was aimed at ensuring long-term economic viability while continuing to support the delivery of essential postal services, and to ensure it had the best opportunity to continue to make a profit, as set out within the Post Office Act.

In 2018, Tynwald reaffirmed its support for IOMPO's self-funding model, as outlined in Section 5(1) of the Post Office Act 1993. This endorsement emphasised the importance of operational efficiency, sustainable growth, and targeted diversification to protect and strengthen the core business. Further strategic direction was provided in 2019, when Tynwald approved a demand-driven retail modernisation strategy. This approach is underpinned by six guiding principles designed to modernise postal services in a financially and socially responsible manner:

PRINCIPLE

1.

FINANCIAL EFFICIENCY

Remain financially efficient, managing costs in line with revenues, supporting the overall aim of remaining financially self-sustaining.

PRINCIPLE

2.

SERVICE ACCESSIBILITY

Ensure 96% of Island residents live within 3 miles of a service access point for postal services, with a postal services access point in each constituency.

PRINCIPLE

3.

INCLUSIVE ACCESS

Ensure postal service access points are accessible, e/g. main bus routes, with ample parking and disabled access.

PRINCIPLE

4.

RETAIL EXPANSION

Where financially viable, will continue to seek opportunities to provide new retail services.

PRINCIPLE

5.

CUSTOMER-CENTRIC INNOVATION

Innovate and improve how postal services are provided, in efficient, financially responsible ways that satisfy the changing needs of its customers.

PRINCIPLE

6.

STAKEHOLDER ENGAGEMENT

Adopt a formal consultation process, engaging constituent politicians, local Government, 3rd sector organisations and special interest groups before changing a service method or removing a service access point.

8. The Team Driving our Mission

Being part of Isle of Man Post Office is more than just a job, it's a source of pride for our team. Our mission is to create a workplace where everyone feels welcomed, safe, inclusive, valued and empowered to contribute to our collective success.

Our team is the foundation of our business's performance, reputation and central to the delivery of our strategic objectives. They bring a high level of expertise and professionalism that directly contributes to our performance outcomes. In return we offer competitive pay and comprehensive benefits and want to support them in balancing work and other priorities. We support alternative and flexible working arrangements that are operationally, commercially and logistically viable or sensible for our business.

Employee engagement remains a key focus as we continually aim to improve motivation and performance across our organisation. We monitor our employee work-happiness through regular team briefings, 1-2-1s and structured feedback mechanisms, enabling us to respond proactively to emerging needs and maintain a productive working environment. Individual performance is financially recognised through our performance-related incentive framework, reinforcing a culture of accountability and achievement.



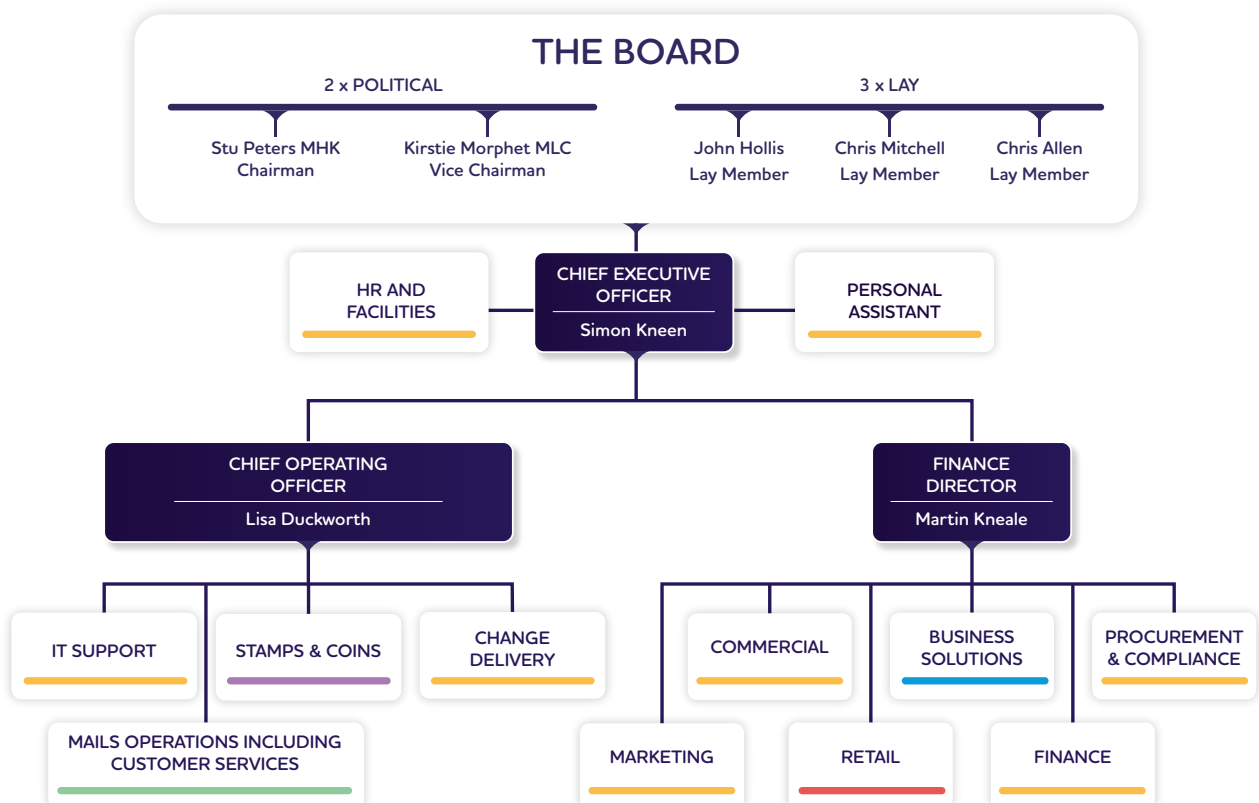
We encourage our people to try new things and gain skills. On average, colleagues stay with IOMPO for 16.5 years and throughout their career with us we give them opportunities to grow and develop in a way that works for them. We encourage colleagues to share their ideas, so we can take action to solve problems. When we find new ways to listen and get people involved, we make work better for everyone.

We also take the safety of our people very seriously. Due to the nature of the role for our frontline and operational team in particular, best practices in health and safety are a strong focus. We monitor key safety metrics and provide training in road and driver safety, manual handling, slips, trips and falls and also encourage our postal staff to be dog safety aware when out on delivery. Each year we work with the Communication Workers' Union to run a joint campaign to our customers about the importance of ensuring their properties are safe for our people to deliver to on a daily basis.

A large proportion of our team operate in customer-facing roles, acting as ambassadors of our brand and consistently demonstrating a strong service ethos. Internally they contribute to a culture of collaboration, accountability and continuous improvement, which underpins our operational effectiveness. We recently undertook an office environment survey aimed at colleagues who are predominantly office based and were delighted with a 75% participation rate highlighting the engagement we have with our people.

We are committed to attracting and retaining high-calibre talent through a competitive benefits offering and a strong focus on professional development. By investing in our people who power our daily business, we aim to foster a motivated, capable, and future-ready workforce that supports our long-term strategic goals.

At Isle of Man Post Office we believe our strength lies in the people who bring our purpose to life and they remain our greatest asset.



9. Key Strategic Objectives 2025-2028

Becoming A Parcel Business - Increasing our inbound parcel market share and parcel delivery partners by strengthening our UK supply chain arrangements and developing a more resilient, flexible, productive and environmentally sustainable mails operation to meet our customers' changing needs.

Retail Service Transition - Successfully progress the transition of our retail network to provide enhanced and innovative access for our customers to postal only services both online and in person, with convenient located community services, including doorstep collections.

Corporate IT Enhancements - Strengthening and leaning our back office services, processes and reporting through IT system enhancements, increased IT capacity, capability and restructuring, to reduce resource intensive processes and improve big data analytics to inform business decisions.

Universal Service Obligations - Letter price increases to offset volume decline and inflationary costs while still offering customers value for money, and to introduce postage labels with an expiry date, and a method to invalidate old stamps.

Non-Core Services - Continue to identify opportunities to safeguard the viability of the non-core areas of our business.

Expectation Management – Focus on developing political and social perceptions and support for the evolving purpose of the Post Office as it continues to modernise and adapt to changing customer needs and further technology advancements.

Engaged Workforce –Ensure our people feel valued and provide a modern engaged and flexible workforce, attracting, developing and rewarding talent and seeing it flourish.



10. Division Overview: Key Achievements & Future Focus Areas



Our Corporate Division



An independent board of trustees oversees our funded employee pension scheme

Responsible for Executive matters, corporate governance including regulatory compliance, employee welfare and the provision of shared support services

Shared service functions are internal experts in a given competency



The Executive and Management ensure that the agreed results are delivered



5 x Executive led Committees:

Health & Safety Committee, Business Continuity Planning Committee, ICT Steering Committee, Environmental Sustainability Committee and Sponsorship Committee

<<<<<< Past Focus Areas

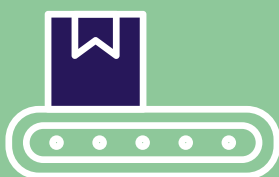
- Reduced our printer estate to lower electricity, maintenance and consumables cost
- Implemented new absence reporting – this was our 'proof of concept' project adopting compliant data warehousing principles utilising the latest technology
- Implemented a new HR System which now supports business efficiencies through the automation of labour intensive paper based tasks, gives HR and leadership teams access to accurate data for decision making, engages employees through an easy to use app (enabling improved security of personal data), access to additional learning resources and improves our on-boarding and induction process
- Completed the procurement and commenced implementation of the Accounting and Customer Relationship Management with workflow implementation project
- Completed proof of concept trials for new development tools/ways of working to enhance business reporting and secure data transfer
- Reviewed and updated business policies in line with agreed plan
- Met with other businesses who have installed solar to learn from their experiences and to inform our requirements for the compliant procurement process we then initiated for an experienced business to install solar panels at Postal Headquarters to provide a renewable source of energy
- Procured a replacement corporate information website for ease of customer access
- Reviewed and standardised our policy documentation for ease of use and adherence, ensuring due consideration is given to climate and employee responsibilities
- Initiated a measure of employee work-happiness with a view to recognising and responding to opportunities to improve work-happiness, improving retention and performance in pursuit of our key objectives

Future Focus Areas >>>>>>

- Undertake a Customer Needs Survey to gain deeper insight into their changing needs, informing the future direction of our service strategy
- Implement a new corporate website
- Ongoing legacy systems replacement for payroll, HR and Finance
- Finalise and commence delivery of our ICT Strategy
- Continued focus on compliant procurement activity to ensure best value through the delivery of our tender plan
- Contribute to the IOM Government People Strategy, working with the central team to implement and deliver the benefits, including leadership development pathways
- Implement phase two of People HR platform to include extended dashboards, performance management return to work processes and accident reporting
- Review and update business policies in line with agreed plan and approach, subject to change depending on; researching legislation and best practice
- Provision and maintenance of CCTV estate
- Provision of, collection and destruction of confidential and non-confidential paper waste
- Introduce enhancements to the office working environment
- New accounting system - support the implementation of SAP ByDesign
- Re-engineer the business approach to forecasting / reforecasting for the non-operational divisions
- Work with Treasury Audit Advisory to re-design and implement a revised compliance audit and schedule for the retail network
- Investigate options for outsourcing local-to-local quality of service checks (mail products) to enhance process and independence
- Continue to monitor employee work-happiness and seek to increase through improvement activities
- Implement eLearning for postal services performed by staff at both IOMPO counters, and Sub Post Office counters operated by independent retailers



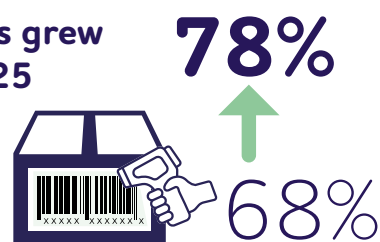
Our Mails Division



3,200 items
handled per hour by our
state-of-the art
parcel automation
machine

The total of scanned parcels grew
from 68% to 78% in 2024/25

as customer demand grows for greater
visibility of where their online
purchases are in transit and when
they will receive them



192 post/parcel boxes

Collection times of each post and
parcel box can be viewed online



118
vehicles

including

45

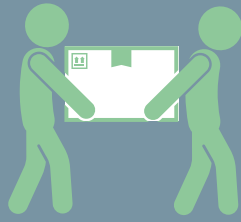
electric vehicles



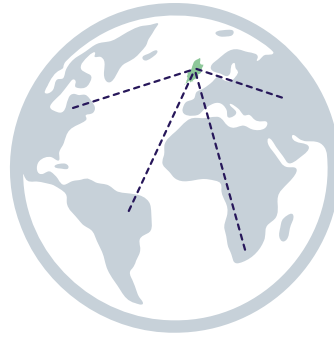
Isle of Man Post Office offers very competitive letter rates in
the European postal market and online parcel rates



Approx. 13 million items
handled in 2024/25



Items **over 30kg** are known as **heavy and large**, some of which require two-man delivery



Our Mails division provide **logistics services across the Isle of Man** and connects to the **global infrastructure of postal organisations**

IOMPO has an exceptionally low complaint rate – just four complaints per 100,000 items



All mail arrives and leaves the Island each day by boat with an outbound next-day guaranteed service by air available for customers who have a time-sensitive item

IOMPO has a protected right to deliver letter mail to any address on the Island under the terms of the Post Office Act 1993



It also has a financial duty to make a profit. While IOMPO has always carried parcels over its 53 year history, this remains a very competitive market which it has no reserved rights for



<<<<<< Past Focus Areas

- Increased the number of UK delivery partners for delivery of their customer parcels into the Island and reduced IOMPO's concentration risk on a small number of partners
- Reviewed products and services in light of residential and business customer survey results which saw our biggest wholesale change of service in decades resulting in simplified IOM and UK service options, an improved local to local parcels service, lower tariffs for sending locally than to the UK, substantially reduced tariffs for sending parcels locally and to the UK and increased compensation availability in the event of damage or loss. These changes were well received by our customers
- Successful implementation of 26 electric vehicles, a key part of our five-year Fleet Strategy
- Used our parcel and letter automation machinery as efficiently as we can, using the data to assist with operational planning and invoicing and to reduce the volume of processing non-automated items
- Replaced PDAs (handheld devices used for tracking and signature on delivery) for all delivery staff and moved to one of the postal industry's leading suppliers
- Focussed on Mails management information and by refining operational processes and strengthening data capture and reporting, we unlocked a range of benefits including increased operational efficiency, better resource utilisation, stronger compliance and financial oversight and expanded capacity to meet growing demands
- Undertaken some building work at the rear of Postal Headquarters to increase capacity in light of the increased number of trailers following the removal of the mail plane, and to prepare for further electric vehicle infrastructure
- Further enhanced tracking capacity for delivery partners and customers
- Reduced customer calls via improved web content/website and phone messaging triage system, the procurement and launch of a new corporate website will greatly assist with this, with continued focus on reducing customer complaints

Future Focus Areas >>>>>>

- Seek to continue to make year-on-year fleet efficiencies, including an expanding number of electric vehicles
- Seek options to upgrade or replace letter sorting machine which is reaching its end of life
- Seek to improve use of route planning software
- Improved PDA mobile device management system including live tracking for customers
- Letter pricing strategy and ongoing review of product and service changes
- Creation of a Customer Strategy – looking forward five years and anticipate developing customer needs, ensuring the business invests in suitable underlying technology and solutions to meet developing customer needs
- Improve customer counter at Postal Headquarters including self-service options
- Review of postbox times/frequency of collection
- Continued development of Online Postage
- Seek to explore customer improvements to online services including online accounts
- Explore ways Artificial Intelligence (AI) could enhance the customer service experience
- Create plan for the introduction of EV infrastructure at all delivery office sites
- Use of new HR training portal / training needs identified & CPD undertaken
- Undertake a comprehensive upgrade of our Management Information System. By modernising how we use data, we're unlocking clearer accountability, faster decision-making, and sharper strategic insight giving our teams the tools to spot opportunities, respond with agility, and drive meaningful impact

Our Retail Division

19 post office counters
2 postal only outlets
8 kiosks

Island-wide



Customers can visit iompost.com to change the parcel pick-up point of their parcel to a convenient place of their choice with **14 locations across the Island** to choose from



Total transaction volume decline in the last five years.

43%



Counter services provided on behalf of the Isle of Man Government for Treasury welfare payments will end at the end of December 2025 and the Department for Infrastructure for vehicle and driving licencing by the end of March 2026



We have started to **introduce postal-only sites** with independent retailers which have enhanced customer opening hours, providing improved convenience

24/7 access to postal services with our Online Postage service





<<<<<< Past Focus Areas

- Continued work to transition the retail network in anticipation of the cessation of counter services provided for Treasury and the Department of Infrastructure (DoI), and the impact on our service offering as we necessarily evolve to providing only postal service in communities across the Island
- Discussions held with independent retailers of postal services in light of the impact on their businesses from the anticipated cessation of counter services for Treasury and DoI, which represent over 70% of non-postal transactions at sub-Post Office counters
- Continued to offer the ability for customers to use the QR scanners for returns, a popular service especially in light of increased parcel deliveries
- Reviewed our community postal service offering, including our self-service facilities

Future Focus Areas >>>>>>

- Our recognisable Post Office sign will continue to hang proudly in many retail locations across the Island – a symbol of trusted service and community connection for more than 50 years
- Work on a new point of sale and /or self-serve option for the retail network
- Creation of a Customer Strategy – looking forward five years and anticipate developing customer needs, ensuring the business invests in suitable underlying technology and solutions to meet developing customer needs
- Assist independent retailers wishing to transition to a postal-only counter service



Our Business Solutions Division

Work though
this division creates
**postage revenue
by keeping
mailing
activities
on-Island**



Business Solutions provides
**support to both
on and off-Island
businesses**



**We provide an
entire '360' solution**

(mail production, franking, mail
opening, scanning, data capture
and business collections etc)



**Business Solutions prides itself
on its ISO 9001 and 27001
certifications**

<<<<<< Past Focus Areas

- Commercial Priorities - Revenue down on prior year (1%) but up on Plan. The contribution was ahead of both Plan and prior year
- Undertook an annual review to consider opportunities for restructuring to improve efficiency
- Implemented production and stock management for small posts
- Continued implementation of ISO27001 and 9001 standards to remain compliant and maintain certifications
- Led on operational implementation for e-commerce initiative in conjunction with Stamps and Coins and Change Delivery

Future Focus Areas >>>>>>

- Successfully complete our ISO 9001 and 27001 surveillance audit
- Implement SAP (Business by Design) for processing sales, procurement, supply chain, and workflow management
- Continue to provide an excellent service to both current and new customers
- Identify opportunities to improve efficiency





Our Stamps & Coins Division



We produce and assemble a select range of value-added products such as the **year collections, presentation packs and first day covers**



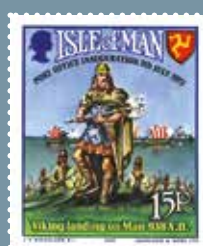
It is our pleasure to work with the Isle of Man Treasury as a **trusted supplier of Coins & Banknotes** to a growing number of collectors worldwide



The number of regular customers continues to fall

Approx. **15** stamp issues produced each year

Since gaining postal independence, our focus has always been on **delivering the highest quality service to our collectors**



Stamps & Coins takes great pleasure in featuring the work of an eclectic mix of very talented Island based people working in the creative industry. We look forward to expanding that further in 2026 in support of the gov.im initiative

“The Year of the Manx Language”



The Isle of Man has been home to many notable figures in the arts, literature, and sciences. Its natural beauty shines year-round, sporting talent thrives, enterprise is encouraged, and individual achievements often surpass expectations for a nation of its size. This rich diversity and spirit are proudly reflected in our internationally recognised stamp collections.



<<<<<< Past Focus Areas

- Produced a varied issue programme to include key events such as the planned 2025 Archibald Knox exhibition in conjunction with Manx National Heritage and the Knox Forum
- Successfully launched a new Stamps and Coins e-commerce website
- Raised awareness of Isle of Man Banknotes to increase sales and awareness of our unique identity ahead of likely new designs for His Majesty the King
- Built on our relationships within Isle of Man Government and reached out on-Island and internationally to raise awareness of our division and made available the Stamps and Coins corporate archive of our history since 1973

Future Focus Areas >>>>>>

- To develop a new operating model best suited to meet the needs of our industry through to 2028
- To build on our trusted status as a preferred partner to the following; Tristan Da Cunha, Falkland Islands, South Georgia, British Antarctic Territory and Ascension Island in respect of Stamps and ancillary sales
- To place, wherever possible and practical, work with Isle of Man based suppliers and creatives
- To actively support the gov.im initiative "The Year of the Manx Language" in 2026
- To work with gov.im and the private sector to tell "Our Story of Mann" through stamps to raise awareness of the visual power and messaging our designs say about the Isle of Man



11. Eco-Friendly Operations, Locally Delivered

At Isle of Man Post Office, we recognise that businesses everywhere have a crucial responsibility in driving environmental sustainability. Over recent years, we've taken meaningful steps to embed eco-conscious thinking into the heart of our operations. Rather than relying on grand gestures, we've focused on implementing a series of thoughtful, incremental changes that collectively make a significant impact. Environmental considerations are now a standard part of our decision-making process, particularly in procurement and Change Delivery, where sustainability credentials are carefully evaluated.

As part of our ongoing commitment to environmental sustainability, we have made significant strides in reducing our carbon footprint by advancing the electrification of our vehicle fleet. This transition not only supports cleaner transport but also aligns with our broader goal of becoming a more energy-efficient business. In parallel, we are progressing the tender process for the installation of solar panels at Postal Headquarters, a key step toward generating renewable energy on-site and reducing our reliance on traditional power sources. We are excited to get these installed so we can start realising the many benefits this investment will bring, both for our business and the broader community.



An illustration of the solar panels to be installed at Postal Headquarters, Douglas

Additionally, we are expanding our electric vehicle charging infrastructure, making it easier to support our growing fleet of electric vehicles and encouraging greener practices

across our operations. Together, these initiatives mark a meaningful shift in how we operate, demonstrating our commitment to innovation, sustainability and long-term environmental responsibility.

We continue to submit our annual Public Sector Climate Change Reporting Form. This process not only holds us accountable, but provides a valuable opportunity for us to track and reflect on the progress we're making. We are encouraged to see measurable reductions in our environmental impact year on year, clear evidence that our sustainability initiatives are delivering real results. We saw a notable reduction in emissions for scopes 1 and 2 in 2024/25 of 8.3%, compared to 6% in the previous period. This significant difference reaffirms our improvements and our determination to keep driving positive change to play our part in supporting the Island's climate goals. Our final-mile delivery network is the most visible part of our carbon and air pollutant footprint.

We have continued to invest in electric vans and now have 45 in our fleet, this is a key part of our 5-year Fleet Strategy. While electric vans deliver significant emission reductions, they also provide a great return on investment. They are also much quieter than their diesel equivalents and

help to reduce noise pollution, which is particularly beneficial in urban areas.

By the end of March 2026, we aim to increase our number of electric vehicles from 45 to between 65-70, marking a significant milestone in the road to our target to achieve a 100% zero emission final mile by 2028. This transformation is a key part of our sustainability journey

which also includes ongoing recycling and waste reduction initiatives and smarter, more sustainable use of energy across our estate.



12. Financial Summary

Isle of Man Post Office			
	2025-26 Pink Book	2025-26 Expected	Comments
INCOME	£'000	£'000	
Operating Income	20,965	22,285	Higher sales now expected due to higher actual and expected parcel volume to the year end.
Non-Trading Income	915	854	Interest income pared back due to actual and expected reductions in interest rates.
TOTAL INCOME	21,880	23,139	
EXPENDITURE			
Employee Costs	(10,790)	(11,049)	Revised in line with pay award assumptions.
Infrastructure Costs	(796)	(972)	Increase in variable costs to service higher sales forecast.
Transport Costs	(2,344)	(2,345)	No material variance.
Supplies & Services	(5,159)	(5,513)	Increase in variable costs to service higher sales forecast.
TOTAL EXPENDITURE	(19,089)	(19,879)	
Exceptional Items	(525)	(324)	Provision adjusted based on updated assumptions.
NET SURPLUS	2,266	2,936	

A levy of £1,000,000 (not included in the above figures) will be paid to Treasury from reserves following completion of the 2025/26 year end.

13. Closing Statements



The Isle of Man Post Office Board and Executive Team. Back row from left: Finance Director Martin Kneale, Chief Executive Simon Kneen. Middle row: Lay Board members Chris Allen and Chris Mitchell, Chief Operating Officer Lisa Duckworth. Front row: Chairman Stu Peters MHK, Vice Chairman Kirstie Morphet MLC and Lay Board member John Hollis.

We are pleased to introduce our fourth delivery plan, reinforcing our ongoing commitment to supporting the Chief Minister's Island Plan priorities.

Our review of 2024/25 brings a strong sense of accomplishment, shaped by both challenges overcome and successes earned. As we look ahead, we are energised by the opportunities before us. With a united and dedicated team across all areas of our business, we are confident in our ability to innovate, collaborate and drive meaningful progress.

Our journey of transformation towards becoming the Island's most trusted delivery partner continues with renewed momentum in 2025/26. This will also be a pivotal year for us as we pursue that vision and navigate the evolution of our retail offering. Our focus remains firmly on innovation, customer satisfaction and operational

excellence - ensuring we meet the evolving needs of our community and deliver lasting value.

Our roadmap through to 2028 sets a clear strategic course for the business, ensuring every team member is aligned with and committed to our vision, mission and values in their daily work. Equally, we remain steadfast in our commitment to delivering a first-class service to our customers, who are at the heart of everything we do.

Driving transformation and modernisation at pace demands that we embrace adaptability, trust our instincts and welcome fresh approaches to how we work. In a fast-changing industry, we see challenges as opportunities and remain confident in our ability to move forward with purpose and resilience and remain profitable.

