

Financial Report of the Board of Trustees of the National Museum of Wales

SECTION 1: PERFORMANCE

Section 1.1 Overview of Performance

During 2021/22 Amgueddfa Cymru – Museum Wales once again successfully responded to the challenges posed by the COVID-19 pandemic and we worked hard to remain an important resource for Wales. We continued to deliver inspiring programmes and experiences virtually and on digital platforms. However, like many organizations in Wales, we were again faced with the unpredictability of the pandemic and resulting restrictions throughout 2021/22. It involved a huge amount of effort to reopen our doors to the public, whilst doing everything possible to keep our staff, volunteers and visitors safe. The return of visitors to all our sites, especially school groups, was much anticipated and warmly received by the public and staff alike. Despite the ongoing restrictions, including on visitor numbers and reduced opening hours, Amgueddfa Cymru welcomed over 674,000 visitors to our museums in 2021/22.

We have developed a new Strategy to 2030, and with it a new brand, to ensure a sustainable future for Amgueddfa Cymru. We have ensured that digital services are central to our work and through these, we have connected with more communities in new and exciting ways.

We are working to make sure that people can see themselves represented in our collections and stories, their wellbeing is supported through our spaces and experiences, and they are given opportunities to learn and create. We will sustain and continue to build connections with people in Wales and across the world.

It is our mission, as Wales emerges from the pandemic, to support the country through the process of healing, renewal and growth. The work we do in protecting nature and the environment will be vital in helping future generations in Wales. We have a responsibility to address the challenges that confront Wales, and to make culture accessible to everyone in Wales.

Some of the issues referred to in our 2020/21 report continued throughout 2021/22 and are explained further in the Annual Governance Statement.

Widening Engagement

We are committed to developing an approach to arts, culture and heritage that actively engages individuals and communities across Wales in deciding what counts as culture, where it happens and who makes and experiences it.

Amgueddfa Cymru has publicly committed to standing up against racism in all its forms by joining Zero Racism Wales. This year we continued to work with community partners and young people to help achieve race equality in Wales by diversifying the national collections, increasing representations and contributing to conversations about decolonization, inequality and racism.

With the Arts Council of Wales we jointly commissioned three reports on Widening Engagement by Re:cognition, who focused on an area of semi-rural poverty, Richie Turner Associates, who focused on deaf and disabled people, and Welsh Arts Anti-Racist Union, who focused on cultural and ethnic diversity. The reports were the result of work commissioned by Amgueddfa Cymru and Arts Council of Wales to explore, through a series of conversations, how we widen engagement with communities we consistently fail to engage in our work. Each of the three reports focused on specific communities.

In partnership with the Arts Council of Wales, and in discussion with Welsh Government, we published our Widening Engagement Action Plan 2022 – 2025 (<https://museum.wales/aims/vision-commitments-and-values/widening-engagement-action-plan/>). As we continue to develop our plans we will take an approach that recognises intersectionality. Our intention is to undertake further work focusing on communities facing disadvantage and, we will seek to take an approach through the plan – and in future widening engagement activities – that recognises the interconnected nature of all those who face discrimination or disadvantage.

Widening and deepening engagement with communities right across Wales is a key objective for both organizations and a central strand within our Strategic Equality Action Plan (<https://museum.wales/about/policy/equality-diversity/>). This focused plan sits within the wider context of our work on equalities.

Putting the Planet First

In 2019, we declared a global climate and ecological emergency. Since then we have embedded our commitment to help safeguard and protect nature through our strategy and yearly plans.

In March 2022, we concluded a carbon audit of Amgueddfa Cymru's estate and organizational activities. This is informing our sustainability management plan and work to decarbonise our buildings and create more sustainable modes of operation. Increased capital funding in 2021/22 from Welsh Government enabled us to take forward work to manage energy consumption and embed a fabric first approach to maintenance and building projects. We continue to work closely with the Welsh Government Energy Service, their renewable development team and other organizations such as WRAP Cymru. We successfully submitted Amgueddfa Cymru's first Net Zero report to Welsh Government in October 2021 in line with its guidance.

We have developed a Land & Nature Recovery Management Plan across our museum sites. This will monitor activity across the delivery of our net zero carbon agenda and climate change readiness, measuring and enhancing biodiversity, corporate policies and initiatives, funding and programming. It includes a programme of Biodiversity Audits across all our museums and the National Collections Centre. In 2021/22 the Biodiversity Action Plans for National Slate Museum and National Museum Cardiff were completed.

We are committed to embedding sustainability throughout our work. A dedicated Sustainability Coordinator was appointed in January 2022. Our Carbon Literacy training scheme has been running throughout 2021/22, enabling staff to better understand the causes of climate change and actively play a part in lowering our carbon footprint. We achieved Bronze Carbon Literate Organisation status, awarded by the Carbon Literacy Trust.

Our programmes have been developed to engage people with the environment, including Gŵyl Fwyd / Digital Food Festival which promoted sustainable food production. The second digital Olion event marked COP26 while Unknown Wales Wildlife Conference was delivered online in partnership with The Wildlife Trust.

Our Response to the Pandemic

Throughout 2020/21 and 2021/22 we have built on our work to develop services in collaboration with our community partners and develop digital technologies to help improve our service during lockdowns and restrictions.

In May 2021 we were able to re-open all our museums sites either fully or on reduced days, retaining a booking system until March 2022 to manage restricted numbers and allow for social distancing. We cautiously restarted some of our physical exhibitions and programmes as well as our volunteering programme. The postponed *Artes Mundi 9* finally opened at National Museum Cardiff where visitors experienced in person the powerful work of six internationally significant artists. The global themes in the exhibition included colonialism, environmental change, legacies of conflict, and ongoing concerns of representation and privilege.

The national COVID-19 restrictions were relaxed to level 1 in July 2021, and then to level 0 in early August, which allowed us to make further extensions to our site openings and expand our physical events.

Over the Summer, Amgueddfa Cymru participated in the Summer of Fun in-person activities for children and young people. Regular digital content was delivered to families under the #MuseumFromHomeActivity strand during the summer holiday as well as through a closed Facebook group for Ty Hafan families. One thousand Creative Packs were delivered to families across Wales through our Community partners and Fusion network. Amgueddfa Cymru was recognised for its *Museum Sleepover: At Home* series of events and awarded Best Kids in Museums Family Friendly Digital Activity.

During the height of the pandemic we looked at new ways to explore the national collection digitally. Valuable learning from this experience is being applied to new initiatives – including the digitisation of our contemporary art collection.

Working in partnership with the Arts Council Wales and Welsh Government, we are creating a new digital resource which will provide a high quality and dynamic entry point to our collection. Key audiences include galleries, artists and curators across Wales, schools and colleges and people wishing to explore contemporary art.

Early discussions with partners and work on a feasibility study to develop the Museum of North Wales began in earnest, given added impetus following the designation of the slate landscape of north west Wales as a UNESCO World Heritage Site in July 2021. During the autumn we ran a community consultation process to involve visitors and community partners in the development of the plans.

The move back to level 2 COVID-19 restrictions towards the end of the year impacted on our visitors and our programmes. We were affected by the hospitality restrictions over Christmas and the New Year which impacted our cafes, catering services and public programmes. We experienced on average 40% of the pre-pandemic visitor numbers in 2021/22.

However we continued to provide opportunities for engagement and our sites remained open with restrictions. Led by Race Council Cymru we opened *Windrush Cymru – Our Voices, Our Stories, Our Histories* in October 2021 at St Fagans. The exhibition travelled across Wales to several Amgueddfa Cymru museums and community venues.

Toward the end of 2021/22 restrictions eased and we were able to re-start some programmes and activities and remove the booking requirement in March 2022. We delivered several further exhibitions including *Ein Lle Ni – Dathlu Blaenau Gwent / Our Place – Celebrating Blaenau Gwent* expressing Blaenau Gwent's heritage, in partnership with the Aberbeeg Community Group, the Open University Wales and Linc Cymru Housing Association.

Throughout 2021/22 we welcomed over 674,000 visitors to our museums. Our visitor surveys showed a high level of satisfaction with the welcome received, the COVID-19 measures put in place and our response to changing restrictions and guidance. Visitors felt safe visiting our museums,

Throughout the pandemic we have continued to engage with young people and adapted our learning programme to create innovative, blended models of working. Our virtual, free-of-charge learning programme for schools drew praise from teachers who highlighted the equity of opportunity provided by the virtual workshop programme.

We were delighted to receive Investors in Volunteering for the third time in January 2022, with praise for our various initiatives to support our volunteers during the pandemic. These included initiatives such as the GRAFT community

garden at the National Waterfront Museum, and the Wallich and Innovate Trust gardens at St Fagans.

Several initiatives we started during the previous year were maintained and further developed. This included Objects of Comfort which continues to support people living with dementia during self-isolation, developed with the Older Person's Commissioner, the Alzheimer's Society, Innovate Trust and the Greater Gwent Health, Social Care and Well-being Partnership. *Cynfas*, our digital arts magazine, continues to encourage conversations about the national art collection, strengthening the sense of shared ownership and reaching out to new communities.

As the year progressed our staff had to adapt to the new challenges and did so with flexibility, professionalism and innovation. We have been operating a blended working approach. Some staff continued working on site looking after the museums, visitors and the collections, while others worked from home in line with Welsh Government guidance, thanks to rapid developments in our ICT systems.

Financial Results for the Year

	2021/22	2020/21
	£	£
Total income	38,300,000	34,364,000
Total expenditure	(38,830,000)	(37,189,000)
Other movements	15,000	580,000
Consolidated net (expenditure)/income	(515,000)	(2,245,000)
Net movement in funds (after all realised and unrealised gains and losses)	6,463,000	(1,598,000)
Total fund balances held in unrestricted and restricted public and private reserves at year end	103,001,000	96,538,000
Fund balances held for unrestricted public purposes at year end (excluding pension reserve)	9,089,000	10,091,000

While our non-government sources of income were again affected by the COVID-19 pandemic throughout the year, these losses were mitigated by funding from the UK government's Coronavirus Job Retention Scheme (CJRS). Overall our net expenditure for the year was £515,000.

The net movement in funds for the year includes £4.0m actuarial gains on the pension scheme, and £3.0m indexation gains on revaluation of land and buildings.

Closures and visitor restrictions for our museums for much of the year due to the COVID-19 pandemic greatly reduced the trading and turnover of our trading

company, NMGW Enterprises Ltd. When our museums were open, the principal activities of the trading company were sales at our retail shops, contract and in-house catering, car parking, image licensing, corporate hire, lettings and filming rights. The company reported losses of £51,000 for 2021/22 (losses of £504,000 for 2020/21). These losses were net of CJRS funding of £33,000 (£429,000 in 2020/21).

Total Funds at 31 March 2022 were £103,101,000, with an analysis provided in note 19 to the accounts. Note 19 shows that, excluding the pension scheme deficit, over 90% of funds are represented by fixed assets. Unrestricted public funds, excluding the pension scheme deficit, were £9.1m, of which £3.3m is represented by fixed assets. The remaining unrestricted public funds of £5.8m are allocated to meeting funding shortfalls and future commitments. There is more information in the Policy on Reserves section.

Aims and Objectives

Our vision is to be an organization that is Inspiring People, Changing Lives. We are moving away from the twentieth-century model of a museum as a holder of objects that operates only within its own walls, towards a new model that ensures that culture is accessible, relevant and engaging to communities across Wales.

This vision is at the heart of our new Strategy to 2030, which sets out how we continue to be a vital part of Wales's cultural infrastructure, crucial for the process of national healing and renewal. It includes 6 Commitments and 9 Enablers that encompass our work.

Our 6 Commitments until 2030 bring to life our ambitions, and how we plan to achieve them.

We'll work with people and communities across Wales, through collections, public programmes and partnerships, to:

1. Cynrychioli pawb / Make sure that everyone is represented
2. Ysbrydoli creadigrwydd a dysgu am oes / Inspire creativity and learning for life
3. Diogelu ac adfer natur a'r amgylchedd / Help protect and restore nature and our environment
4. Cefnogi lles trwy lefydd a phrofiadau sy'n ysbrydoli / Support well-being through inspirational spaces and experiences
5. Darganfod yr amgueddfa yn ddigidol / Discover and explore the museum digitally
6. Creu cysylltiadau ar draws y byd / Build global connections

To achieve these ambitious commitments our plans will be supported by 9 Enablers or ways of working. They are:

- Sustainability
- Income generation
- Research and evaluation
- Developing our people
- Good governance, shared decision making
- The Welsh language
- Clear, recognised brand
- Facilities that are fit for purpose
- Safe working

Our vision, strategy and its commitments, are mapped to the seven well-being national goals set out in the Well-being of Future Generations (Wales) Act 2015. We regularly report to the Future Generations Commissioner on our progress against the Act's goals.

Our work over the next five years also clearly aligns to the Term of Government Remit Letter for Amgueddfa Cymru.

Statutory Background and Stakeholder Engagement

The National Museum of Wales was established by Royal Charter in 1907 and continues to be registered as a legal entity and charity under this name (Royal Charter No. RC000369, Charity No. 525774, VAT No. GB 783 4541 10). The organization is now known as Amgueddfa Cymru – Museum Wales, or simply Amgueddfa Cymru.

An independent registered charity, Amgueddfa Cymru receives its core funding through grant-in-aid from the Welsh Government as a Welsh Government Sponsored Body.

Our core objective, set out in the Royal Charter, is 'the advancement of the education of the public' involving developing, caring for, studying and sustaining access to collections for the benefit of society in perpetuity. The Charter (1907, revised 1991 and 2006) states that this is to be achieved:

- (i) primarily, by the comprehensive representation of science, art, industry, history and culture of, or relevant to, Wales, and
- (ii) generally, by the collection, recording, preservation, elucidation and presentation of objects and things and associated knowledge, whether connected or not with Wales, which are calculated to further the enhancement of understanding and the promotion of research.

We continued to implement our Consultation Scheme and Policy which set out the values, principles and key participatory techniques in relation to our main consultative activities.

Amgueddfa Cymru's Locations

In 2021/22 we directly operated seven museums across Wales:

National Museum Cardiff, Cathays Park, Cardiff

National Museum Cardiff is unique among the UK's national museums in its range of internationally significant Art collections including contemporary, historical and Welsh art, and Natural Science displays. In 2021 National Museum Cardiff was voted the 6th most popular museum in the UK by Which? Magazine.

St Fagans National Museum of History, St Fagans, Cardiff

One of Europe's leading open-air museums, St Fagans is part of our group of five social and industrial history museums. Visitors can explore and enjoy over 2,000 years of history in over forty re-erected period buildings that have been collected from all over Wales. In 2019 St Fagans National Museum of History won the prestigious Art Fund Museum of the Year award. It was named the UK's most popular museum by Which? Magazine in 2021.

Big Pit National Coal Museum, Blaenafon, Torfaen

Part of the World Heritage Site at Blaenafon and the European Route of industrial Heritage, Big Pit is a complete former working coalmine. Guided by ex-miners and those trained subsequently, its underground tours descend over 90 metres to the very depths of the mine. They welcomed back visitors in August 2021, having been closed during 2020/21 due to COVID-19 restrictions.

The National Roman Legion Museum, Caerleon, Newport

The National Roman Legion Museum has been displaying a rich collection of Roman finds for over 150 years. These include sculptures, tombstones, a labyrinth mosaic, military equipment, pottery, glass and jewellery.

The National Slate Museum, Llanberis, Gwynedd

The story of slate unfolds in the original Dinorwig Quarry workshops. As well as the foundry, forges, sheds and the largest working waterwheel on mainland Britain, visitors can see skilled craftsmen splitting and dressing slate by hand. The museum was a key partner in the recent successful bid by the slate landscape of north west Wales for UNESCO World Heritage Site status.

The National Wool Museum, Dre-fach Felindre, Carmarthenshire

In the heart of the west-Wales countryside, this museum tells the story of the forty mills once clustered around Dre-fach Felindre. Cambrian Mills – the only mill still in continuous operation – now houses the museum.

The National Waterfront Museum, Maritime Quarter, Swansea

The National Waterfront Museum is housed in a listed waterfront warehouse linked to an ultra-modern slate and glass building in Swansea's Maritime Quarter. Visitors can explore the extraordinary story of industry and innovation in Wales. The museum has a growing reputation for civic and community engagement and was nominated as the UK's first Museum of Sanctuary in 2018.

We also have a National Collections Centre in Nantgarw, Rhondda Cynon Taf, open to the public by appointment.

In addition, we have formal partnership arrangements with local organizations across Wales including Pembrokeshire Coast National Park Authority and Wrexham County Borough Council.

Section 1.2 Performance Analysis

Performance Indicators

Due to the COVID-19 pandemic and the temporary closures of and restrictions on our museums we had to review our measures for performance. The move in and out of restrictions through the year has meant we have had to evaluate our performance in response to this challenge. We have however continued to monitor all key areas of our work and have also focused on how we can play a key part in supporting communities and people across Wales. We have developed our digital offer by engaging with audiences online.

Key Performance Indicator	2020/21 target	2020/21 out-turn	2021/22 target	2021/22 out-turn
Number of visits	90,000	64,492	672,000	674,814
Number of website visits	1,600,000	1,326,635	1,750,000	2,241,982
Number of formal education visits	15,000	54,845*	70,000	122,707*
Volunteer hours	2,500	11,113	15,000	23,138
Total net income from research and charging, trading company profits and recharges, and unrestricted revenue fundraising	£1,800,000**	£1,850,000**	£1,640,000**	£1,377,000**

* Includes participation in virtual classrooms and downloads of resources

** Includes income from CJRS funding for staff on furlough, which was capped at losses on non-Grant-in-Aid income for the year

We exceeded our 2021/22 targets for key performance indicators with the exception of net income, where museum closures and restrictions on visitor numbers had a significant impact on our trading income and profits.

Capital Investment

Underpinning the delivery of our vision, a programme of capital works continues, funded by Welsh Government grant-in-aid. In 2021/22 this again focused on progressing the essential maintenance works plan and accelerating our digital programme. Due to the roof fire at National Museum Cardiff in April 2021 and the main contractor going into administration, a second tranche of major roof works commenced during the year with a separate contractor and are now largely completed. The new accessible walkway was also started during the financial year and is now in place, making a significant difference to access. Other projects at National Museum Cardiff, including lift replacement, ventilation works and ICT server room upgrade, were all completed. Other completed projects in the year included replacement of plant across sites including boilers, chillers and farm equipment; purchase of ICT hardware and audio-visual equipment; and updating various commercial outlets. Various digital projects were progressed. Investment was made in the planning and implementing for the decarbonisation of Amgueddfa Cymru, with a number of projects completed and also identified for future implementation. The initial phase of the Museum of North Wales development project continued, including surveys and planning consultancy. While increased grant-in-aid for the five years to 2021/22 represents total capital investment of £16m, over £50m of preventative and backlog maintenance has been identified as essential over the next 10 years.

Working in Partnership

We have continued to work with partners throughout Wales and beyond to show the national collections in a variety of venues including museums, galleries, visitor centres and heritage sites, and to share skills and expertise across the sector.

We collaborate with over 200 local and national partners to deliver exhibitions, events and learning programmes. Our partnership with the Pembrokeshire National Park Authority has continued, with the *Tir/Môr: Land/Sea* exhibition opening at Oriel y Parc in July 2021, and work completed on installing the next exhibition *Ar Eich Stepen Drws / On Your Doorstep*.

We have also developed strategic international partnerships throughout the year. We are proud to continue our long-standing relationship with Japan, and this year signed an MOU with the Oita Prefectural Art Museum. We have developed relationships with Für Natur in Berlin and museums in Africa, National Museum of Ireland, and museum leaders in the Americas.

We have met with other international partners to plan the Cultural Rights, Cultural Democracy Programme in Caernarfon in June 2022. Cultural specialists on traditional cultures and indigenous rights will contribute to the programme.

Culture plays a vital role in the Welsh economy, attracting millions of visitors to Wales. Working with the Welsh Government and other key national partners we

are committed to raising Wales' profile internationally as a culturally rich destination.

Specimen Acquisition

In February 2022 we received a key item linked to the Aberfan disaster into our collection. A small clock that is stopped at 9.13am, the moment the primary school was engulfed, was donated by Mike Flynn and is now displayed at St Fagans National Museum of History in the 'Wales Is' Gallery. Prior to this the clock was kept safe at his family home. Mike Flynn's father was a postman who was also a paramedic in the Territorial Army and attended the scene on 21st October 1966.

As the work on reconstruction of the Vulcan Hotel continues at St Fagans, we have been fortunate to secure a number of important items relating to the building. These include historic architectural drawings from 1914; the original external hanging sign which was collected prior to dismantling the building in 2012; and a photograph of Llewelyn and Maggie Jones, early landlords of The Vulcan Hotel, taken in 1941. We have also collected other items relating to landlords and visitors to the pub, and these will help us narrate the rich histories associated with the Vulcan.

Throughout the year, we have been actively developing our LGTBQ+ collections and have acquired a wide range of material including badges from the Lesbians and Gays Support the Miners movement 1984/85 and items from Pride celebrations across Wales

We have been fortunate to receive the original eight page handwritten speech, given by the Right Reverend June Osborne, Bishop of Llandaff at the meeting of the Governing Body of the Church in Wales at the International Convention Centre, Newport, on Monday 6 September 2021. At this meeting the Church in Wales passed a Bill that will allow same-sex couples to have their civil partnership or marriage blessed in church by the Anglican Church in Wales. The Bill was introduced by the Bishop of St Asaph, Gregory Cameron, and seconded by the Bishop of Llandaff, June Osborne.

We acquired Paul Davies' Welsh Not (love Spoon) through our Specimen Acquisition Grant. This iconic work of Welsh modern/contemporary art, made from a railway sleeper, was first shown at the 1977 Wrexham Eisteddfod Genedlaethol. Paul was a member of the influential Beca artist collective, which brought a new national consciousness to 20th Century art in Wales.

Research Activity

Applications for 25,000 Euros to the TEFAF Museum Restoration Fund and to Finnis Scott Foundation were successful. This will allow us to undertake detailed technical examination and conservation of the recently acquired Manet painting (Portrait de Monsieur Jules Dejouy). The funding also facilitated the appointment of a trainee position in painting conservation. The Friends of National Museum Wales also committed £5,000 to fund the project, as well as £500 from an individual donor.

We have been further developing our doctoral training programme. Following the Review Panel in January 2022, we have selected three PhD proposals to go forward in 2022 and one in 2023 with funding from UK Research & Innovation's Collective Doctoral Partnerships. We have appointed a candidate for a PhD in collaboration with the Open University via the Arts and Humanities Research Council's Open Oxford, Cambridge Doctoral Training Partnership. A proposal for a further 3-month placement funded by the ESRC Wales Doctoral Training Partnership, to conduct analysis on the Collecting Covid data, is also under development.

Learning

In 2021/22 we engaged with 122,707 school pupils, in person and online, through our formal learning programmes and resources. Our programmes for schools are now delivered both virtually and in person at all our museums. We continue to work with the School Consortia to develop workshops and resources for the new curriculum and launched the Welsh history book '*Seren a Sbarc a'r Pei(riant) Amser*', with Siarter Iaith characters at St Fagans. Funded by Welsh Government and produced in partnership with Amgueddfa Cymru the content focuses on Seren and Sbarc learning about Welsh history by visiting Amgueddfa Cymru museums.

Virtual workshops reflecting the collections across all our Museums were promoted through Gŵyl Hanes Cymru i Blant. New virtual sessions include a programme of activities and digital resources linked to the *Windrush Cymru – Our Voices, Our Stories, Our Histories* project delivered to schools in partnership with Race Council Cymru. New e-books published for schools in partnership with National Library Wales, Cadw and the Royal Commission included 'Campaigning and Protest'.

In partnership with Adult Learning Wales, new English for Speakers of Other Languages (ESOL) resources have been completed. We are also working with the Asylum, Migration and Integration Fund (AMIF) to develop and deliver programmes for ESOL learners.

Youth-led Initiatives

The Winter of Wellbeing (WOW) programme was delivered by Amgueddfa Cymru and the Federation of Museums and Art Galleries of Wales (FED), with multiple delivery partners across Wales. This programme was funded by the Welsh Government as part of a national funding package to support families and young people to recover from the COVID-19 pandemic. The programme was delivered over the winter months and included a Festival of performances and activities during February half-term and community-based projects delivered by young people. Programmes were delivered in-person in 65 venues, with a further 20 digital programmes and a network of over 80 partners distributed creative wellbeing packs to 7,500 families and young people facing the greatest disadvantages. Young people provided over 600 hours of volunteering and paid placements supported 142 young people aged 16-25.

Amgueddfa Cymru Producers are a group of independent young people aged 18-25, from diverse backgrounds, who are paid to act as agents of change. They work with departments to develop policies and deliver programmes, ensuring that youth engagement is at the heart of everything we do. They also lead @BloeddAC Instagram account.

Amgueddfa Cymru is one of twelve UK organizations involved in the initiative Kick the Dust, supported by the National Lottery Heritage Fund. The aim is to make heritage relevant to the lives of young people aged 11-25. We worked with the Amgueddfa Cymru Producers and Children in Wales, Promo Cymru, Barnardo's, Llamau, Jukebox Collective and the Sub-Sahara Advisory Panel on various activities, including *Yfory drwy lygaid Ddoe / The Future has a Past* exhibition at St Fagans, re-framing Picton project at National Museum Cardiff and *Trawsnewid* exhibition at National Waterfront Museum Swansea to mark Swansea Pride and celebrate Welsh LGBTQ+ history, culture and artwork.

Exhibitions

The exhibitions *Becoming Richard Burton* and *Artes Mundi 9* re-opened in May at National Museum Cardiff following the easing of restrictions, and *Yfory Drwy Lygaid Ddoe / The Future has a Past* opened at St Fagans in June. Towards the end of 2021 further exhibitions opened, such as *Rules of Art* and *Swaps from the David Hurn Collection* at NMC, and *Exhibition of Hope* at NWM. *Windrush Cymru – Our Voices, Our Stories, Our History*, led by Race Council Cymru, opened at St Fagans. Members of the Windrush Elders, the First Minister, Deputy Minister for Arts and Sports and other Cabinet members attended the launch event. The exhibition has since toured to other Amgueddfa Cymru museums including NWM, NWMS, NSM and Big Pit. At Oriel y Parc *Tir/Môr Land/Sea* closed in February 2022 and *On Your Doorstep: Nature, Geology and Archaeology in Wales* opened in March 2022 with a focus on community/citizen interactions with their local history and environment.

We delivered several community exhibitions including *Ein Lle Ni – Dathlu Blaenau Gwent / Our Place – Celebrating Blaenau Gwent* expressing Blaenau Gwent's

heritage, in partnership with the Aberbeeg Community Group, the Open University Wales and Linc Cymru Housing Association. *The Red Dress* also opened at NWMS, providing an artistic platform for women around the world to tell their personal stories through embroidery.

Community and pop up displays developed during the year include: *Wales Is... Urdd 100* to celebrate 100 years of Urdd Gobaith Cymru opened in January 2022; *Wales is ...Aberfan* to display the recently acquired Aberfan clock opened in February 2022; and a *Black Lives Matter* display to display the lived experience of some prominent Black Lives Matter campaigners opened in March 2022. The display features placards collected from Black Lives Matter protests in Wales in 2020.

Fundraising

The impact of the coronavirus pandemic continued to be significant for our fundraising activities with the necessary safety measures impacting visitor numbers (reduced by circa 60% of pre COVID-19 levels) and a significant reduction of in-person experiences and activities. However, we achieved a high level of success when fundraising through trusts, foundations, lottery and grant providers and individual supporters, raising £1.3m in 2021/22. We also received £15,000 of donated heritage assets and a number of government grants.

Significant gifts were received from the Paul Hamlyn Foundation, players of People's Postcode Lottery, National Lottery Heritage Fund, and Welsh Government through the Regional Tourism Engagement Fund. Grants also received from The Esmée Fairbairn Collections Fund - delivered by the Museums Association, The Ashley Family Foundation – administered by Community Foundation Wales, and WCVA: Landfill Disposals Tax Communities scheme grant, amongst others. We were also pleased to secure funds from new trusts and foundations to support our work and were successful in our funding application to National Lottery Community Fund, People and Places 3, to scale up our dementia engagement programme across Wales, in partnership with the Alzheimer's Society.

We continued to maintain regular communications to support our retention levels with individual supporters, resulting in excellent retention of our Patron members and Circle Supporters and also welcomed new Amgueddfa Cymru Members throughout the year. Covid-compliant events and experiences such as in-person behind the scenes tours, curator talks and a festive event, helped secure new individual supporters through our giving circles and Patrons schemes.

During the year, our fundraising activities were undertaken in-house, by our Development Department and we did not contract out any fundraising activities to third party agencies or undertake any direct marketing activity. We continue to be members of the Fundraising Regulator and we abided by the code of fundraising practice as set out by the Regulator. We did not receive any complaints in respect of our fundraising activities.

Volunteering

In 2021/22 Amgueddfa Cymru supported 579 volunteers who donated 23,138 hours of their time to our museums.

In January 2022 we were awarded Investors in Volunteering for the third time. The assessment affirmed that there were no recommendations for improvements. We were especially commended for maintaining regular contact with volunteers throughout the pandemic.

In-person volunteering programmes have now resumed and new opportunities developed include garden volunteering at NMC and piloting e-volunteering. We have also actively recruited new volunteers and placements with an increase in volunteers who identify as ethnically and culturally diverse.

Sustainability Report

This report has been compiled in accordance with the guidelines laid down by HM Treasury in *Public Sector Annual Reports: Sustainability Reporting Guidance*.

We aim to create sustainable museums by developing sustainable practice in the operation of our seven museums and collections centre, through our procurement and ways of working, and by promoting sustainable practice through our exhibitions, events and learning programmes, for example helping schools promote Education for Sustainable Development through the SCAN project. We work closely with partners such as the Welsh Energy Service, WRAP, Carbon Literacy Trust, Cynnal Cymru and Sustrans.

In addition, much of our core research is aimed at improving understanding of both the natural and cultural environment, for example climate change research.

We appointed a dedicated Sustainability Coordinator in January 2022 who works with a cross departmental Sustainability Compliance Group to drive forward a strategic and integrated approach to sustainability across all areas of our work. In addition a Sustainable Management Forum meets quarterly, open to staff representing all areas of museum business who also champion and disseminate sustainability targets across their teams.

More information on how we are creating sustainable museums, including our Environmental Statement, can be found at <https://museum.wales/sustainability/>.

Performance

Conserving the nation's treasures and opening our doors to over 1.8 million visitors in a normal year uses a lot of energy. Our Energy Policy has been adopted as a major step towards improving energy efficiency, and to demonstrate our support for a reduction in greenhouse gas emissions. We participated in the CRC Energy Efficiency Scheme until it closed down following the 2018/2019

compliance year, and we continue to follow its reporting and monitoring requirements as a matter of best practice.

Our museums were open to visitors, with restricted numbers, for most of 2021/22 following being closed for most of 2020/21. Therefore, as expected energy, waste and water consumption have all increased compared to the previous year but remain lower than in years prior to the COVID-19 pandemic. It should also be noted that throughout 2020/21 all of our sites remained open for essential staff access, and appropriate environments for our collections in our galleries and storage areas had to be maintained, which limited the reductions in energy and water consumption last year.

In 2021/22 electricity consumption has increased by 24%, and gas consumption (including LPG) decreased by 8%. Total purchased energy across all sites has therefore increased by 3% compared with 2020/21. Waste has increased by 89% and water consumption by 15%. Compared with 2019/20, when museums were fully open without restrictions, total purchased energy consumption was 9% lower, waste 33% lower, and water consumption 4% lower.

The tables below provide detailed financial and non-financial information on greenhouse gas emissions, waste and finite resource (water) consumption. The greenhouse gas scope 1 and scope 2 emissions data has been obtained from our CRC database, scope 3 emissions data has been calculated using annual mileage figures provided by our hire car supplier, the waste data is collated from individual site waste reports and water consumption data is extracted from billing information.

Greenhouse Gas Emissions		2021/22	2020/21	2019/20	2018/19	2017/18
Non-financial indicators (tCO ₂)	Scope 1 (Direct) Emissions - gas	1,348	1,462	1,621	1,014	1,464
	Scope 2 (Indirect) Emissions – purchased electricity	1,104	975	1,259	1,582	2,116
	Scope 3 (Business travel) Emissions	8	1	24	25	26
	Total	2,460	2,438	2,904	2,621	3,606
Related energy consumption (kWh'000)	Gas	7,335	7,952	8,771	5,164	7,951
	Electricity	4,827	3,887	4,574	5,190	5,548
	Total	12,163	11,839	13,345	10,654	13,499
Financial indicators (£)	Gas	177,684	201,843	213,582	216,754	204,745
	Electricity	686,640	491,828	666,208	647,989	596,914
	CRC administration fee	0	0	0	1,290	1,290
	Official Business Travel	53,811	30,386	181,993	161,771	156,312
	Total	918,135	724,057	1,061,783	1,027,804	959,261
		Targets and Performance				
		<p>Our Environmental Statement sets a target to reduce CO₂ produced by energy and transportation usage by 2% per annum. Whilst there was a slight increase in CO₂ emissions for purchased energy compared to 2020/21, this was expected due to our museums being closed to visitors for much 2020/21. Compared with 2019/20, when museums were fully open without restrictions, the decrease in CO₂ equates to 15%.</p> <p>Electricity consumption saw an increase of 24% compared with 2020/21, as expected due to our museums being re-opened for visitors. However, gas consumption continued to fall, by 8%, in part due to new energy efficient boilers at National Museum Cardiff which were installed last year to contribute to longer-term reduction of energy consumption.</p> <p>As we continue to encourage sustainable travel modes for visitors and staff, we have seen a further decrease of car hire CO₂ compared to pre-pandemic levels, following a fall of over 30% in the 5 years to 2019/20. Increasing remote working capabilities across all sites, thereby reducing travel requirements, is a significant factor in this.</p>				

Waste		2021/22	2020/21	2019/20	2018/19	2017/18
Non-financial indicators (tonnes)	Hazardous waste	0.0	0.0	0.5	0.3	0.
	Non-hazardous waste:					
	- Landfill	846.1	311.6	1,218.1	1,262.6	1,123.
	- Reused/Recycled	1,263.7	807.4	1,911.6	1,948.6	1,773.
	- Incinerated	27.2	8.7	37.5	43.9	41.
	Total waste	2,137.0	1,127.8	3,167.7	3,255.3	2,938.
Financial indicators (£)	Total disposal cost	59,789	31,084	57,619	56,923	51,64
Targets and Performance						
We actively encourage the minimisation of waste through increased recycling and promotion of re-use and reduction across all our museums. Although there was an 89% increase in overall waste in 2021/22, including a 171% increase in landfill, both remain significantly lower than in 2019/20.						

Finite Resource Consumption		2021/22	2020/21	2019/20	2018/19	2017/18
Non-financial indicators ('000m ³)	Total Water consumption	22,572	19,601	23,444	23,463	28,786
Financial indicators (£)	Total Water supply costs	60,939	45,427	67,067	79,828	89,705
Targets and Performance						
In 2021/22 water consumption increased by 15% compared with the previous year, expected with the re-opening of our museums, but remains slightly lower than in 2019/20.						

Future strategy

Our Strategy to 2030 gives prominence to developing and promoting sustainable practice, and to addressing climate change and the biodiversity emergency. With this strategic commitment the momentum of 2021/22 can be built on in line with our operational plan for 2022/23. The new Sustainability Management Plan is aligned with our remit letter, the Amgueddfa Cymru 2030 commitments and the Welsh Government's Programme for Wales targets.

In 2022/23 we will build on progress already achieved in reducing greenhouse gas emissions, waste and water consumption. While there may be slight increases following a full year with our museums re-opened to visitors, the momentum must be continued to achieve the museum's ambition to be Carbon Neutral by 2030. The Sustainable Management Forum will continue to explore further energy saving works across our museums.

The Carbon Literacy training developed in 2020/21, and accredited by the Carbon Trust, has now been passed by 242 staff members with many more in the process of completing. This training will be developed onto an online learning platform during 2022/23 to enable even more staff to undertake this training and make their pledges. It is hoped that we will then achieve gold level status.

Building on our response to the COVID-19 pandemic, and our increased capacity for remote working, we will reduce staff travel in the long term not just in the immediate future.

Biodiversity

We have Biodiversity Action Plans for each of our sites, aiming to protect, conserve, enhance and restore the diverse natural flora and fauna of all sites. Biodiversity audits have been carried out at all sites, providing information to assist decision making and effective conservation effort and which will inform the biodiversity action plans and also land management.

At National Museum Cardiff, our natural history research will continue to make a significant contribution to contemporary debates relating to sustainability, climate change and the loss of biodiversity. We have engaged with Plantlife to deliver an urban meadow at National Museum Cardiff as well identify future opportunities for us to explore.

Sustainable Procurement

We have adopted a Sustainable Development Procurement Policy & Action Plan. This addresses the whole-life costs and impacts of products and services, and the evaluation of the environmental performance of our suppliers and contractors.

We will also be working with WRAP Cymru in 2022/23 to review our sustainable procurement maturity as well as identify areas for improvement and recommended actions across six key themes; policy and strategy, leadership and culture, processes, capabilities, supply chain, and measurement.

Governance

We have adopted an environmental management system, achieved through BS8555, and developed a core of policies aimed at embedding sustainable development into operations, including:

- the SEREN Environmental Standard BS8555 – we are accredited with Phase 3 of this Standard across the organization
- a Sustainable Procurement Policy & Action Plan
- an Energy Policy

Our sustainability practices, processes and achievements are subject to external assessment under BS8555 and under the Government's Carbon Reduction Commitment. They are also included in the overall framework of internal control, described in more detail in the Governance Statement, which can be found in this Report.

Valuation of Fixed Assets

Our accounting policy on the valuation of Fixed Assets requires property assets to be professionally revalued every five years. Other assets, including heritage assets and those under the broader headings of plant, vehicles or other fixtures and fittings, are not subject to this quinquennial revaluation exercise. The accounting policy also provides for those assets that have been professionally revalued to be adjusted by the use of indices in the intervening years between the quinquennial professional revaluations.

Property-related assets were last professionally revalued at 31 March 2021.

Heritage assets acquired before 1 April 2001 have not been capitalised, and heritage assets purchased or donated since that date have been recorded at cost or valuation. The Trustees do not consider that the considerable cost of valuation of such a large collection of heritage assets can be justified, on cost/benefit grounds, in obtaining what would be a valuation at one particular moment in time. In line with Financial Reporting Standard (FRS) 30 on heritage assets, disclosures are covered in note 11 to the accounts.

Our interest in the property at the National Waterfront Museum is reflected by our 50% share in the joint venture company with the City & County of Swansea. Details of the joint venture interest are shown in note 9 to the accounts.

Prompt Payment Performance

We subscribe to the objectives of the Better Payment practice code issued by HM Treasury and aim to pay valid invoices within thirty days of receipt. The average time taken for payment of invoices during 2021/22 was seven calendar days (six days in 2020/21), which includes 97.4% (by number) of invoices settled within 30 days (97.6% in 2020/21). There were no payments of interest under the Late Payment of Commercial Debts (Interest) Act 1998 (£Nil in 2020/21).

Policy on Reserves

As a body charged with the collection and conservation of heritage assets, including land and buildings, in order to achieve our aims and objectives the policy on reserves applies to disposable cash reserves only, and not to the total funds held. Our disposable cash reserves comprise private funds and public funds.

Private funds are separately maintained and specified in the accounts. These include funds subject to restrictions imposed by donors, and unrestricted gifts and donations available for use to further our objectives. Our policy is to maximise and hold these funds for projects and capital schemes for which we are unable to receive core funding or generate other grant support, while remaining within any restrictions on use contained within the Private Funds.

Our reserves policy regarding public funds remains dependent upon, and restricted by, the authority granted by the Welsh Government in our Framework Agreement, which at the financial year-end 2021/22 limited our public funds cash reserves to 2% of grant-in-aid, with exemptions from any limit in respect of the Specimen Purchase Grant and self-generated income.

Profits generated within the wholly owned trading subsidiary, NMGW Enterprises Limited, are to provide additional funding towards our aims and objectives. On occasions this might result in profits being re-invested in the trading subsidiary in order to further improve trading returns.

Despite the difficulties in recent years surrounding public finances, our growing structural deficit and diminishing revenue reserves, and our significant preventative and backlog essential maintenance requirements, we have remained determined to continue to deliver our vision priorities, including capital developments and refurbishments. The COVID-19 pandemic presented new challenges, but we have mitigated our income losses in 2020/21 and 2021/22 through CJRS funding for furloughed staff, other COVID-19 related revenue grants and donations, and in-year savings. We almost trebled our non-government income generation over the 5 years to 31 March 2020, and we have plans in place and under development for further growth in the future. However, we remain dependent on Welsh Government funding to sustain the majority of our activities.

We were grateful for additional revenue grant-in-aid awarded for 2020/21 and 2021/22, enabling us to balance our budgets for those years. Based on our current operating models and structures available our revenue (public unrestricted) reserves are sustainable for the next ten years, however inflationary pressures on both staff and non-staff costs are likely to reduce this period. We are reviewing our financial position regularly with Welsh Government. Based on these discussions our accounts have been prepared on a going concern basis and there are no material uncertainties about our ability to continue.

Total Funds at 31 March 2022 were £103,101,000, with an analysis provided in note 19 to the accounts. Unrestricted private funds were £6,304,000, of which £0.9m is represented by fixed assets, leaving £5.4m disposable cash reserves. Unrestricted public funds, excluding the pension reserve, were £9,089,000 of which £3.3m is represented by fixed assets, leaving £5.8m which has been allocated to meeting funding shortfalls and future commitments.

Investment Policy and Performance

Our investment objectives are to generate income to support our activities and to grow the capital value in real terms, ahead of inflation. We invest Private Funds that are planned to be held in the long term in a discretionary Charity Fund portfolio actively managed by our advisors, Barclays. Our investment policy accepts short-term volatility in the pursuit of positive investment returns after the effects of inflation and acknowledges that the capital value may fluctuate significantly from time to time. In addition, a substantial element is retained in cash-based deposits to be readily available for investment in the capital programme. We seek to avoid investing in unethical stocks that go against our aims, through investing in funds that use screening to ensure that ethical restrictions are placed on the investments. The performance of these funds is subject to review on a regular basis, with changes made to the portfolio as appropriate to the risk appetite.

The value of the investment portfolio increased during the year from £3,105,000 to £3,361,000.

We also hold, from bequests, an equity investment in eleven blue chip companies. The value of this portfolio increased during the year from £100,000 to £103,000.

The total value of investments held at 31 March 2022 was therefore £3,464,000.

Pension Liability

We operate a defined benefit Pension Scheme that is available to all permanent employees. The Scheme is underpinned by a Crown Guarantee. In common with the vast majority of such schemes, recent annual valuations included on the balance sheet have shown a deficit of Scheme assets when compared to Scheme liabilities. Turbulence in the equity markets, allied to growing liabilities under the Scheme, due to many factors including increased longevity of the members, has seen many such Schemes come under pressure, with many closing in recent years.

The valuation shown on this year's balance sheet, as calculated under FRS102, shows a decrease of £1.6m, from £58.9m to £57.3m. Further details of how pension costs are accounted for are contained in the accounting policies note to the accounts, and the disclosure requirements contained in FRS102 are shown in note 18 to the accounts.

We were able to make an additional one-off payment of £750,000 into the Scheme during the year, which is reflected in the valuation.

Valuations under FRS102 are generally based on prevailing market conditions and are therefore subject to considerable volatility from time to time and are not appropriate as the basis for making scheme funding decisions. These decisions are instead based on a full actuarial valuation on a triennial basis, following guidance from the Pension Scheme Regulator.

The most recent triennial actuarial valuation of the scheme, to 31 March 2021, was agreed by Amgueddfa Cymru and the Scheme Trustees on 29 June 2022, as was the associated recovery plan to remove the Scheme deficit. The plan will remove the deficit over a period of eight years from the valuation date. The next triennial actuarial valuation is due as at 31 March 2024.

Welsh Language Policy

We are committed to complying with the Welsh Language Standards, as set out by the Welsh Government under Section 44 of the Welsh Language (Wales) Measure 2011. The standards set for Amgueddfa Cymru have been determined by the Welsh Language Commissioner, and cover the four areas of Service Delivery, Policy Making, Operational and Record Keeping. Our Compliance Notice and Welsh Language Policy are available at www.museum.wales/thewelshlanguage. We produce an annual report on compliance with the Welsh Language Standards, which is published on our website.

We treat the Welsh and English languages on an equal basis and acknowledge the importance of providing a fully bilingual service to the public. The Welsh language is an intrinsic part of the heritage and culture of Wales, and Amgueddfa Cymru therefore has an important part to play in encouraging people's knowledge and understanding of the history of the language and Welsh culture, as well as using and celebrating the language in our work. All our exhibitions and learning programmes are delivered bilingually and our website is fully bilingual.

Jane Richardson
Accounting Officer and
Chief Executive
Approved and signed on
21st September 2023

Hywel John
Treasurer, on behalf of the Board of
Trustees
Approved and signed on
21st September 2023

SECTION 2: ACCOUNTABILITY

Section 2.1: CORPORATE GOVERNANCE REPORT

2.1.1 DIRECTORS REPORT

BOARD OF TRUSTEES (From 1 April 2021 onwards)

PRESIDENT

Roger Lewis * (retired 31 December 2022)

Dr Carol Bell * (appointed Acting President from 1 January 2023 to 31 August 2023)

Kate Eden * (appointed 1 September 2023)

VICE PRESIDENT

Dr Carol Bell *

TREASURER

Hywel John, FCA *

APPOINTED BY THE WELSH GOVERNMENT

Carys Howell (retired 31 December 2022)

Rachel Hughes, MBA FInstLM (retired 31 December 2022)

Michael Prior, BA Solicitor

Dr Catherine Duigan

Gwyneth Hayward (retired 14 April 2023)

Freya Stannard (appointed 1 April 2021)

Cai Wilshaw (appointed 1 April 2021)

Professor John Hunt (appointed 1 January 2023)

Ameerah Mai (appointed 1 January 2023)

Owen Hathway (appointed 15 April 2023)

APPOINTED BY THE NATIONAL MUSEUM OF WALES

Dr Hywel Ceri Jones, CMG (retired 31 August 2022)

Baroness Kay Andrews, OBE (retired 30 November 2022)

Robert Humphreys (retired 18 September 2023)

Dr Madeleine Havard * (retired 14 April 2023)

Abigail Lawrence

Richard Thomas *

Rachel Hughes, MBA FInstLM (appointed 1 January 2023)

* Members of the Audit, Risk & Assurance Committee.

All Trustees are members of the Planning, Performance & Resources Committee.

INDEPENDENT EXTERNAL MEMBERS OF THE AUDIT, RISK & ASSURANCE COMMITTEE

Rheon Tomos, BA, IPFA (retired 23 October 2022)

Dr Vivek Goel, BBS, MD, FRCP (retired 6 November 2022)

DIRECTORATE (SENIOR EXECUTIVE TEAM) (From 1 April 2021 onwards)

Director General

David Anderson (resigned as Director General 31 March 2023)

Director of Corporate Resources

Philip Bushby

Director of Collections & Research

Kath Davies

Director of Business Development

Nia Elias (from 12 April 2021)

Interim Chief Operating Officer

Peter Holt (from 9 September 2022)

Director of Visitor Experience

Janice Lane

Chief Executive

Jane Richardson (from 11 September 2023)

Chief Operating Officer and Deputy Director General

Neil Wicks (retired 31 July 2022)

Director of Learning & Public Programmes

Nia Williams

Details of transactions with related parties involving directors or Trustees, including donations from Trustees, are disclosed in note 24 to the Accounts.

BOARD OF NMGW ENTERPRISES LTD (From 1 April 2021 onwards)

David Anderson (retired 10 December 2022)

Marc Simcox (appointed 8 September 2022)

Neil Wicks (retired 31 July 2022)

Nia Elias (appointed 12 May 2021)

Philip Bushby (appointed 6 April 2023)

Sylvia Smith (appointed 12 May 2021, resigned 10 December 2021)

Yvonne Ruelle (Company Secretary)

The Format of the Accounts

The accounts are prepared under Section 9(4) of the Museums & Galleries Act 1992 in a form directed by the Welsh Government with the approval of the Treasury. A copy of the Accounts Direction is available on application to the Director of Corporate Resources. The accounts are compliant with the requirements of the Charities Statement of Recommended Practice (FRS102).

Incorporated within the consolidated figures for Amgueddfa Cymru are the results of the wholly owned subsidiary, NMGW Enterprises Limited, which operates our trading and related activities. Also contained within the consolidated figures is our 50% share of National Waterfront Museum Swansea Limited (NWMS Ltd), a joint venture company, limited by guarantee, with the City & County of Swansea, whose prime function was the development of the National Waterfront Museum in Swansea.

Auditor

The accounts are audited by the Auditor General for Wales in accordance with Section 9 (8) of the Museums & Galleries Act 1992. Details of auditors' remuneration for the year ending 31 March 2022 are contained in note 7 to the accounts.

Principal Office

The principal office for Amgueddfa Cymru is National Museum Cardiff, Cathays Park, Cardiff CF10 3NP.

Principal Advisers

Bankers: Lloyds Bank PLC, Cardiff

Solicitors: Geldards LLP, Cardiff

Internal Auditors: RSM Assurance Services LLP, Cardiff (to 31 July 2021)

TIAA Ltd, Cardiff (from 1 August 2021)

Investment Managers: Barclays, Cardiff

Taxation: Deloitte LLP, Cardiff

Pension Fund Administrators: Broadstone Consultants and Actuaries Ltd, Bristol

2.1.2 STATEMENT OF THE BOARD OF TRUSTEES AND DIRECTOR GENERAL'S RESPONSIBILITIES

Under section 9(4) of the Museums & Galleries Act 1992, the Board of Trustees of the National Museum of Wales is required to prepare a statement of accounts for each financial year in the form and on the basis determined by the Welsh Government, with the consent of the Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Amgueddfa Cymru and of its net incoming resources, realised and unrealised gains and losses and cash flows for the financial year.

In preparing the accounts, the Trustees and the Director General are required to comply with the requirements of Charities Statement of Recommended Practice FRS102 and the Government Financial Reporting Manual and in particular to:

- observe the accounts direction issued by the Welsh Ministers including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts
- prepare the accounts on the going concern basis.

The Principal Accounting Officer for the Welsh Government has designated the Director General as the Accounting Officer for the National Museum of Wales. The Director General's relevant responsibilities as Accounting Officer, including responsibility for the propriety and regularity of the public finances for which he is answerable, for keeping of proper records, for safeguarding Amgueddfa Cymru's assets, and for the preparation of annual report and accounts that are fair, balanced and understandable, are set out in the Accounting Officers' Memorandum issued by the Treasury.

The Director General was the Accounting Officer for the whole of 2021/22, but this responsibility was assigned to the Interim Chief Operating Officer in December 2022, with the Director General subsequently resigning from his post effective from 31 March 2023. The Interim Chief Operating Officer retained responsibility as Accounting Officer until the appointment of Jane Richardson as Chief Executive on 11 September 2023.

Statement of Disclosure of Information to Auditors

So far as the Accounting Officer and the Treasurer, on behalf of the Board of Trustees, are aware, there is no relevant audit information of which Amgueddfa Cymru's auditors are unaware, and they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that Amgueddfa Cymru's auditors are aware of that information.

2.1.3 ANNUAL GOVERNANCE STATEMENT

1. Scope of Responsibility

The Accounting Officer and Trustees have responsibility for maintaining a sound governance framework and system of internal control that support the achievement of the Amgueddfa Cymru policies, aims and vision, as set by the Board of Trustees, while safeguarding the public funds and assets for which the Accounting Officer is personally responsible in accordance with the responsibilities assigned in Managing Welsh Public Money.

2. The Purpose of the Governance Framework

The governance framework, incorporating the system of internal control, is designed to manage risk to a reasonable level, rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The governance framework is based on an ongoing process designed to identify and prioritize the risks to the achievement of our policies, aims and objectives, to evaluate the likelihood of those risks being realized and the impact should they be realized, and to manage them efficiently, effectively and economically. In support of the governance framework, we issue to Trustees a Corporate Governance & Standards Framework which sets out the authority and powers of the Board of Trustees and those powers that are delegated to Committees, directors and staff. We also operate fraud and whistleblowing policies that are subject to audit review.

The governance framework has been in place for the year ended 31 March 2022, and up to the date of approval of the annual report and accounts, and accords with Treasury guidance. Throughout our implementation of site closures and move to remote working due to the COVID-19 pandemic, the policies and arrangements outlined in section 3 below have remained in place, including reporting mechanisms, Board, Committee and management meetings, decision making processes, recruitment and training, audits and stakeholder engagement. Arrangements for some meetings were changed during 2021/22 and this is explained further in section 3.2.

3. The Governance Framework

Our governance arrangements are compliant with the Code of Governance for the Voluntary and Community Sector issued by the National Governance Hub and endorsed by the Charity Commission. Amgueddfa Cymru is a Public Benefit Entity, and the Trustees have complied with the duty in section 2 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission on public benefit. Delivery of such benefit, as set out in our aims and objectives, is comprehensively reported on in this Financial Report.

The following paragraphs summarize the governance framework, including the system of internal control, that has been in place during the year ended 31 March 2022, and up to the date of approval of the annual report and accounts.

The framework is described to reflect the arrangements in place to meet the core principles of effective governance.

3.1 Focusing on the Purpose of Amgueddfa Cymru and on Outcomes (Putting the Citizen First; Achieving Value for Money)

2021/22 has been the seventh year of our vision of Inspiring People, Changing Lives. Through this vision our purpose is to: Inspire people through our museums and collections to find a sense of well-being and identity, to discover, enjoy and learn bilingually and to understand Wales's place in the wider world.

Our performance against the objectives is monitored through a series of qualitative and quantitative indicators, using the vision metrics framework. The Operational Plan and associated vision metrics are monitored by the Directors and progress is incorporated into the Operational Plan Monitoring Report on a quarterly basis and reported to the Heads of Departments Forum, the Planning, Performance & Resources Committee and Welsh Government quarterly meetings. The Board of Trustees receives the information from these in a quarterly Director General's Report, which summarises performance for the quarter.

3.2 Trustees and Officers Working Together to Achieve a Common Purpose with Clearly Defined Functions and Roles

The Board of Trustees is responsible for governance, financial management and the assets of the organization. The Board of Trustees normally meets on a regular basis, in public, to conduct its business. However, between September 2021 and February 2022 Board matters were managed via email due to the governance issue reported under section 5 on Governance Issues and Future Improvements below. This included Board sub-committees, the sharing of Board papers and adhering to the meeting schedule agreed. From March 2022 face to face Board and sub-committee meetings have resumed.

Members of the Board of Trustees of the Charity are appointed by the Welsh Government and Amgueddfa Cymru, in numbers set out in the supplemental Royal Charter and in accordance with the principles of open selection as recommended by the Nolan Review. The Appointments & Remuneration committee (a standing committee of the Board) assists and advises on the process. All new appointees follow an induction programme and receive a Corporate Governance & Standards Framework document that includes a Trustee handbook, shortly after their appointment.

Amgueddfa Cymru has the legal authority to remunerate the role of the President under Section 6 (vi) of its Royal Charter. This authority was granted by the Charity Commission on 15 May 2018. The President receives remuneration on the basis of working two days a week in this role. During 2021/22 the President received £35,183 (£35,183 in 2020/21). The President receives no pension or other benefits.

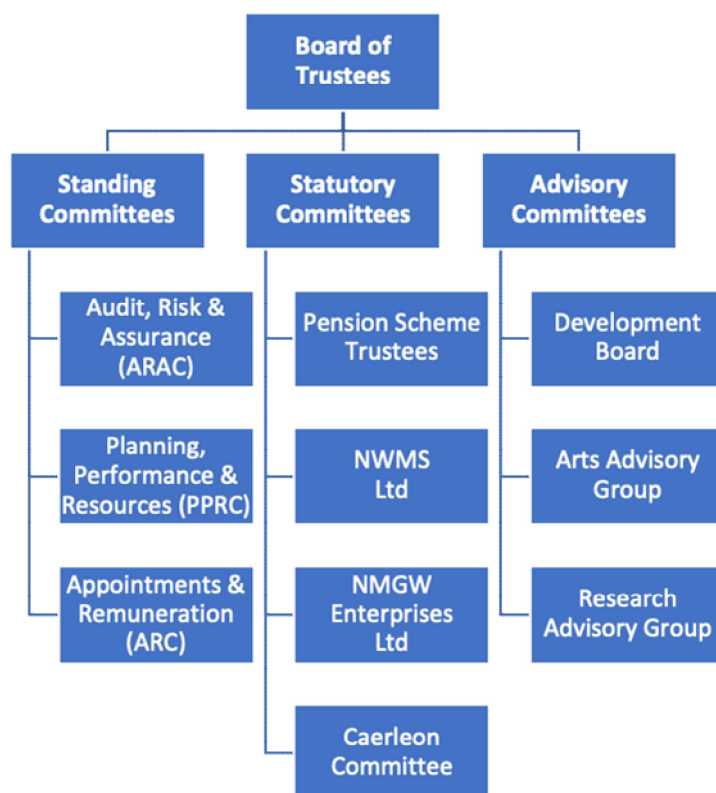
No other members of the Board of Trustees were remunerated during the year. Details of Trustees' company directorships and other significant interests are maintained in a Register of Interests, which is available to the public and held at National Museum Cardiff.

A schedule of Board of Trustee members throughout the year and up until the date of this report, including retirements and new appointments, is included in the Directors' Report at section 2.1.1 of this Report. The schedule also indicates which Trustees are members of the Audit, Risk & Assurance Committee, and that all Trustees are members of the Planning, Performance & Resources Committee. The record of attendance at Board of Trustees meetings is shown below. Satisfactory explanations of all absences were received.

Trustee	24/06/21	23/09/21	16/12/21	24/03/22	Number of face-to-face meetings	Percentage attendance	
Roger Lewis		Postponed	Conducted via email		2	100%	
Hywel John					2	100%	
Carol Bell					2	100%	
Carys Howell					2	100%	
Catherine Duigan					2	100%	
Madeleine Havard					2	100%	
Gwyneth Hayward	Apols				1	50%	
Rachel Hughes					2	100%	
Freya Stannard					2	100%	
Abigail Lawrence					2	100%	
Michael Prior					Apols	1	50%
Kay Andrews					2	100%	
Richard Thomas	Apols				1	50%	
Rob Humphreys					2	100%	
Cai Wilshaw					2	100%	
Hywel Ceri Jones	Apols				1	50%	

The Board of Trustees delegates some authority to various committees, principally the Planning, Performance & Resources Committee, which has a broad remit to monitor financial, operational and performance issues, and the Audit, Risk & Assurance Committee, which includes independent external members. These committees meet on a quarterly basis and report to the Board of Trustees. Terms of Reference clearly define the remit and responsibilities of each committee.

The relationship between the Board and its committees is shown below:



A schedule of the Board Members of NMGW Enterprises is included in the Directors' Report under section 2.1.1 of this Report.

Day-to-day operational issues are led and managed by the Senior Executive Team, comprising the directors, the details of whom are also included in this report. All directors are employed under the standard Terms and Conditions of Employment, applicable to all staff, with the exception of the Director General whose terms of appointment are agreed with the Welsh Government.

4. Promoting Values for Amgueddfa Cymru and Demonstrating the Values of Good Governance Through Upholding High Standards of Conduct and Behaviour

We support Lord Nolan's seven principles for public life and endorse the Museums Association Code of Ethics and strive to ensure that all employees and Trustees apply to these principles. All Trustees are expected to comply fully with our Code of Conduct, approved by the Board of Trustees.

All staff undertake corporate induction training, which provides information on a range of policies, procedures and regulations including those relating to financial control, health and safety, the Welsh language, equalities and information management. The Financial Regulations, policies and procedures are available to all staff on our Intranet. We continue to invest time and resources to provide development and training opportunities (both formal and informal) for employees. We have a Performance Development Review process in place, aligned to the Operational Plan, which provides staff with a structured review of their

personal objectives, their performance against those objectives and the opportunity to identify development needs and aspirations.

We encourage volunteers, work experience, placements and apprenticeships. All volunteers undergo an induction that includes health and safety relating both to the role and the department in which they are volunteering.

We require all staff to act honestly and with integrity and to safeguard the public resources for which they are responsible. We consider that theft or fraud of any description – no matter what the value – is totally unacceptable and have the following policies to prevent and deal with such occurrences:

- § Whistleblowing
- § Fraud & Corruption
- § HR policies regarding disciplining of staff involved in such incidents.

Under the Fraud & Corruption Policy, directors and line managers are responsible for ensuring that an adequate system of internal control exists in their areas of responsibility and that controls operate effectively.

One matter was raised during the year under our Whistleblowing Policy, which was reported to the Audit, Risk & Assurance Committee in May 2022 and is being dealt with in line with our internal processes. Our Whistleblowing and Fraud & Corruption policies were reviewed by the Audit, Risk & Assurance Committee in 2019, in line with the normal three-year review cycle.

We have a Complaints Policy, which sets out the arrangements for handling complaints. All aspects of complaints received are fully investigated and suitable remedies identified and put into practice, including changes to procedures where appropriate.

We take the safety of staff and visitors seriously and have a series of policies and procedures in place to support this. In 2020/21 we implemented new policies and procedures to ensure safe opening of our museums, when permitted, in line with government legislation and guidance on COVID-19 restrictions. We continued to follow these policies in 2021/22.

3.4 Taking Informed and Transparent Decisions Which Are Subject to Effective Scrutiny and Managing Risk

Responsibility for decision making in relation to our functions is clearly set out in the Royal Charter. This describes the roles and relationship of the Board of Trustees with the Committees of the Trustees and the delegation of functions to other executives.

All decisions taken by the Board of Trustees are on the basis of reports and consideration of the legal and financial implications and key risks involved with the decision. Board meetings are held in public and minutes are published on our website to ensure transparency. There are also closed sessions of the Board where more confidential or personal matters are discussed and determined.

5. Risk Management

Risk Management on a day-to-day basis is the responsibility of directors and heads of department, with formal review and assessment of risks conducted regularly by the Risk Management Group. These reviews are scrutinised by the Planning, Performance & Resources Committee and the Audit, Risk & Assurance Committee. By drawing on the experience of Internal Audit, who attend the Risk Management Group meetings, and by the experience of the independent external members of the Audit, Risk & Assurance Committee, the process is regularly refreshed.

The Risk Management Policy sets out the framework and roles and responsibilities in managing risk together with guidance on risk identification, assessment, monitoring and control. The Policy was established, with assistance from Internal Audit, with particular reference to HM Treasury's Orange Book on risk management and the Welsh Government's manual on risk management – Risk Essentials. The policy was last reviewed and updated in May 2019. During 2021/22 a sub-group reviewed a number of specific areas, relating to:

- Reviewing the policy and associated guidance
- Procuring a system to better record and present risks
- Developing risk training/ workshops for Managers and Trustees
- Developing Risk concepts such as 'velocity', 'appetite' and positive risks
- Re-establishing Annual Assurance Statements

These changes and improvements will be agreed by the Risk management Group and approval sought from ARAC during 2022/23.

A robust Risk Management review is conducted by a dedicated cross-departmental Risk Management Group who review the progress and effectiveness of controls of the major risks. A Strategic Risk Register is maintained by the Group with risks prioritised according to likelihood and potential impact. The group regularly reviews Divisional Risk Registers and engages with all directors and heads of department regarding changes in potential threats, ensuring that risk management is embedded throughout the organization. The identification and management of risks is also a standing item on the agendas of divisional meetings and Senior Executive Team meetings. Separate Risk Registers are maintained for the trading subsidiary, the joint venture company, the Pension Scheme and for all major projects for their duration. At the end of a project, that project's Risk Register is assessed and all continuing risks are transferred to our main registers

The group may also be requested to consider specific potential risks identified by the Board of Trustees and the Planning, Performance & Resources and Audit, Risk & Assurance committees. Furthermore, these committees review the Strategic Risk Register amendments and issues discussed at the Group's quarterly meetings, together with mitigating actions undertaken against the highest rated risks.

Membership of the Risk Management Group includes the Head of Internal Audit, which aids access to issues of concern in other bodies. The Internal Auditor's programme of work specifically cross-references to the risks identified and is also informed by the Senior Executive Team and Audit, Risk & Assurance Committee.

Internal Audit review our Risk Management and Assurance Framework as part of their rolling audit programme. The most recent review was completed in 2017/18. This concluded that we have 'a well-designed and embedded risk management process in place' and 'the Board can take substantial assurance that the controls upon which the organization relies to manage this area are suitably designed, consistently applied and operating effectively'. The Risk Management and Assurance Framework remains in place.

A separate COVID-19 pandemic risk register was maintained throughout the year and regularly reviewed by the Senior Executive Team and the Risk Management Group. The risks on the Strategic Risk Register also reflect the impact of the pandemic where relevant. The major risks on the Strategic Risk Register are erosion of funding, security of our assets due to fire or physical security breach, maintenance backlog, and cyber security. Mitigating actions are in place, and these risks are regularly reviewed by Internal Audit, the Risk Management Group and the Board of Trustees.

3.4.2 Information Security

We have information security procedures in place to ensure the confidentiality, integrity and availability of information that we hold and process, and to ensure compliance with the Data Protection Act 2018 and Freedom of Information Act 2000. These include:

- § an Information Security Policy
- § e-learning on Data Protection for staff
- § maintaining and reporting on statutory compliance with the Freedom of Information and Data Protection acts
- § the Planning, Performance & Resources and Audit, Risk & Assurance committees receiving reports on data handling arrangements.

We are also a member of the National Cyber Security Centre (NCSC) Active Cyber Defence Hub. The Active Cyber Defence Hub helps protect our critical services from cyber-attacks. These include:

- § Web Check – helps identify and fix common security issues affecting our Websites and Internet Domains.
- § Early Warning – notifications of malicious activity to help investigate attacks on our network quickly.

We have improved our Monitoring and Cyber Security solutions during the year:

- § Implementation of a SIEM (Security Information and Event Management), ManageEngine Log360, collecting logs from our Networks, Servers and Services.
- § Installation of a Network Access Control solution, ForeScout, to monitor and identify rogue devices on any of our networks.
- § Upgrade of the Firewall solution, Fortinet, at both National Museum Cardiff and St Fagans National History Museum, which protects our network perimeter between the internal network and internet.
- § Improved VPN (Virtual Private Network) solution to facilitate remote working securely.
- § Laptop hard drives are being encrypted using Microsoft Bitlocker.
- § Microsoft Windows Security is installed on all user devices to protect against Viruses and Malware.

The Audit, Risk & Assurance Committee receive an annual report in respect of compliance with the Freedom of Information and Data Protection Acts.

Amgueddfa Cymru responded well to the challenges posed by the COVID-19 pandemic and the move to remote working for all required staff. Information and Cyber Security remains a top priority.

No personal data incidents occurred in 2021/22 or 2020/21 which require informing the Information Commissioner's Office (ICO). A single incident was self-reported to the ICO as a precautionary measure. The number of minor incidents decreased from 17 in 2020/21 to 9 in 2021/22.

The year has seen an increase in the number of Freedom of Information (FOI) requests we receive, from 10 in 2020/21 to 26 in 2021/22. The majority of requests received were related to funding, procurement and collections.

6. Developing the Capacity and Capability of Trustees and Officers to be Effective

The Trustees are appointed by the Welsh Government and Amgueddfa Cymru. A formal induction is provided to Trustees on appointment. Further training is provided as necessary throughout the year.

Each Board member meets formally with the President every other year as part of a review process, and the President then presents a report to the Board of Trustees. The Board and Audit, Risk & Assurance Committee also

carry out a self-reflection review every alternate year to ensure they adhere to effective corporate governance.

The system of financial management is based on a framework of regular management information, Regulations, Policies and Procedures and a system of delegation and accountability. This is guided by our Framework Document, best practice and Managing Welsh Public Money. It includes:

- § forecasting and monitoring budgets, with regular financial reports highlighting actual and forecast expenditure against budget
- § clearly defined capital expenditure plans
- § formal project management disciplines
- § regular consultation and involvement of Internal Audit throughout the development of, or changes to systems
- § close liaison with external auditors
- § seeking specialist advice where considered appropriate
- § regular reporting to the Board of Trustees, sub-committees and the Welsh Government
- § regular management review.

7. Engaging with Local People and Other Stakeholders to Ensure Robust Public Accountability

We operate a programme of public engagement and consultation in accordance with the Royal Charter and our Consultation Scheme & Policy. Our vision, Inspiring People, Changing Lives, is a call to action on a journey towards cultural democracy. We are committed to embedding a cultural rights-based approach, inspired by the United Nations Declaration of Human Rights (1948).

In 2020/21, we carried out an extensive public consultation programme to help inform the goals of the *Amgueddfa Cymru 2030* strategy – one of the largest public consultations we have ever carried out. Discussions with the Wellbeing of Future Generations Team ensured that the Wellbeing Goals and Sustainability Principle were embedded in the *Amgueddfa Cymru 2030* Strategy. To support the new strategy, we have developed a new brand for Amgueddfa Cymru, to truly reflect what the organization stands for today. We have tested the brand with key stakeholders including staff, people who aren't familiar with Amgueddfa Cymru, young people, international audiences and funders.

In response to the COVID-19 pandemic, we have developed and delivered public programmes in collaboration with numerous public and third-sector organizations during 2021/22, in line with our corporate plan, the sustainability principle in the Well-being of Future Generations (Wales) Act 2015, and as part of the engagement steps set out by Audit Wales in the Examination of Amgueddfa Cymru's engagement activity in accordance with the Wellbeing of Future Generations Act (Wales) 2015.

The impact of the pandemic has been stark, revealing and deepening the scale of deprivation endured by many children, adults and communities across Wales. As a publicly funded organization, our focus has been on addressing these inequalities, enabling more people – and a wider range of people – to be involved in our work. In 2021/22 we continued to deliver digital events and virtual learning programmes developed during the pandemic and also re-launched our in-person programmes with schools and schools and volunteers returning to the seven national museums. We expanded our work within communities in field hospitals and care settings. In collaboration with the Federation of Museums and Art Galleries of Wales we delivered Winter of Wellbeing Festival programmes with children and young people in community venues, local and national museums across Wales.

In partnership with Arts Council of Wales we published our Widening Engagement Action Plan to directly address and take forward recommendations made in the Widening Engagement Reports, published in August 2021, see <https://museum.wales/aims/vision-commitments-and-values/widening-engagement-research/>. The reports are the result of work commissioned by Amgueddfa Cymru and Arts Council of Wales to explore, through a series of conversations, how we widen engagement with communities we consistently fail to engage in our work.

Examples of our engagement work are discussed in more detail in the earlier Performance Section of the Financial Report, for example:

- § virtual, free-of-charge learning programme for schools.
- § the Amgueddfa Cymru Producers initiative to widen engagement with young people
- § the Objects of Comfort initiative in partnership with the Alzheimer Society
- § Collaborative exhibitions including *Windrush Cymru – Our Voices, Our Stories, Our Histories* with Race Council Cymru at six Amgueddfa Cymru museums, and *Trawsnewid* at National Waterfront Museum Swansea celebrating Welsh LGBTQ+ history, culture and artwork
- § receiving Investors in Volunteering for the third time in January 2022 with praise for the way volunteers were supported during the pandemic and through initiatives such as the GRAFT community garden at the National Waterfront Museum, and the Wallich and Innovate Trust gardens at St Fagans.

We also continued to support the Welsh Government Fusion Programme, including the commissioning of an evaluation report and the delivery of Cultural Ambition, a three-year programme to provide internships for young people across Wales led by Creative and Cultural Skills.

Our Marketing & Communications team works to remove barriers and enable participation so that people from all communities and backgrounds can access and engage with Amgueddfa Cymru, in person and online. Our

new 10-year strategy and new brand will help frame our approach to communications and marketing for the future.

Our approach to communications is largely driven by the public programme, from prominent exhibitions that drive the highest footfall to community events that draw new and loyal visitors. Our digital presence has grown during the last two years, with more of a focus on creating content for our social media platforms. We used our digital channels to engage with people who may not think museums are for them. We promote and encourage dialogue around our collections, public programme and learning offer.

We share the stories of those who are inspired by our museums, to encourage others to do the same. 'Takeovers' on our Twitter and Instagram accounts enabled us to give others a platform to share their stories. Working with partners such as the Sub-Saharan Advisory Panel, Race Council Cymru, staff across the organization and the Amgueddfa Cymru Producers, a range of voices have been heard on our channels.

We recognise the importance of internal communications, and continued to develop and implement our Internal Communications Plan. Through our internal communications, we:

- § continued to empower internal audiences to feel confident in communicating and in delivering our vision, 10-year strategy and brand
- § supported staff as they adjust to new ways of working as a result of the COVID-19 pandemic
- § provided briefings to staff to ensure they are involved in and updated on decision-making
- § engaged staff with the IIP process and helped deliver the IIP action plan, following Amgueddfa Cymru's successful IIP accreditation.

We continued to work positively with our recognised trade unions. Union representatives continued to attend the Staff Executive Committee for Human & Financial Resources as well as the Staff Forum. Regular meetings are also held between a representative of the Board of Trustees and trade union representatives.

We have a Publications Scheme and stakeholders are able to access a range of publications, policies and procedures, in addition to Board minutes and financial statements, on our website.

8. Review of Effectiveness

The Accounting Officer has responsibility for reviewing the effectiveness of the governance framework, including the system of internal control and whistleblowing arrangements. The review of the effectiveness of the governance framework is informed by the work of the internal and external auditors, other professional advisors and the Senior Executive Team, who have responsibility for the development and maintenance of the internal

control framework. Comments made by the external auditors in their management letter and other reports also inform the review.

The Accounting Officer has been advised on the effectiveness of the governance framework by the Trustees, the Audit, Risk & Assurance Committee and directors, and plans to address issues and ensure continuous improvement. More information is provided on these plans in section 5 on Governance Issues and Future Improvements below, which also notes a significant issue relating to the governance of the organization.

Evaluation questionnaires are completed by the Board and the Audit, Risk & Assurance Committee on a biannual basis. They were most recently completed in 2020 and the findings were overall very positive.

We have established the following processes to complement the risk management framework to maintain an effective governance framework and system of internal control:

- § Detailed financial regulations, policies and administrative procedures including segregation of duties and various levels of delegated authority; comprehensive budgeting systems; and clearly defined capital investment control guidelines and monitoring thereof.
- § Internal management processes such as performance monitoring and reporting, departmental meetings and directors' briefings.
- § The Audit, Risk & Assurance Committee considers the coverage of the internal audit programme and receives reports from internal and external auditors. The Committee meets quarterly, with the minutes of the meeting and also a report from the Chairman being considered by the Board of Trustees.
- § Regular reports from Internal Auditor including their independent opinion on the adequacy and effectiveness of the systems of internal control, together with recommendations for improvement.
- § An annual report from Internal Audit. Based on the internal audit work for the year ended 31 March 2022, the Internal Auditor concluded that we have reasonable and effective risk management and internal control processes in place.
- § The Internal Auditor conducts a review of compliance with the principles of the Code of Good Governance for the Third Sector in Wales on a three-yearly basis; the latest review was carried out in April 2021 and confirmed that we are compliant with the Code.
- § Audit Wales, our external auditor, provides a Management Letter report summarising the work undertaken in respect of the financial statements. This is reviewed by the Audit, Risk & Assurance Committee and reported to the Board of Trustees.
- § Other sources of assurance are considered including reports from the Charities Commission, Landfill Tax Inspectors, Mine Safety Inspectorate and Investors in People.

9. Governance Issues

In 2020/21 some concerns were raised by senior executives about the clarity of the respective roles and responsibilities of the Board and the Executive. These concerns continued throughout 2021/22 and into 2022/23. These matters have been drawn to the attention of Audit Wales, the Welsh Government and the Welsh Government's Additional Accounting Officer.

These matters have had a significant impact in 2021/22 and 2022/23 and have demanded time from senior members of staff and Trustees. There have been several processes invoked, including grievances, employment tribunal claims and an issue raised under our whistleblowing procedure. All of these processes have been brought to the attention of both the internal and external auditors. There has been a requirement to rely on legal support and advice which has resulted in significant cost in both 2021/22 and ongoing in 2022/23. One of the tribunal claims was settled in June 2022. The second set of claims were resolved via mediation process in December 2022. In the run up to the mediation process, the Trustees were guided by robust legal advice and support, which was undertaken in such a way as to ensure any potential commercial information was retained by the Trustees only. The mediation was undertaken jointly between the Trustees and Welsh Government, which provided a conclusion to this complex matter. As the originating events were in 2021/22, the settlement amounts of all these claims are included within these accounts. These settlement agreements were complex and have been discussed fully with Audit Wales, to ensure that matters have been properly and fully disclosed. It is for this reason that the publishing of the 2021/22 Financial Report and Accounts has been delayed.

Notwithstanding the above, Amgueddfa Cymru was scheduled a tailored review of governance by Welsh Government which took place in 2022/23 and was published by Welsh Government on their website on 13 July 2023.

10. Future Improvements

During 2021/22, as well as the ongoing challenge to deliver our vision with diminishing reserves, like all other organizations we continued to face unprecedented and rapidly changing circumstances, arising from the COVID-19 pandemic. Through adapting our offer and internal systems where required we continued to implement our ten-year vision, as outlined on page 7, agreed by the Board. We will continue to implement our vision in 2022/23. Moving forward we will:

- § Implement our new Strategy to 2030 and Brand. Addressing the climate change and biodiversity emergency and further developing our efforts in tackling inequalities including those highlighted through our published Widening Engagement Plan are key pillars of the Strategy

- § Implement actions identified in our Widening Engagement Plan that was jointly developed and published with the Arts Council Wales.
- § Implement our Income Generation Strategy, and continue discussions with Welsh Government on funding to support achievement of our Strategy to 2030
- § Continue to bring Museum operations back to normal following Covid-19 Pandemic. This will include new ways of working for our staff.
- § Support the main elements of the Programme for Government. This will include developing and implementing plans to create Amgueddfa Gogledd as well as the National Contemporary Art Gallery.
- § The Concept Masterplan for National Museum Cardiff will be completed.
- § Update our Digital Strategy, including upgrading our infrastructure, to support our Strategy to 2030, transform our digital visitor experience offer, and embed efficiency, wellbeing and environmental gains from remote working.
- § Continue to implement our Carbon Management Plan, ensuring that we contribute to the net carbon zero plans for 2030.
- § Start to implement a 5-year Buildings & Estates strategy for delivery of priority essential maintenance works and continue to implement the existing Essential Maintenance Programme.
- § Review governance structures and decision-making processes in line with Welsh Government tailored review, including updating our risk management and assurance processes with a focus on driving positive change
- § Following our success in achieving Investors in People accreditation, work towards a higher accreditation level.
- § Continue to deliver leadership development programmes for a wider range of Museum staff.
- § Improve business processes across the organization, including continuing implementation of new Customer Relationship Management systems, and new HR systems.

7. Certification of Annual Governance Statement

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements and we will monitor their implementation and operation as part of our next review.

Jane Richardson
Accounting Officer and
Chief Executive
Approved and signed on
21st September 2023

Hywel John
Treasurer, on behalf of the Board of
Trustees
Approved and signed on
21st September 2023

Section 2.2 Remuneration & Staff Report

Equality of Opportunity

We have a range of policies that support our compliance with The Equality Act 2010, which places a statutory General Duty on all public sector organizations to have due regard to the need to eliminate unlawful discrimination and harassment and to promote equality of opportunity between men and women both in employment and in the provision of services to the public. We also continued to implement our Equality Strategy and Equality Objectives 2022-2025, which are published on our website at <https://museum.wales/about/policy/equality-diversity/> along with our Widening Engagement Action Plan: <https://museum.wales/aims/vision-commitments-and-values/widening-engagement-research/>. These documents outline our priorities in delivering equality and inclusion to staff and visitors.

As part of the Wales Public Body Equality Partnership, we have worked with other public bodies to agree shared strategic objectives to take forward a collective approach to tackling inequalities. Task and Finish groups incorporating all members of the Partnership have now been established to progress this work. This collaborative work reflects the principles of the Well-being of Future Generations (Wales) Act and will directly contribute to the national well-being goal of 'A More Equal Wales'.

We have continued to roll out training and development in equalities, including training on Equality and Diversity, Equality Impact Assessment and Unconscious Bias. We are trained as trainers by Cardiff University, on subjects they find relevant, including LGBTQ+ terminology.

We are committed to tackling inequalities, specifically racism, in the wake of the Black Lives Matter movement and are currently sourcing Anti-Racism Training for all staff. We have taken positive action to address an under-representation within our organization by offering an interview for new Community roles to internal and external applicants from communities experiencing racial inequalities, if they met the essential criteria.

Our most recently reported mean gender pay gap (the difference between men and women's hourly pay) was 2.67% for 2020/21 (4.09% for 2019/20), and the median gender pay gap was 2.38% (2.64% for 2019/20), a significant decrease over 2 years from 9.34% in 2018/19. The decrease is due to significantly more men being recruited during this time to roles in the lower quartile together with some senior recruitment of women. Our Gender Pay Gap Report will be published in line with Government guidance during 2022/2023.

We have identified a number of actions that have been and will be implemented to continue to work towards reducing the pay gap. These include actions around pay, policy, recruitment, learning and development, flexible working, and gathering data.

Policies for Disabled Employees

We continue to operate our guaranteed interview scheme for disabled applicants in the recruitment process, which has resulted in 20% of candidates identifying as disabled in recent recruitment. Any disabled applicant who meets the minimum requirements for the post will automatically be invited to an interview.

We have policies in place to support disabled employees to apply for reasonable adjustments in the workplace. Where any physical feature of the workplace puts a disabled member of staff at a substantial disadvantage in comparison with persons who are not disabled, a request can be made so that measures can be put in place to prevent this. Arrangements made can include, for example, changes to working patterns, job content or design, layout and type of furniture and specialist IT equipment or software. We have tackled hidden disabilities with the development of a short film of an individual with Parkinson's. We have also focused on training in British Sign Language for staff to help support BSL as our third language.

Our Training & Development policy is open to all staff regardless of protected characteristics. Reasonable adjustments can also be applied to eliminate barriers for participation in our staff learning and development programmes, and we are developing a new learning platform to ensure accessibility for all.

Staff Consultation

We continue to comply with the 2005 Information and Consultation regulations, and consult with staff, both directly and through recognised unions, on major changes in the organization, policies and future planning. Staff Forum meetings are held between management and recognised trade union representatives to discuss matters of importance, and the minutes of these meetings are formally reported to the Senior Executive Team. The Health & Safety Forum also includes trade union representatives and managers.

Representatives of our recognised unions attend regular meetings with the Staff Executive Group. The legal requirement to consult is supplemented by a variety of methods including staff meetings, department meetings, working groups, email and intranet communications, plus informal methods of communication as appropriate. Trade union representatives and staff are also welcome to attend the Board of Trustees meetings, which are open to the public and advertised on our website.

We have continued to work in partnership with staff and trade unions on organizational changes including new initiatives such as Investors in People, changes in department structures and amendments to policies.

Monthly staff briefings are held by the Director General and fellow Directors, supported by recordings and regular email communications to staff.

Staff Training

We continue to invest time and resources to provide development and training opportunities, both formal and informal, for employees. We continue to work on our Investors in People status to build on past achievements and use the data that is collected as part of the regular surveys to track improvements.

We have recognised that leadership skills are paramount to the successful delivery of our future aims and as such have delivered leadership programme training and aspiring leader training.

We have continued to offer training in mental health awareness and have trained a team of Mental Health First Aiders. We also offer courses in areas such as data protection, dignity at work, equality and diversity and health and safety to ensure compliance with related legislation, as well as personal development opportunities as required.

Apprenticeships continue to be offered at Big Pit National Coal Museum to train Miner Guides and Mechanical and Electrical Engineers. We recognise that Apprenticeships help to address skills shortages and to implement succession plans in these areas.

Sickness Absence Data

We have policies to support the management of attendance at work. All absence is recorded and monitored by line managers and the HR Department. Absence for the year to 31 March 2022 was 3.66% or 8.90 days (1.64% or 5.07 days in 2020/21). We have worked with line managers to address high rates of absence and closely monitor attendance management to ensure our policies, including return to work interviews, are consistently implemented. This period continues to be impacted by COVID-19 related absence.

To support our attendance management processes and encourage staff wellbeing we offer an Employee Assistance Programme (EAP), which is a free, independent and confidential service available to all staff. The EAP offers advice, information, specialist counselling and support. Its services include telephone counselling, resources for managers, information, and advice on a wide range of issues, face-to-face counselling and an online information service. Mental Health First Aiders are also able to signpost individuals to assistance across the organization.

Remuneration Report

We have an agreed pay and grading structure, which was implemented to ensure fair and equitable treatment for all. This covers all employees, with the exception of the Director General whose terms and conditions are agreed with the Welsh Government.

Each year we consider the remuneration package and develop a pay remit proposal, which is submitted to the Welsh Government for approval and forms the basis of negotiations with the recognised unions. This results in an updated pay and conditions package for the whole organization, including the Director General, which is binding until the next round of negotiation. Incremental increases under the pay remit are dependent on the system of personal development reviews.

The directors are shown on page 26 and further details of their remuneration and pension benefits are included below and that information is subject to audit. No director is employed on a fixed-term basis unless as indicated below, and all, with the exception of the Director General, are employed on Amgueddfa Cymru's standard terms and conditions. Any changes to the terms and conditions pertaining to the Director General are subject to the agreement of the Appointments & Remuneration Committee and (where appropriate) the Welsh Government. The relationship between the remuneration of the highest-paid director in the organization and the median remuneration of the organization's workforce is disclosed below.

The notice period for the Director General is twelve months, and for the other directors is normally six months. The dates of commencement of employment of the current Directorate, our Senior Executive Team, as directors are:

David Anderson (Director General) *	11 October 2010 (resigned 31 March 2023)
Philip Bushby	4 January 2021
Kath Davies	6 January 2020
Nia Elias	12 April 2021
Peter Holt **	9 September 2022
Janice Lane	3 September 2012
Jane Richardson	11 th September 2023
Neil Wicks	27 June 2011 (retired 31 July 2022)
Nia Williams	17 October 2016

* David Anderson stepped back from his role as Director General from 17 November 2022

** Peter Holt is employed on a fixed-term contract as Interim Chief Operating Officer.

Provision for compensation for early termination of employment is contained in our standard redundancy arrangement. Details of any severance payments to employees during the year can be found in note 8 to the accounts.

Included within our operating costs are amounts of £59,000 (£6,000 in 2020/21) for agency staff and £5,000 (£5,000 in 2020/21) for consultancy staff. No individuals were employed in 2020/21 or 2021/22 under 'off-payroll' arrangements at more than £220 per day and for longer than six months.

The President is not an employee of Amgueddfa Cymru. Details of their remuneration can be found on page 30 of this report.

The Remuneration and Pension Benefits of the Directors

Single Total Figure of Remuneration					
	Salary band	Bonus band	Benefits in kind	Pension benefits	Total band
	2021/22	2021/22	2021/22	2021/22	2021/22
	(2020/21)	(2020/21)	(2020/21)	(2020/21)	(2020/21)
	£'000	£'000	£'000	£'000	£'000
David Anderson <i>Note 1</i>	305-310	-	-	20	325-330
Director General	(105-110)	-	-	(21)	(125-130)
Neil Wicks <i>Note 2</i>	100-105	-	-	13	110-115
Chief Operating Officer & Deputy Director General	(85-90)	-	-	(12)	(95-100)
Janice Lane	80-85	-	-	12	90-95
Director of Visitor Experience	(75-80)	-	-	(11)	(90-95)
Nia Williams	80-85	-	-	11	90-95
Director of Learning & Public Programmes	(75-80)	-	-	(10)	(85-90)
Kath Davies	80-85	-	-	9	85-90
Director of Collections & Research	(75-80)	-	-	(10)	(85-90)
Philip Bushby	80-85	-	-	8	85-90
Director of Corporate Resources	(15-20)	-	-	(2)	(20-25)
Nia Elias	75-80	-	-	3	80-85
Director of Business Development	-	-	-	-	-

Note 1: The emoluments of the Director General consisted of a basic salary of £108,934 (£106,902 in 2020/21), a £50,000 ex-gratia payment regarding a tribunal claim paid in 2022/23 and accrued in these accounts, £20,000 in termination payments to be paid in 2023/24 and accrued in these accounts, a basic salary of £108,934 in 2023/24 for contractual notice provided for in these accounts, and a basic salary of £21,679 in 2024/25 as part of the final negotiated settlement, provided for in these accounts. These payments are referred to in Note 8 Staff Costs and Note 26 Post Balance Sheet Events. The pension benefits of the Director General have been calculated following the guidance in the Cabinet Office's Employer Pension Notice 452 as set out below, and are not affected by accrued employer pension contributions paid after 31 March 2022.

Note 2: includes a £12,000 ex-gratia payment regarding a tribunal claim, paid in 2022/23 and accrued in these accounts, referred to in Note 8 Staff Costs and Note 26 Post Balance Sheet Events.

The directors are all ordinary members of the pension scheme. The value of pension benefits accrued during the year in the above table has been calculated following the guidance in the Cabinet Office's Employer Pension Notice 452, as the real increase in pension multiplied by 20 plus the real increase in any lump sum, less the contributions made by the individual. The real increase excludes increases due to inflation or any increases or decreases due to a transfer of pension rights.

The directors were employed for the whole of 2021/22 and 2020/21, except for:

- Philip Bushby took up office on 4 January 2021. His emoluments as Director of Corporate Resources consisted of a basic salary as shown above. His annualised salary as Director of Corporate Resources for 2020/21 was between £75,000 and £80,000
- Nia Elias took up office on 12 April 2021. Her emoluments as Director of Business Development consisted of a basic salary as shown above. Her annualised salary as Director of Business Development for 2021/22 was between £80,000 and £85,000

Pension Benefits					
	Real increase/ (decrease) in pension and related lump sum at age 60 £	Accrued pension at age 60 at 31 March 2022 and related lump sum £	CETV at 31 March 22 £'000	CETV at 31 March 21 or at date of appointment if later £'000	Real increase/ (decrease) in CETV in excess of members contributions £'000
David Anderson Director General	0-2,500 plus 2,500-5,000 lump sum	15,000-20,000 plus 50,000-55,000 lump sum	393	360	(2)
Neil Wicks Chief Operating Officer & Deputy Director General	(0-2,500) plus (2,500-5,000) lump sum	40,000-45,000 plus 125,000-130,000 lump sum	887	833	(21)
Janice Lane Director of Visitor Experience	(0-2,500) plus (0-2,500) lump sum	30,000-35,000 plus 90,000-95,000 lump sum	629	592	(12)
Nia Williams Director of Learning & Public Programmes	0-2,500 plus 0-2,500 lump sum	15,000-20,000 plus 50,000-55,000 lump sum	401	371	(3)
Kath Davies Director of Collections & Research	0-2,500 plus 0-2,500 lump sum	0-5,000 plus 5,000-10,000 lump sum	37	21	7
Philip Bushby Director of Corporate Resources	0-2,500 plus 2,500-5,000 lump sum	0-5,000 plus 0-5,000 lump sum	18	4	7
Nia Elias Director of Business Development	0-2,500 plus 2,500-5,000 lump sum	0-5,000 plus 0-5,000 lump sum	10	-	3

The pension benefits of the Director General have been calculated following the guidance in the Cabinet Office's Employer Pension Notice 452 as set out above, and are not affected by accrued employer pension contributions paid after 31 March 2022.

The Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The real increase in CETV reflects the increase funded by the employer. It does not include the increase in accrued pension due to inflation, or contributions paid by the employee (including the value of any benefits transferred from another pension scheme).

Number of Employees

The average number of employees in 2021/22, excluding workers engaged under our pool arrangements, was 686 (668 in 2020/21). Including workers engaged under our pool arrangements, the average number was 812 (817 in 2020/21).

The average number of full-time equivalent employees, including workers engaged under our pool arrangement, was as follows:

			2021/22	2020/21
	Permanent Staff	Other Staff	Number	Number
Trading Subsidiary	32	6	38	40
Fundraising	6	2	8	8
Learning and Public Programmes	50	11	61	59
Collections and Research	82	11	93	90
Visitor Experience	227	43	270	256
Support	74	15	89	80
	471	88	559	533
	Female Staff	Male Staff	2021/22	2020/21
			Number	Number
Directors	4	3	7	5
Employees	292	260	552	528
	296	263	559	533

The increase in overall number of employees compared with the previous year is as expected, given there were fewer closures of our museums.

Employees (Excluding Directors) Whose Emoluments Exceeded £60,000

There were seventeen employees (fourteen in 2020/21) whose emoluments for the year were between £60,001 and £69,999, and one (one in 2020/21) whose emoluments were between £70,000 and £79,999. All of these employees are ordinary members of our pension scheme. There were no other employees who earned over £60,000 except for the directors whose emoluments are disclosed above.

Median Remuneration

Welsh Government Sponsored Bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organization and the 25th percentile, median and 75th percentile remuneration of the organization's workforce. The banded remuneration of the Director General, who was the highest-paid director in 2021/22, was £105,000-£110,000 (2020/21 £105,000-£110,000). The percentile remuneration and ratios are set out in the table below. No employees received remuneration in excess of the Director General in 2021/22 or 2020/21. Remuneration (including directors and the highest-paid director) ranged from £20,292 to £108,934 (2020/21 £19,797 to £106,902). Total

remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions. In 2021/22 and 2020/21 no employees received any non-consolidated performance-related pay or benefits-in-kind, so the total pay figures disclosed in the table below are for total salary, which is total remuneration.

	2021/22	2020/21
Band of Highest Paid Individual's Remuneration	105,000-110,000	105,000-110,000
25th Percentile Total Pay	21,995	20,930
25th Percentile Pay Ratio	4.9	5.1
Median Total Pay	25,585	24,961
Median Pay Ratio	4.2	4.3
75th Percentile Total Pay	32,460	31,724
75th Percentile Pay Ratio	3.3	3.4

The percentage change in salary for the highest-paid individual, the Director General, based on the mid point of the salary band was 0% (4.9% in 2020/21), and based on actual salary was 1.9% (2.5% in 2020/21). The average percentage change in salary for all employees, excluding the Director-General, was 3.3% (1.0% in 2020/21). The slight fall in the 25th percentile, median and 75% percentile pay ratios is explained by higher pay increases being awarded in 2021/22 for staff on lower grades (2.5%) compared with staff on higher grades (1.9%). We believe that the median pay ratio for 2021/22 is consistent with the pay, reward and progression policies for our workforce.

Staff furloughed under the Coronavirus Job Retention Scheme (CJRS)

In 2021/22 a total of 411 members of staff (546 in 2020/21) were furloughed on a full time or part time basis for at least one week. The average number of staff furloughed full time or part time per month from the start of the year until the end of the scheme on 30 September 2021 was 137 (361 in 2020/21), and the average number of staff furloughed per month for whom CJRS claims were submitted was 88 (311 in 2020/21). A total of £356,000 (£3.1m in 2020/21) CJRS funding was claimed, covering periods from 1 April 2021 to 31 May 2021. CJRS funding was claimed up to the amount of non-government income lost (net of direct costs saved) as a result of site closures and restrictions due to the COVID-19 pandemic. These claims were necessary as non-government income forms part of our core revenue budget, and have protected the short term financial sustainability of the organization.

All furloughed staff were made available to Welsh Government for redeployment. In 2020/21 one member of staff was seconded to Welsh Government for 3 months on a part time basis, to assist with communications. Also in 2020/21 another member of staff received a temporary 80% reduction in hours to enable him to work for the Department for International Development for 3 months, to assist with the UK government's procurement response to the COVID-19 pandemic. No CJRS claims were made for either of these employees.

Jane Richardson
Accounting Officer and
Chief Executive
Approved and signed on
21st September 2023

Hywel John
Treasurer, on behalf of the Board of
Trustees
Approved and signed on
21st September 2023

Section 2.3: Audit Report

The Certificate and Independent Auditor's Report of the Auditor General for Wales to the Senedd

Opinion on financial statements

I certify that I have audited the financial statements of National Museum of Wales for the year ended 31 March 2022 under Section 9 of the Museums and Galleries Act 1992. These comprise, the Consolidated Balance Sheet, Consolidated Statement of Financial Activities, Consolidated Cashflow and related notes, including a summary of significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and the Charities SORP (FRS 102).

In my opinion the financial statements:

- give a true and fair view of the state of National Museum of Wales' affairs and of its net expenditure as at 31 March 2022;
- have been properly prepared in accordance with the Charities SORP (FRS 102); and
- have been properly prepared in accordance with Welsh Ministers' directions issued under the Museum and Galleries Act 1992.

Qualified opinion on regularity

In my opinion, except for possible effects of the matters described in the 'Basis for qualified regularity opinion' section of my report, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for qualified regularity opinion

I have been unable to satisfy myself that the trustees of National Museum of Wales discharged their legal responsibility to make sound and informed decisions in the best interests of National Museum of Wales when they:

- decided to engage in a mediation/negotiation process with its Director General;
- decided to delegate responsibility for approving the settlement arrangements to two trustees; and
- set the terms of the delegations.

I have therefore qualified my regularity opinion because I have been unable to satisfy myself that the decision-making process that resulted in payments to the Director General under the terms of a settlement agreement dated December 2022 complied with charity law and that the payments in the year of £325,698, which are disclosed within the Remuneration Report, conform with the framework of authorities governing them.

Further detail is set out in my Report on pages 58 to 61

Other matter

I draw attention to the disclosures made in the Annual Governance Statement about the weaknesses in the governance arrangements in place at National Museum of Wales during 2021/22.

Basis of opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

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

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

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the financial report other than the financial statements and other parts of the report that are audited and my auditor's report thereon. The Statement of Recommended Practice sets out the requirements for other information, however neither it nor legislation, nor the directions issued to National Museum of Wales set out the content and form of the Annual Governance Statement or Remuneration Report presented with the financial statements. The Accounting Officer is responsible for the other information in the financial report. My opinion on the financial statements does

not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

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

I have nothing to report in this regard.

Report on Other Requirements

Opinion on other matters

The Statement of Recommended Practice sets out the requirements for other information, however neither it nor legislation, nor the directions issued to National Museum of Wales set out the content and form of the Governance Statement or Remuneration Report presented with the financial statements. Therefore I am not able to confirm that the Governance Statement or Remuneration Report issued with financial statements have been prepared in accordance with guidance.

In my opinion, based on the work undertaken in the course of my audit, the information given in the other information to be issued with financial statements is consistent with the financial statements.

Although there are no legislative requirements for a Remuneration Report, National Museum of Wales has prepared such a report and in my opinion, that part ordinarily required to be audited has been properly prepared in accordance with HM Treasury guidance.

Matters on which I report by exception

Except for the possible effects of the matters described in the 'Basis for qualified regularity opinion', I have not identified material misstatements in the Performance Report or the Governance Statement.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- sufficient accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my team
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records and returns
- information specified by Welsh Ministers regarding remuneration and other transactions is not disclosed; or
- I have not received all of the information and explanations I require for my audit.

Responsibilities

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Board of Trustees and Director General's Responsibilities, the Accounting Officer is responsible for preparing the financial statements in accordance with the Museums and Galleries Act 1992 and Welsh Ministers' directions made there under, for being satisfied that they give a true and fair view and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the body's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management and those charged with governance, including obtaining and reviewing supporting documentation relating to National Museum of Wales' policies and procedures concerned with:
 - § identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - § detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - § the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in management override which is considered a significant risk in all audited bodies.
- Obtaining an understanding of National Museum of Wales' framework of authority as well as other legal and regulatory frameworks it operates in,

focusing on those laws and regulations that had a direct effect on the financial statements.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Audit, Risk & Assurance Committee about actual and potential litigation and claims;
- reading minutes of meetings of the Board and other relevant Committees; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to the audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the National Museum of Wales' controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Responsibilities for regularity

The Accounting Officer is responsible for ensuring the regularity of financial transactions.

I am required to obtain sufficient evidence to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the Senedd and the financial transactions conform to the authorities which govern them.

Report

My Report on pages 58 to 61 provides more detail regarding irregular payments agreed under the terms of a Settlement Agreement to the former Director General and Accounting Officer of National Museum of Wales. It also provides additional information relating to the weaknesses in governance arrangements in place at National Museum of Wales during the period covered by these accounts.

Adrian Crompton
Auditor General for Wales
28 September 2023

1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

Report of the Auditor General to the Senedd

Introduction

- 1 Under Section 9 of the Museums and Galleries Act 1992 I am responsible for auditing, certifying, and reporting on National Museum of Wales' financial statements.
- 2 In this report on the 2021/22 financial statements of National Museum of Wales, I set out my reasons for:
 - qualifying my regularity audit opinion relating to payments to the former Director General; and
 - drawing attention in the Other Matters section of my Certificate to weaknesses in the overall governance framework in place at National Museum of Wales.

Qualification of the regularity opinion regarding payments to the former National Museum of Wales Director General

- 3 I am required to certify that in all material respects that expenditure and income in National Museum of Wales' financial statements have been applied to the purposes intended by the Senedd, and the financial transactions recorded in the financial statements conform to the framework of authorities which govern them.
- 4 The framework of authorities which I consider when giving my regularity opinion includes:
 - authorising legislation;
 - regulations issued under governing legislation;
 - parliamentary, including Senedd, authorities; and
 - government or related authorities (for example, Welsh Government's publication 'Managing Welsh Public Money').
- 5 As National Museum of Wales is a charity, that framework includes charity law and its governing documents, namely its 'Royal Charter and statutes'.
- 6 I have qualified my regularity opinion on the financial statements 2021/22 of National Museum of Wales as I have been unable to satisfy myself that payments to then Director General to settle an employment dispute complied with the requirements of charity law.

Terms of Settlement Agreement

- 7 The proposed payments were agreed with the Director General under a Settlement Agreement ('the Agreement') dated 5 December 2022 to resolve a longstanding formal, employment dispute between the then Director General and National Museum of Wales.
- 8 The parties agreed to enter into the Agreement rather than seeking resolution through an employment tribunal.
- 9 Under the terms of the Agreement, National Museum of Wales agreed with the Director General that he would relinquish his role as Director General

with National Museum of Wales from 31 March 2023 and would take up a new role as National Museum of Wales' Emeritus Fellow and Visiting Professor at Cardiff University from 1 April 2023. He would remain legally employed by National Museum of Wales; retain his existing pay and employment conditions until 31 March 2024; but would not be accountable to National Museum of Wales when performing this new role. He would reduce his working hours to two days a week from 1 April 2024.

10 The Agreement stipulated that the then Director General's employment would terminate on 30 September 2024.

11 Under the terms of the Agreement, National Museum of Wales agreed to make payments to the then Director General totalling £325,698 made up as follows:

- £225,698 salary including pension and national insurance for the period 17 November 2021 to 30 September 2024¹.
- £50,000 tax free as compensation for injury to his feelings on 19 December 2022.
- £30,000 maximum expenses for the period 1 April 2023 to 30 September 2024²; and
- £20,000 tax-free termination payment for loss of office due on 30 September 2024.

12 As outlined, these payments fall to be paid in the financial years 2022/23, 2023/24 and 2024/25. However, the payments of £325,698, which include a contractual notice period of one year's salary, have been included as Staff Costs in the 2021/22 financial year. The payments of £325,698 have also been disclosed in the Remuneration Report, staff costs note, creditors note both within the year and after one year, and provisions note.

Compliance with framework of authorities

13 I have not been able to satisfy myself that National Museum of Wales complied with the framework of authorities when it decided to make payments to its Director General as set out in paragraph 11.

14 Specifically, there is insufficient documentation for me to be able to satisfy myself that the decision-making process that resulted in payments to the Director General under the terms of a settlement agreement dated December 2022 complied with charity law and that the payments in the year of £325,698, which are disclosed within the Remuneration Report, conform with the framework of authorities governing them.

15 Charity law places significant responsibilities on the trustees of a charitable body including a requirement to act in the charity's best interests (which applies when exercising all powers, including the decision to enter into settlement arrangements); to act with reasonable care and skill; and, to

¹ From 17 November 2022, Director General and National Museum of Wales agreed that he would cease to discharge his duties as Director General, but he had agreed to undertake six prior engagements. The last of these engagements was on 8 December 2022, three days after the settlement agreement was signed. The Director General was therefore not required to discharge any function on behalf of National Museum of Wales from 9 December 2022 to 31 March 2023.

² Travel and subsistence, and other administrative expenses (subject to provision of appropriate invoices)

protect the charity's assets and reputation. In so doing, trustees must ensure that they make decisions that are sufficiently informed, take account of all relevant factors and ignore any irrelevant factors.

- 16 It is therefore imperative that trustee decisions, and the reasons for those decisions, are properly evidenced and documented to demonstrate that trustees have made decisions in the best interests of the charity. This is particularly important where the issues are highly sensitive, such as with a settlement agreement.
- 17 From September 2021 to March 2022, all National Museum of Wales Board business was conducted by e-mail, there were no in person or on-line meetings. Any questions on Board papers that had been e-mailed to the attendees were submitted to the Board Secretary and answered by the relevant department before being sent back to the initiator. Consequently, I have significant concern regarding National Museum of Wales' approach to decision-making during this period and the lack of documentation to support key decisions relating to the Settlement Agreement.
- 18 Specifically, I am concerned that minutes were not prepared on a contemporaneous basis for a decision to proceed to mediation and delegate responsibility for this process to two Trustees. There is no evidence to confirm that National Museum of Wales took advice on the likelihood of success of a claim in the employment tribunal, risks and likely value of the claim. In addition, there is no evidence that the Board of Trustees placed any parameters or limitations on the settlement that could be reached under the delegation, or that they agreed the mechanism for keeping the full Board informed of progress made.
- 19 The absence of such evidence means that I am unable to satisfy myself that National Museum of Wales' trustees were properly informed or advised when considering the prospects of the employment claim. I have been unable to conclude as to whether National Museum of Wales and its trustees fully complied with the requirements of charity law when it entered into a Settlement Agreement with its then Director General on 5 December 2022.
- 20 I acknowledge that National Museum of Wales sought advice from its external legal advisors throughout the employment dispute.

Other matter: Governance Statement – weaknesses in Governance arrangements

- 21 I have included an Other Matter statement in my audit certificate drawing attention to the disclosures made by National Museum of Wales in its Governance Statement about weaknesses in the governance arrangements in place during 2021/22.
- 22 I am satisfied that section 5 of the Annual Governance Statement on page 41 of the 2021/22 financial statements is consistent with the knowledge and information obtained during my audit about the impact of the ongoing dispute on governance arrangements in place at National Museum of Wales.
- 23 In my audit certificate on National Museum of Wales' 2020/21 financial statements, I noted that concerns had been raised by senior executives in the latter half of 2020 about the clarity of the respective roles and responsibilities of the Trustee Board and the Executive; the impact this was

having on the conduct of the Board and Committee meetings; and, on communication between the Trustees and the Executive. I noted that I considered that this was an ongoing risk to effective governance arrangements at National Museum of Wales and would maintain a watching brief over the situation.

- 24 I have concerns that this dispute was lengthened unnecessarily by inadequacies in the mechanisms in place for dealing with issues of this nature, which may have resulted in significant additional cost to the public purse as a result of legal fees and the significant amount of time of senior executives at National Museum of Wales and the Welsh Government that this consumed.
- 25 I am considering issuing a separate report setting out in more detail my concerns about the way in which it was handled, and the costs associated.

Adrian Crompton
Auditor General for Wales

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31 MARCH 2022

	Notes	Public funds		Private Funds		2021/22	2020/21
		Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000	Total £'000	Total £'000
INCOME AND ENDOWMENTS FROM:							
Donations & Legacies							
Grants	3	6,697	26,583	0	0	33,280	31,420
Donations & Legacies	4	131	0	501	710	1,342	1,334
		<u>6,828</u>	<u>26,583</u>	<u>501</u>	<u>710</u>	<u>34,622</u>	<u>32,754</u>
Other Trading Activities	5	0	1,907	0	0	1,907	422
Income from Investments		0	0	52	34	86	84
Other Income	6	7	1,678	0	0	1,685	1,104
TOTAL INCOME AND ENDOWMENTS		<u>6,835</u>	<u>30,168</u>	<u>553</u>	<u>744</u>	<u>38,300</u>	<u>34,364</u>
EXPENDITURE ON:							
Raising Funds:							
Expenditure on Raising Donations & Legacies		0	1,036	5	3	1,044	848
Expenditure on Other Trading Activities	5	0	1,991	0	0	1,991	1,355
		<u>0</u>	<u>3,027</u>	<u>5</u>	<u>3</u>	<u>3,035</u>	<u>2,203</u>
Charitable Activities:							
Learning & Public Programmes		453	4,767	188	0	5,408	4,538
Collections & Research		2,172	8,012	153	1	10,338	10,511
Visitor Experience		2,244	15,917	24	4	18,189	17,874
Governance		0	1,150	0	0	1,150	853
		<u>4,869</u>	<u>29,846</u>	<u>365</u>	<u>5</u>	<u>35,085</u>	<u>33,776</u>
Other:							
Pension Finance Costs	18e	0	710	0	0	710	1,210
TOTAL EXPENDITURE		<u>4,869</u>	<u>33,583</u>	<u>370</u>	<u>8</u>	<u>38,830</u>	<u>37,189</u>
Share of Joint Venture	9	(171)	0	0	0	(171)	0
Net Gains on Investments	12	0	0	113	73	186	580
NET (EXPENDITURE)/INCOME		<u>1,795</u>	<u>(3,415)</u>	<u>296</u>	<u>809</u>	<u>(515)</u>	<u>(2,245)</u>
Transfers Between Funds	19	0	0	(1,565)	1,565	0	0
OTHER RECOGNISED GAINS/(LOSSES):							
Gains/(losses) on revaluation of fixed assets	10	2,953	18	32	10	3,013	(11,752)
Actuarial Gains on defined benefit pension scheme	18d	0	3,965	0	0	3,965	12,399
NET MOVEMENT IN FUNDS		<u>4,748</u>	<u>568</u>	<u>(1,237)</u>	<u>2,384</u>	<u>6,463</u>	<u>(1,598)</u>
RECONCILIATION OF FUNDS:							
Total Funds Brought Forward	19	122,797	(48,794)	18,615	3,920	96,538	98,136
TOTAL FUNDS CARRIED FORWARD	19	<u>127,545</u>	<u>(48,226)</u>	<u>17,378</u>	<u>6,304</u>	<u>103,001</u>	<u>96,538</u>

The above Statement of Financial Activities includes all recognised gains and losses.

All activities are continuing.

The non-consolidated net increase in funds recorded in Amgueddfa Cymru's own Statement of Financial Activities during 2021/22 was £6,514,000 (net decrease of funds of £1,092,000 in 2020/21).

The notes on pages 65 to 89 form part of these accounts.

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2022

	Notes	Amgueddfa Cymru		Consolidated	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
FIXED ASSETS					
Tangible Assets	10	105,561	100,769	105,612	100,841
Heritage Assets	11	30,640	30,400	30,640	30,400
Share of Joint Venture:	9				
Share of gross assets		8,954	9,127	8,954	9,127
Share of gross liabilities		(1)	(3)	(1)	(3)
		<u>8,953</u>	<u>9,124</u>	<u>8,953</u>	<u>9,124</u>
Investments	12	3,464	3,205	3,464	3,205
		<u>148,618</u>	<u>143,498</u>	<u>148,669</u>	<u>143,570</u>
CURRENT ASSETS					
Stock	13	6	16	201	287
Debtors due within one year	14	4,512	5,777	3,503	4,630
Investments	21	801	800	801	800
Cash at bank and in hand	21	10,083	9,305	10,514	9,783
		<u>15,402</u>	<u>15,898</u>	<u>15,019</u>	<u>15,501</u>
CURRENT LIABILITIES					
Creditors due within one year	15	(2,343)	(2,621)	(2,455)	(2,689)
NET CURRENT ASSETS		<u>13,059</u>	<u>13,277</u>	<u>12,564</u>	<u>12,812</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>161,677</u>	<u>156,775</u>	<u>161,233</u>	<u>156,382</u>
CREDITORS					
Amounts falling due after one year	16	(729)	(959)	(729)	(959)
Provisions	17	(188)	0	(188)	0
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY		<u>160,760</u>	<u>155,816</u>	<u>160,316</u>	<u>155,423</u>
Defined benefit pension scheme deficit	18a	(57,315)	(58,885)	(57,315)	(58,885)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY		<u>103,445</u>	<u>96,931</u>	<u>103,001</u>	<u>96,538</u>
FUNDS	19				
Public Funds Restricted - Income		113,437	111,642	113,437	111,642
Public Funds Restricted - Revaluation		14,108	11,155	14,108	11,155
Total Public Funds Restricted		<u>127,545</u>	<u>122,797</u>	<u>127,545</u>	<u>122,797</u>
Public Funds Unrestricted - Income		9,515	10,484	9,071	10,091
Public Funds Unrestricted - Revaluation		18	0	18	0
Pension Reserve		(57,315)	(58,885)	(57,315)	(58,885)
Total Public Funds Unrestricted		<u>(47,782)</u>	<u>(48,401)</u>	<u>(48,226)</u>	<u>(48,794)</u>
Private Funds Restricted - Income		17,231	18,500	17,231	18,500
Private Funds Restricted - Revaluation		147	115	147	115
Total Private Funds Restricted		<u>17,378</u>	<u>18,615</u>	<u>17,378</u>	<u>18,615</u>
Private Funds Unrestricted - Income		6,259	3,885	6,259	3,885
Private Funds Unrestricted - Revaluation		45	35	45	35
Total Private Funds Unrestricted		<u>6,304</u>	<u>3,920</u>	<u>6,304</u>	<u>3,920</u>
		<u>103,445</u>	<u>96,931</u>	<u>103,001</u>	<u>96,538</u>

Signed on behalf of the Trustees by

Jane Richardson
Accounting Officer and Chief Executive
Approved and signed on 21 September 2023

Hywel John
Treasurer, on behalf of the Board of Trustees
Approved and signed on 21 September 2023

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

Consolidated Cash Flow Statement							
Notes	Public funds		Private Funds		2021/22	2020/21	
	Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000	Total £'000	Total £'000	
Net Cash Inflow/(Outflow) from Operating Activities	20	4,903	(532)	178	739	5,288	5,470
Cashflows from Investing Activities:							
Purchase of tangible fixed assets		(3,584)	(424)	0	0	(4,008)	(3,477)
Purchase of heritage assets		(225)	0	0	0	(225)	(385)
Disposal of tangible fixed assets		0	0	0	0	0	64
Disposal of heritage assets		0	0	0	0	0	8
Net purchase/sale of investments		0	0	(44)	(29)	(73)	8
Net Cash (used in)/provided by Investing Activities		(3,809)	(424)	(44)	(29)	(4,306)	(3,782)
Cashflows from Financing Activities:							
Loan repayments		(157)	(93)	0	0	(250)	(249)
Net Cash (used in)/provided by Financing Activities		(157)	(93)	0	0	(250)	(249)
Increase/(Decrease) in Cash		937	(1,049)	134	710	732	1,439
Cash and cash equivalents at start of year		(1,861)	5,523	3,819	3,102	10,583	9,144
Cash and cash equivalents at end of year	21	(924)	4,474	3,953	3,812	11,315	10,583

Amgueddfa Cymru Cash Flow Statement							
Notes	Public funds		Private Funds		2021/22	2020/21	
	Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000	Total £'000	Total £'000	
Net Cash Inflow/(Outflow) from Operating Activities	20	4,903	(485)	178	739	5,335	5,860
Cashflows from Investing Activities:							
Purchase of tangible fixed assets		(3,584)	(424)	0	0	(4,008)	(3,469)
Purchase of heritage assets		(225)	0	0	0	(225)	(385)
Disposal of tangible fixed assets		0	0	0	0	0	61
Disposal of heritage assets		0	0	0	0	0	8
Net sale of investments		0	0	(44)	(29)	(73)	8
Net Cash (used in)/provided by Investing Activities		(3,809)	(424)	(44)	(29)	(4,306)	(3,777)
Cashflows from Financing Activities:							
Loan repayments		(157)	(93)	0	0	(250)	(249)
Net Cash (used in)/provided by Financing Activities		(157)	(93)	0	0	(250)	(249)
Increase/(Decrease) in Cash		937	(1,002)	134	710	779	1,834
Cash and cash equivalents at start of year		(1,861)	5,045	3,819	3,102	10,105	8,271
Cash and cash equivalents at end of year	21	(924)	4,043	3,953	3,812	10,884	10,105

The notes on pages 65 to 89 form part of these accounts.

Notes to the Accounts for the Year Ended 31 March 2022

1. Accounting Policies

1.1 Basis of Accounting

The Accounts are prepared under the historical cost convention, modified to include the revaluation of certain tangible fixed assets at their value to Amgueddfa Cymru. They have been prepared on the accruals basis in accordance with the Accounts Direction issued by the Welsh Ministers with the consent of the Treasury. Without limiting the information given, the Accounts meet the accounting and disclosure requirements of the Charities Statement of Recommended Practice FRS102, (Charities SORP (FRS102)), issued by the Charities Commissioners for England and Wales, and the accounting statements issued or adopted by the Accounting Standards Board in so far as those requirements are appropriate. HM Treasury has confirmed that the exemptions contained in the Charities SORP (FRS102) in respect of the need to disclose the historic cost of tangible fixed assets may apply.

1.2 Joint Venture Undertakings

Amgueddfa Cymru and the City & County of Swansea are two equal members in National Waterfront Museum Swansea Ltd (NWMS Ltd), a company limited by guarantee and which does not have a share capital. The results of the joint venture have been included within the financial statements and are accounted for using the equity method of accounting. The accounts of NWMS Ltd for the year to 31 March 2022 have been approved and received an unqualified audit opinion. A copy of the accounts can be obtained from our Principal Office at National Museum Cardiff, Cathays Park, Cardiff CF10 3NP.

1.3 Subsidiary Undertakings

We operate a wholly owned trading subsidiary, NMGW Enterprises Ltd, company number 02449244, registered in England & Wales. The trading results for the company have been included within the consolidated financial statements on the 'line by line' method. The accounts of NMGW Enterprises Ltd for the year to 31 March 2022 have been approved and received an unqualified audit opinion. A copy of the accounts can be obtained from our Principal Office at National Museum Cardiff, Cathays Park, Cardiff CF10 3NP.

1.4 Income and Resources

All income is recognised in the Statement of Financial Activities when the conditions for receipt have been met. Grants are credited on a receivable basis, with any un-spent non-Grant-in-Aid grant income being deferred to the following year. Income for services performed is credited when the service is provided. Donations and bequests are accounted for when receipt is deemed probable, as defined in FRS102.

1.5 Expenditure

Expenditure is apportioned across expenditure heads on the basis of direct allocation and indirect apportionment in the case of support costs as appropriate. Expenditure on Raising Donations & Legacies includes all fundraising expenditure. Expenditure on Other Trading Activities includes all expenditure associated with the trading subsidiary. Expenditure on charitable activities includes all expenditure associated with Learning and Public Programmes; Collections and Research; Visitor Experience; and Governance. Governance costs include all expenditure associated with corporate and strategic planning, Board and Committee work, Welsh Government liaison, internal and external audit, risk management and statutory reports, and accounts work.

The basis of support cost allocation is as follows: Marketing, Press and PR is allocated per percentage time, Finance is allocated per total income and total expenditure, ICT is allocated per number of computer users and Human Resources is allocated per number of full time equivalent employees.

1.6 Tangible Fixed Assets

All items of a capital nature costing in excess of £10,000 are capitalised. Items of a capital nature costing less than £10,000 are not capitalised and are written off in-year. Previous to 1 April 2014, items of a capital nature costing in excess of £5,000 were capitalised.

Land and buildings assets are professionally valued every five years on the basis of their current value in existing use assuming that the properties would continue to be used to provide the service and are revalued using an index in the intervening period. Revaluation gains are recognised in the Statement of Financial Activities under Gains/(losses) on the revaluation of fixed assets, except to the extent to which they offset any previous write off of expenditure in the Statement of Financial Activities, in which case the gain is reversed against the relevant expenditure heading. Revaluation losses are recognised as an expense under the relevant expenditure heading in the Statement of Financial Activities except to the extent to which they offset any previous revaluation gains, in which case the loss is shown under Gains/(losses) on the revaluation of fixed assets. Routine maintenance work in respect of these properties is written off in the year in which it is undertaken.

Non-property assets (i.e. plant & vehicles, and fixtures, fittings & equipment) are held at historic cost (or the revalued cost prior to 1 April 2010) and not indexed as these assets have short useful economic lives or low values (or both).

An annual impairment review is carried out by management.

1.7 Heritage Assets

Heritage assets are defined as assets of historic, artistic or scientific importance that are held to advance preservation, conservation and educational objectives of charities and through public access contribute to the nation's culture and education at either a national or local level. These assets are central to the achievement of our aims and include land, buildings, exhibits and artefacts. With

effect from 1 April 2001 heritage assets purchased by or donated to us with an individual value of £5,000 or greater, or of £10,000 or greater from 1 April 2014, have been capitalised at historic cost/valuation. In accordance with Treasury accounts direction, assets acquired before 1 April 2001 have not been capitalised and in the opinion of the Trustees the considerable cost of valuation of the large collection of heritage assets (approximately 5.3 million items) cannot be justified on cost/benefit grounds. Donated or part-donated assets are valued with reference to invoices or other documentation where available, and otherwise by curatorial staff.

1.8 Depreciation

Depreciation is charged on tangible fixed assets (excluding land and heritage assets). The principal rates, using the straight-line method, are as follows:

- Freehold buildings and long leasehold properties are depreciated over their useful lives from 50 to 125 years.
- As permitted by the Charities SORP (FRS102), heritage assets are not depreciated. It is the opinion of the Trustees that with regard to works of art their residual value is higher than the carrying value and with regard to other heritage assets their estimated useful life is of such length that depreciation is not material.
- Plant, equipment, fixture and fittings are depreciated over 5-10 years. In specific cases of items subject to technological changes or with a high obsolescence factor, a 3-year life is used. Other specific items may have a longer depreciation period.
- Leased assets are charged on a straight-line basis over the term of the lease.

1.9 Funds

Public and Private Unrestricted Funds are available for use, at the discretion of the Trustees, in furtherance of our general objectives.

Public Restricted Funds represent Capital and Specimen Purchase Grants receivable from the Welsh Government and other government bodies.

Private Restricted Funds are funds subject to specific restriction imposed by donors and can only be applied in accordance with the instructions under which they are set up.

Revaluation reserves represent accumulated gains/losses on revaluation of fixed assets arising from 1 April 2011 onwards.

Transfers may be made between funds provided that restricted funds are used only for the purpose imposed by the donor or grant making body.

1.10 Stock

We maintain a stock of publications and other items for sale in our shops. These are valued at the lower of cost and net realisable value.

1.11 Investments

Investments are shown at market value. It is our policy to keep valuations up to date such that when investments are sold there is no gain or loss arising relating to previous years. As a result the Statement of Financial Activities does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings, as they are treated as changes in the value of the investment portfolio throughout the year.

1.12 Staff Holiday Accrual

We recognise accruals at year-end for staff holiday entitlement that has not yet been taken and which is being carried forward to the following year.

1.13 Research and Development

Expenditure on research and development is charged to the Statement of Financial Activities in the year in which it is incurred.

1.14 Taxation

We have been granted charitable status by the HM Revenue & Customs, though NMGW Enterprises Ltd is subject to Corporation Tax.

1.15 Pensions

Contributions to the National Museum of Wales Pension Scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives. The charge to the Statement of Financial Activities is based on the current service cost as calculated by the scheme actuary.

1.16 Contingent Assets and Liabilities

Contingent assets and liabilities are not accrued in the accounting statements. Contingent liabilities in respect of any legal claims for which there is no insurance cover are disclosed in a note to the accounts, as are any other material contingent assets and liabilities.

1.17 Severance costs

Severance payments under the Redundancy and Early Severance Agreement and Mutually Assured Resignation Scheme are recognised in the accounting period in which severance has been formally approved and agreed with the employee.

1.18 Financial instruments

Trade debtors do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Cash comprises cash in hand and cash at bank and on short term deposit on instant access term. Cash on short term deposit which is not on instant access term is included in current asset investments.

Trade creditors are not interest bearing and are stated at their nominal value. Liabilities are recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligations can be measured reliably.

1.19 Provisions

Where either the timing or the amount of the future expenditure required to settle the obligation is uncertain this is recognised as a provision rather than a creditor. The amount recognised as a provision is the best estimate of the expenditure required to settle or to transfer it to a third party at the reporting date. Provisions are stated at their nominal value.

2. Statement of Financial Activities comparatives

	Public funds		Private Funds		2020/21
	Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000	Total £'000
INCOME AND ENDOWMENTS FROM:					
Donations & Legacies					
Grants	3,858	27,562	0	0	31,420
Donations & Legacies	118	0	538	678	1,334
	3,976	27,562	538	678	32,754
Other Trading Activities	0	422	0	0	422
Income from Investments	0	0	57	27	84
Other Income	0	1,097	5	2	1,104
TOTAL INCOME AND ENDOWMENTS	3,976	29,081	600	707	34,364
EXPENDITURE ON:					
Raising Funds:					
Expenditure on Raising Donations & Legacies	0	840	4	4	848
Expenditure on Other Trading Activities	0	1,355	0	0	1,355
	0	2,195	4	4	2,203
Charitable Activities:					
Learning & Engagement	693	3,841	4	0	4,538
Collections & Research	3,301	7,201	8	1	10,511
Visitor Experience	3,435	14,428	9	2	17,874
Governance	0	853	0	0	853
	7,429	26,323	21	3	33,776
Other:					
Pension Finance Costs	0	1,210	0	0	1,210
TOTAL EXPENDITURE	7,429	29,728	25	7	37,189
Share of Joint Venture	0	0	0	0	0
Net Gains/(Losses) on Investments	0	0	388	192	580
NET (EXPENDITURE)/INCOME	(3,453)	(647)	963	892	(2,245)
OTHER RECOGNISED GAINS/(LOSSES):					
(Losses)/gains on revaluation of fixed assets	(11,406)	(88)	(201)	(57)	(11,752)
Actuarial Gains/(Losses) on defined benefit pension scheme	0	12,399	0	0	12,399
NET MOVEMENT IN FUNDS	(14,859)	11,664	762	835	(1,598)
RECONCILIATION OF FUNDS:					
Total Funds Brought Forward	137,656	(60,458)	17,853	3,085	98,136
TOTAL FUNDS CARRIED FORWARD	122,797	(48,794)	18,615	3,920	96,538

3. Grants Receivable

	Public		2021/22	2020/21
	Restricted	Unrestricted		
	£'000	£'000		
Revenue Grant-in-Aid	0	24,802	24,802	23,632
Specimen Purchase Grant-in-Aid	269	0	269	269
Capital Grant-in-Aid	6,428	0	6,428	3,998
Other government grant	0	1,781	1,781	3,521
	<u>6,697</u>	<u>26,583</u>	<u>33,280</u>	<u>31,420</u>

We received total Grant-in-Aid from the Welsh Government of £31,499,000 (£27,899,000 in 2020/21) which comprises the Revenue, Specimen Purchase and Capital Grant-in-Aid.

Other government grant included Welsh Government grants of £1,180,000 (£606,000 in 2020/21), National Lottery Heritage Fund grant of £230,000 (£210,000 in 2020/21), Cardiff Council grant of £12,000 (£3,000 in 2020/21), Newport City Council grant of £3,000 (£nil in 2020/21), Arts Council of Wales grant of £nil (£110,000 in 2020/21), and £356,000 receivable under the UK Government's Coronavirus Job Retention Scheme (£3,173,000 in 2020/21).

4. Donations & Legacies

	Public Funds		Private Funds		2021/22	2020/21
	Restricted	Unrestricted	Restricted	Unrestricted		
	£'000	£'000	£'000	£'000		
Donated Assets	0	0	15	0	15	50
Legacies	0	0	14	50	64	100
Other donations	131	0	472	660	1,263	1,184
	<u>131</u>	<u>0</u>	<u>501</u>	<u>710</u>	<u>1,342</u>	<u>1,334</u>

Donated assets include heritage assets valued at £15,000 (£50,000 in 2020/21) (see note 11 for more details). All valuations of donated (or part-donated) assets in the year and the previous year were carried out by curatorial staff or other qualified staff, or by reference to invoices or acceptance in lieu correspondence.

Other donations includes gifts from trusts and foundations received as contributions towards our work, specific projects and specimen purchases. Major gifts included £500,000 from players of the People's Postcode Lottery (£350,000 in 2020/21) and £317,000 from the Paul Hamlyn Foundation (£300,000 in 2020/21). There was also a donation of £100,000 from the Garfield Weston Foundation in 2020/21.

5. Trading Subsidiary

We have one wholly owned trading subsidiary, which is incorporated in the UK. The principal activities of NMGW Enterprises Ltd are sales at all our retail shops, catering, car parking, image licensing, corporate hire, lettings, mail order, proceeds from the sale or loan of exhibitions and filming rights. NMGW Enterprises Ltd remits its profits to us by means of gift aid. A summary of the Company's results is shown below.

	2021/22	2020/21
	£ '000	£ '000
Turnover	1,843	421
Cost of sales	(1,690)	(814)
Gross Profit/(Loss)	153	(393)
Administrative expenses	(262)	(105)
Other operating income	64	0
Profit/(loss) on ordinary activities before interest	(45)	(498)
Interest receivable	0	0
Interest payable	(6)	(6)
Profit/(loss) on ordinary activities before taxation	(51)	(504)
Tax on profit on ordinary activities	0	0
Profit/(loss) for the financial year	(51)	(504)
Gift aid payable to the Museum	0	0
Retained profit/(loss) for the financial year	(51)	(504)
Total Assets	778	866
Total Liabilities	(1,220)	(1,256)
Shareholders' Funds	(442)	(390)

The consolidated Statement of Financial Activities includes the subsidiary's turnover, other operating income and interest receivable as income from trading subsidiary, and cost of sales, administrative expenses and interest payable as costs of trading subsidiary. CJRS funding of £33,000 (£429,000 in 2020/21) is included as grants income in the Statement of Financial Activities.

6. Other Income

	Public Funds		Private Funds		2021/22	2020/21
	Restricted	Unrestricted	Restricted	Unrestricted		
	£'000	£'000	£'000	£'000		
Learning & Public Programmes	0	217	0	0	217	86
Collections & Research	0	707	0	0	707	427
Visitor Experience	0	691	0	0	691	551
Support	7	63	0	0	70	40
	7	1,678	0	0	1,685	1,104

7. Total Expenditure

(a) Amgueddfa Cymru

	Direct Costs	Depre- ciation	Marketing, Press & PR	Support Costs			2021/22	2020/21
				Finance	ICT	Human Resources		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure on Raising Funds								
Raising Donations & Legacies	892	0	39	23	53	37	1,044	848
	892	0	39	23	53	37	1,044	848
Activities								
Learning & Public Programmes	4,722	217	119	71	164	115	5,408	4,538
Collections & Research	8,494	1,019	210	125	288	202	10,338	10,511
Visitor Experience	15,981	1,072	322	192	443	309	18,319	17,880
Governance	889	0	66	40	91	64	1,150	853
	30,086	2,308	717	428	986	690	35,215	33,782
Pension Finance Costs	710	0	0	0	0	0	710	1,210
Total Expenditure	31,688	2,308	756	451	1,039	727	36,969	35,840

(b) Consolidated

	Direct Costs	Depre- ciation	Marketing, Press & PR	Support Costs			2021/22	2020/21
				Finance	ICT	Human Resources		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure on Raising Funds								
Raising Donations & Legacies	892	0	39	23	53	37	1,044	848
Trading Subsidiary	1,971	20	0	0	0	0	1,991	1,355
	2,863	20	39	23	53	37	3,035	2,203
Activities								
Learning & Public Programmes	4,722	217	119	71	164	115	5,408	4,538
Collections & Research	8,494	1,019	210	125	288	202	10,338	10,511
Visitor Experience	15,851	1,072	322	192	443	309	18,189	17,874
Governance	889	0	66	40	91	64	1,150	853
	29,956	2,308	717	428	986	690	35,085	33,776
Pension Finance Costs	710	0	0	0	0	0	710	1,210
Total Expenditure	33,529	2,328	756	451	1,039	727	38,830	37,189

The amount of £59,975 (£41,348 in 2020/21) is included in resources expended for external auditors' remuneration. This includes £41,182 (£36,628 in 2020/21) for the Amgueddfa Cymru audit fee, £13,818 fees for additional Amgueddfa Cymru audit work related to 2020/21, £4,375 (£4,120 in 2020/21) for the trading subsidiary audit fee and £600 (£600 in 2020/21) for other work for the trading subsidiary.

67.1% of total expenditure during the year was on staff costs (65.2% in 2020/21).

8. Staff Costs

(a) Staff Costs during the year:

	2021/22	2020/21
	£'000	£'000
Salaries & Wages	17,794	16,616
Social Security Costs	1,450	1,288
Pension current service cost (note 18e)	6,610	5,574
Pension deficit contribution for past service (note 18e)	0	9
Pension scheme expenses (note 18e)	333	372
Pension FRS102 current service cost adjustment	(1,038)	(997)
Apprenticeship Levy	75	57
Severance Costs	124	111
	<u>25,348</u>	<u>23,030</u>
FRS102 Pension Finance Costs (note 18e)	710	1,210
	<u>26,058</u>	<u>24,240</u>

Included within the staff costs are £1,192,000 (£1,177,000 in 2020/21) relating to the trading subsidiary. Also included within the staff costs are £173,000 provisions for salary (£131,000), social security (£15,000) and pension costs (£27,000) as part of settlement agreements regarding tribunal claims, £144,000 to be paid in 2023/24 and £29,000 in 2024/25.

Severance costs include payments under our Redundancy Scheme and Early Severance Agreement and our Mutually Assured Resignation Scheme. They also include ex-gratia payments of £62,000 paid in 2022/23 and £20,000 termination payments to be paid in 2023/24, as part of settlement agreements regarding tribunal claims.

One employee (one in 2020/21) left Amgueddfa Cymru during the year under the Redundancy and Early Severance Agreement. Statutory payments are enhanced by a factor of 4 under this Agreement.

One employee (one in 2020/21) left Amgueddfa Cymru during the year under our Mutually Assured Resignation Scheme. Severance payments under this scheme are calculated on the basis of one month's pay for each complete year of continuous service, up to a maximum of 12, capped at £40,000.

(b) Members of the Board of Trustees

Trustees did not receive any emoluments during 2021/22 or 2020/21, with the exception of the President. Details of the President's remuneration can be found on page 30 of this report. The total amount of travel, subsistence and accommodation expenses reimbursed by us for our Board and committee members was £nil (£nil in 2020/21). This does not include any expenses waived by trustees as this is immaterial. No trustees were reimbursed expenses during the year (none in 2020/21).

9. Share of Joint Venture

We are an equal member, with the City & County of Swansea, of National Waterfront Museum Swansea Ltd (NWMS Ltd) (Charity No 1090512), a company limited by guarantee. The principal objective of NWMS Ltd is to establish for the benefit of the public a museum in Swansea to house and display (inter alia) the industrial and maritime collection of Amgueddfa Cymru and the City & County of Swansea. In the event of the wind-up or dissolution of NWMS Ltd its articles and memorandum of association state that any property belonging to or vested in the charity shall be transferred to some other charity or charities having similar objectives.

Our share of the net movement in funds and net assets of the Joint Venture comprises:

	Total Net Movement in Funds		Share of Net Movement in Funds	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Donations and Legacies	5	5	3	2
Other Income	0	0	0	0
Total Incoming Resources	5	5	3	2
Charitable activity expenditure	345	216	172	108
Governance Costs	5	5	2	3
Total Resources expended	350	221	174	111
Revaluation of Fixed assets	0	217	0	109
Net Movement in Funds	(345)	1	(171)	0

	Total Assets and Liabilities		Share of Assets and Liabilities	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Fixed Assets	17,903	18,249	8,951	9,124
Current Assets	6	5	3	3
Liabilities due within one year	(6)	(5)	(1)	(3)
Liabilities due after more than one year	(43)	(44)	0	0
Net Assets	17,860	18,205	8,953	9,124
Funds				
General Fund (unrestricted)	17,407	17,752	8,726	8,897
Revaluation reserve	451	451	226	226
Restricted Fund	2	2	1	1
	17,860	18,205	8,953	9,124

10. Tangible Fixed Assets

(a) Amgueddfa Cymru

	Freehold Land	Freehold Buildings	Leasehold Properties	Plant & Vehicles	Fixtures, Fittings & Equipment	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation							
At 1 April 2021	1,959	34,303	55,056	4,384	7,415	3,943	107,060
Additions in Year	0	0	0	480	1,148	2,460	4,088
Disposals	0	0	0	(23)	(77)	0	(100)
Transfers	0	0	0	179	281	(460)	0
Impairment	0	0	0	0	0	0	0
Revaluation	65	1,143	1,835	0	0	0	3,043
At 31 March 2022	2,024	35,446	56,891	5,020	8,767	5,943	114,091
Depreciation							
At 1 April 2021	0	0	7	1,848	4,436	0	6,291
Charge for the Year	0	502	424	453	929	0	2,308
Disposals	0	0	0	(23)	(77)	0	(100)
Transfers	0	0	0	0	0	0	0
Revaluation	0	17	14	0	0	0	31
At 31 March 2022	0	519	445	2,278	5,288	0	8,530
Net Book Value							
At 1 April 2021	1,959	34,303	55,049	2,536	2,979	3,943	100,769
At 31 March 2022	2,024	34,927	56,446	2,742	3,479	5,943	105,561

(b) Consolidated

	Freehold Land	Freehold Buildings	Leasehold Properties	Plant & Vehicles	Fixtures, Fittings & Equipment	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation							
At 1 April 2021	1,959	34,303	55,056	4,384	7,690	3,943	107,335
Additions in Year	0	0	0	480	1,148	2,460	4,088
Disposals	0	0	0	(23)	(188)	0	(211)
Transfers	0	0	0	179	281	(460)	0
Impairment	0	0	0	0	0	0	0
Revaluation	65	1,143	1,835	0	0	0	3,043
At 31 March 2022	2,024	35,446	56,891	5,020	8,931	5,943	114,255
Depreciation							
At 1 April 2021	0	0	7	1,848	4,639	0	6,494
Charge for the Year	0	502	424	453	949	0	2,328
Disposals	0	0	0	(23)	(187)	0	(210)
Transfers	0	0	0	0	0	0	0
Revaluation	0	17	14	0	0	0	31
At 31 March 2022	0	519	445	2,278	5,401	0	8,643
Net Book Value							
At 1 April 2021	1,959	34,303	55,049	2,536	3,051	3,943	100,841
At 31 March 2022	2,024	34,927	56,446	2,742	3,530	5,943	105,612

Our freehold and leasehold properties were professionally valued on 31 March 2021 by External Valuers, Elizabeth Hill BSc MRICS and Alan Jones BSc MRICS of Cooke and Arkwright Chartered Surveyors. The valuations were in accordance with the requirements of the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards (effective from 2020), the International Valuation Standards and the RICS Valuation, Global Standards – UK National Supplement. The valuation of each property was on the basis of being valued to Current Value in Existing Use using Depreciated Replacement Cost assuming that the properties would continue to be used to provide the service. In the intervening period those assets are revalued using indices. The index used for land and buildings is the BCIS All in Tender Price Index, estimated by Cooke and Arkwright Chartered Surveyors. The estimated index value was 341 in March 2022 (330 in March 2021).

11. Heritage Assets

(a) Collection Management Policies

Collections of specimens are the *raison d'être* of museums and provide the fundamental database for all their work and objectives. We are the national repository of material relating to Wales's natural and created heritage and international material that helps define Wales's place in the world. Our collections number approximately 5.3 million specimens or groups and are of international importance. We differ from other national museums and galleries in the UK by the range of our disciplines and by the number and range of sites that we operate.

We maintain and review our policies on acquisitions, disposals, care and conservation, documentation and access to the highest international standards. These policies can be found on our website or obtained on request from our Principal Office at National Museum Cardiff, Cathays Park, Cardiff CF10 3NP.

(b) Collection Management Costs

These costs are recognised in the Statement of Financial Activities.

	2021/22	2020/21
	£'000	£'000
Collection management costs		
Conservation	803	788
Collections Information	263	269
Collection Services	363	255
Collection Centre	39	26
	<u>1,468</u>	<u>1,338</u>

(c) Summary of capitalised heritage assets on the Balance Sheet

	Historic			Total £'000
	Art £'000	Buildings £'000	Other £'000	
Donated Assets	12,992	160	329	13,481
Purchased Assets	10,201	5,696	1,262	17,159
Total at 31 March 2022	23,193	5,856	1,591	30,640

(i) Heritage Assets donated during the year:

	Historic			Total £'000
	Art £'000	Buildings £'000	Other £'000	
Punch-bowl, Swansea China Works	15	0	0	15
Total Additions in Year	15	0	0	15
Total at 1 April 2021	12,977	160	329	13,466
Total at 31 March 2022	12,992	160	329	13,481

All valuations of donated (or part donated) assets were carried out by curatorial staff or by reference to invoices/acceptance in lieu correspondence.

(ii) Heritage Assets purchased during the year:

	Historic			Total £'000
	Art £'000	Buildings £'000	Other £'000	
Gareth Griffith works	20	0	0	20
<i>Migratory Motor Complex</i> , James Richards 2017	45	0	0	45
Two paintings of Lord Bute Ironworks, Rhymney	15	0	0	15
9 silver-gelatin prints	92	0	0	92
<i>North Wales</i> series, Chris Ofili	20	0	0	20
<i>The Close Observer</i> , Prabhakar Pachpute 2020	33	0	0	33
Total Additions in Year	225	0	0	225
Total at 1 April 2021	9,971	5,696	1,267	16,934
Total at 31 March 2022	10,196	5,696	1,267	17,159

(iii) Heritage Assets disposals and impairments during the year:

There were no disposals or impairments during the year. There was an impairment of £73,000 to Historic Buildings in 2018/19. There have been no other impairments to or disposals of assets included in the Balance Sheet in the last 5 years.

(iv) Capitalised specimen acquisition over the last five years:

	2021/22	2020/21	2019/20	2018/19	2017/18
	£'000	£'000	£'000	£'000	£'000
Donated Assets					
Art	15	50	5,460	649	147
Historic Buildings	0	0	0	0	0
Other	0	0	0	0	0
Total Donated Assets	15	50	5,460	649	147
Purchased Assets					
Art	225	300	349	19	30
Historic Buildings	0	0	14	0	91
Other	0	85	45	60	0
Total Purchased Assets	225	385	408	79	121
Total Capitalised Specimen Acquisition	240	435	5,868	728	268

(d) Summary of specimen acquisition expenditure on the Statement of Financial Activities

Non-capitalised specimen acquisition spend over the last five years:

	2021/22	2020/21	2019/20	2018/19	2017/18
	£'000	£'000	£'000	£'000	£'000
Art	14	24	85	34	28
Natural Sciences	38	18	33	30	47
Industry	0	0	0	3	0
Conservation	25	0	0	8	0
Library	21	31	59	65	40
History	54	25	46	9	200
Transfer from Art to Heritage Assets	0	(60)	0	0	0
	152	38	223	149	315

Expenditure includes acquisitions valued at less than £10,000 (acquisitions valued at less than £5,000 prior to 2014/15), fieldwork, collections refurbishment and renovation. These costs are recognised in the Statement of Financial Activities.

(e) Further information on Amgueddfa Cymru's collection of heritage assets

There are c. 5.3 million items in Amgueddfa Cymru's collections

Archaeology & Numismatics	1,304,364
Art	46,646
Natural Sciences	3,013,180
Industry	268,977
National Wool Museum	12,000
Library	265,159
Social & Cultural History	400,290
Total	5,310,616

(i) Archaeology & Numismatics: the Department holds a collection of 816,864 items at National Museum Cardiff, as well as 487,500 at the National Roman Legion Museum in Caerleon. Archaeology and Numismatics (the study of coins and medals) tell us about the archaeology and history of Wales from the first use of caves 250,000 years ago to the start of the industrial revolution.

(ii) Art: the Welsh national collection of fine and applied art is housed at National Museum Cardiff. This unique resource documents the history of art in Wales since the sixteenth century, and is a major international collection of British and European art, as well as holding art from other cultures.

(iii) Natural Sciences: a collection of 3,013,180 items held at National Museum Cardiff, on display in the natural history galleries, or viewable by appointment. The botany and zoology specimens cover the study of the earth's biodiversity and of how organisms interact. This study is essential to our future wellbeing. The geology specimens include rocks, minerals and fossils that help us to understand the geological history of the Earth from its origins around 4,600 million years ago, and the processes involved in forming and shaping the Earth's crust. They provide evidence for how the Wales we know today has evolved over 700 million years.

(iv) Industry: 268,977 objects are held in collections at the National Slate Museum in Llanberis, Big Pit: National Coal Museum in Blaenafon, the National Waterfront Museum in Swansea and in our Collections Centre in Nantgarw, where they can be viewed by appointment. The collections include items from the coal, manufacturing, maritime and transport industries. The 1841 census records that Wales was the first nation in the world to have a higher proportion of its workforce employed in industry rather than agriculture – Wales was therefore 'the world's first industrial nation'.

(v) The National Wool Museum: this Museum holds 12,000 items in its collection, showcasing one of the most important and widespread industries in Wales. The Museum follows the process from fleece to fabric through its collection of objects, restored listed buildings and working historic machinery.

(vi) Library: the main Library, housed at National Museum Cardiff, and the library housed at St Fagans: National History Museum, contain 265,159 books and periodicals. This includes a collection of rare and special edition books, particularly in natural history. The Library is also a source of information for staff, and items can be viewed by the public by appointment.

(vii) Social & Cultural History: this collection holds 400,290 items, housed at St Fagans: National History Museum. It covers the domestic, cultural, agricultural and commercial aspects of the people of Wales from the Middle Ages to the present day. We illustrate and interpret these aspects with over forty re-constructed buildings spread across one hundred acres of land. The collection also has extensive photographic, film and sound archives.

12. Fixed Asset Investments

	Amgueddfa Cymru		Consolidated	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
At 1 April 2021	3,205	2,633	3,205	2,633
Additions to investments at cost	78	0	78	0
Disposals at market value	(5)	(8)	(5)	(8)
Net Gain on Revaluation	186	580	186	580
Market Value at 31 March 2022	3,464	3,205	3,464	3,205

Of total investments of £3,464,000, £2,804,000 (£2,647,000 at 31 March 2021) was held in Restricted Private Funds and £660,000 (£558,000 at 31 March 2021) in Unrestricted Private Funds.

The historic cost of investments at 31 March 2022 was £3,070,000 (£3,006,000 at 31 March 2021). The portfolio consists of Collective Investments (Unit Trusts) authorized by the Securities and Investments Board (these were professionally valued by our investment managers, Barclays) and shareholdings (bequested to us) listed on the London Stock Exchange.

The investments were held in the following asset classes:

	Amgueddfa Cymru		Consolidated	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
UK Listed Investments	1,330	1,396	1,330	1,396
Non UK Listed Investments	2,124	1,803	2,124	1,803
Cash & Cash Deposits	10	6	10	6
	3,464	3,205	3,464	3,205

13. Stock

	Amgueddfa Cymru		Consolidated	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Shop Goods for Sale	0	0	199	282
Publications stock held separately	39	48	39	48
Less: Provision for stock write-off	(33)	(32)	(37)	(43)
	<u>6</u>	<u>16</u>	<u>201</u>	<u>287</u>

14. Debtors

	Amgueddfa Cymru		Consolidated	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade Debtors	230	145	270	159
Amount due from trading subsidiary	808	887	0	0
Loan due from trading subsidiary	301	301	0	0
Other Debtors	2,561	3,496	2,562	3,496
Prepayments	612	948	671	975
	<u>4,512</u>	<u>5,777</u>	<u>3,503</u>	<u>4,630</u>
Balances with:				
Central government bodies	2,496	3,400	2,497	3,400
NHS bodies	0	0	0	0
Local authorities	0	0	0	0
Sub total intra government balances	<u>2,496</u>	<u>3,400</u>	<u>2,497</u>	<u>3,400</u>
Bodies external to government	2,016	2,377	1,006	1,230
Total	<u>4,512</u>	<u>5,777</u>	<u>3,503</u>	<u>4,630</u>

15. Creditors: Amounts falling due within one year

	Amgueddfa Cymru		Consolidated	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Loans	249	249	249	249
Trade Creditors	165	56	174	56
Accruals and Deferred Income	1,929	2,316	2,032	2,384
	<u>2,343</u>	<u>2,621</u>	<u>2,455</u>	<u>2,689</u>
Balances with:				
Central government bodies	119	138	119	138
Local authorities	4	0	4	0
Sub total intra government balances	<u>123</u>	<u>138</u>	<u>123</u>	<u>138</u>
Bodies external to government	2,220	2,483	2,332	2,551
Total	<u>2,343</u>	<u>2,621</u>	<u>2,455</u>	<u>2,689</u>

Accruals and Deferred Income includes £217,000 un-spent grant income deferred to the following year (£598,000 at 31 March 2021).

Loans due in less than one year are outstanding of £92,000 (£92,000 at 31 March 2021) to the Welsh Government's Invest-to-Save fund and of £157,000 (£157,000 at 31 March 2021) to the Welsh Government (assigned from Salix Finance Ltd, an independent, publicly funded company which provides the public sector with loans for energy efficiency projects, on 15 January 2021).

16. Creditors: Amounts falling due after one year

	Amgueddfa Cymru		Consolidated	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Loans	709	959	709	959
Accruals and Deferred Income	20	0	20	0
	<u>729</u>	<u>959</u>	<u>729</u>	<u>959</u>

Loans of £156,000 (£249,000 at 31 March 2021) are outstanding to the Welsh Government's Invest-to-Save fund, repayable within 2 to 5 years. Loans are outstanding to the Welsh Government (assigned from Salix Finance Ltd on 15 January 2021) of £553,000 (£628,000 at 31 March 2021) repayable within 2 to 5 years, and of £nil (£82,000 at 31 March 2021) repayable in more than 5 years.

An accrual of £20,000 falling due after one year has been made for ex-gratia payments, as part of settlement agreements regarding tribunal claims and payable in 2024/25.

17. Provisions

	Amgueddfa Cymru		Consolidated	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Provisions	<u>188</u>	<u>0</u>	<u>188</u>	<u>0</u>

Provisions of £188,000 have been made for staff costs (£173,000) and travel costs (£15,000) as part of settlement agreements regarding tribunal claims, with £152,000 payable in 2023/24 and £36,000 in 2024/25.

18. Pensions

We operate a defined benefit pension scheme in the UK, which is underwritten by a Crown Guarantee issued by the National Assembly for Wales. A full actuarial valuation was carried out at 31 March 2021. This was updated at 31 March 2022 by a qualified independent actuary using guidelines issued by HM Treasury.

The FRS102 valuation as at 31 March 2022 showed a decrease in the deficit from £58,885,000 to £57,315,000.

Our contribution to the scheme in the year to 31 March 2022 amounted to £5,258,000 (£5,118,000 in 31 March 2021). This included contributions at a rate of 21.3% of Pensionable Remuneration, salary forgone by members under salary-sacrifice arrangements which we paid over to the Scheme, and an additional payment of £750,000 (£800,000 in 2020/21).

We expect to contribute £4,726,000 to the Scheme in 2022/23. The projected total charge to the Statement of Financial Activities in 2022/23 is £8,981,000, and the projected deficit at 31 March 2023 is £61,570,000.

(a) Amounts in the balance sheet:

	2022	2021
	£'000	£'000
Fair value of assets	174,928	153,815
Defined benefit obligation	(232,243)	(212,700)
(Deficit)	<u>(57,315)</u>	<u>(58,885)</u>

(b) Analysis of changes in the fair value of assets:

	2022	2021
	£'000	£'000
Opening fair value of assets	153,815	126,755
Interest income	1,923	2,278
Employer's contributions	5,258	5,118
Members' contributions	398	398
Scheme expenses	(333)	(372)
Actuarial experience gains/(losses)	18,346	24,415
Benefits paid	(4,479)	(4,777)
Closing fair value of assets	<u>174,928</u>	<u>153,815</u>

(c) Analysis of changes in the present value of defined benefit obligations:

	2022	2021
	£'000	£'000
Opening defined benefit obligation	212,700	195,992
Current service cost	6,610	5,574
Past service cost	0	9
Members' contributions	398	398
Interest cost	2,633	3,488
Actuarial experience losses	14,381	12,016
Benefits paid	(4,479)	(4,777)
Closing defined benefit obligation	<u>232,243</u>	<u>212,700</u>

(d) Actuarial Gains/(Losses) charged to the Statement of Financial Activities

	2022	2021
	£'000	£'000
Actuarial experience gains/(losses) - fair value of assets (note 18b)	18,346	24,415
Actuarial (losses) - present value of obligations (note 18c)	<u>(14,381)</u>	<u>(12,016)</u>
Actuarial gains/(losses)	<u>3,965</u>	<u>12,399</u>

(e) Amounts charged to resources expended:

	2022		2021	
	£'000	£'000	£'000	£'000
Current service cost	6,610		5,574	
Past service cost	0		9	
Scheme expenses	333		372	
		<u>6,943</u>		<u>5,955</u>
Interest income	(1,923)		(2,278)	
Interest cost	<u>2,633</u>		<u>3,488</u>	
		<u>710</u>		<u>1,210</u>
Total charge to resources expended		<u>7,653</u>		<u>7,165</u>

The above amounts charged to resources expended are included in staff costs, shown in note 8a to these accounts.

(f) Major categories of scheme assets as a percentage of total scheme assets:

	2022	2021
Equities	39.1%	41.1%
LDI	20.0%	21.3%
Multi-asset	28.2%	26.7%
Others	12.7%	10.9%

(g) Principal actuarial assumptions:

	2022	2021
Discount rate	1.55%	1.25%
Inflation - RPI short term	3.90%	3.22%
Inflation - RPI long term	3.00%	2.32%
Inflation - CPI	2.90%	2.22%
Pension increases in payment - pre 2000	3.70%	3.00%
Pension increases in payment - post 2000, pre 2016	2.90%	2.22%
Pension increases in payment - post 2016	2.31%	1.94%
Pension increases in deferment	2.90%	2.22%
Assumes life expectancy currently age 65		
Male	86.8	86.7
Female	89.1	89.1
Assumes life expectancy currently age 45		
Male	87.7	87.7
Female	90.3	90.2

(h) Sensitivity analysis – Change in defined benefit obligation as at 31 March 2022:

Increase/decrease discount rate by 50 bps	-10%/+11%
Increase/decrease assumed rate of inflation by 50 bps	+10%/-9%

19. Statement of Funds

(a) Movement in Funds	1 April	Incoming	Resources	Other	Transfer	
	2021	Resources	Expended	in Year	Between	31 March
	£'000	£'000	£'000	£'000	£'000	2022
						£'000
Public Funds						
Restricted - Capital Income	96,657	6,435	(4,783)	(171)	0	98,138
Restricted - Specimen Income	14,985	400	(86)	0	0	15,299
Restricted - Revaluation	11,155	0	0	2,953	0	14,108
Total Restricted	122,797	6,835	(4,869)	2,782	0	127,545
Unrestricted - Income	10,091	30,168	(31,188)	0	0	9,071
Unrestricted - Revaluation	0	0	0	18	0	18
Pension Reserve	(58,885)	0	(2,395)	3,965	0	(57,315)
Total Unrestricted	(48,794)	30,168	(33,583)	3,983	0	(48,226)
Total Public Funds	74,003	37,003	(38,452)	6,765	0	79,319
Private Funds						
Restricted - Income	18,500	553	(370)	113	(1,565)	17,231
Restricted - Revaluation	115	0	0	32	0	147
Unrestricted - Income	3,885	744	(8)	73	1,565	6,259
Unrestricted - Revaluation	35	0	0	10	0	45
Total Private Funds	22,535	1,297	(378)	228	0	23,682
Total	96,538	38,300	(38,830)	6,993	0	103,001

Funds recorded in our own non-consolidated accounts at 31 March 2022 were £103,445,000 with a deficit of £444,000 attributable to NMGW Enterprises Ltd.

Restricted Private Funds includes two major fund balances, being: the St Fagans Redevelopment Project Fund and the Art Department Fund.

Total revaluation reserves at 31 March 2022 were £14,318,000. These represent accumulated gains/losses on revaluation of fixed assets arising from 1 April 2011 onwards.

(b) Analysis of Net Assets Between Funds	Public Funds		Private Funds		31 March
	Restricted	Unrestricted	Restricted	Unrestricted	2022
	£'000	£'000	£'000	£'000	£'000
Fixed Assets	129,236	3,528	14,982	923	148,669
Current Assets	(384)	7,624	2,396	5,383	15,019
Current Liabilities	(754)	(1,699)	0	(2)	(2,455)
Long term Liabilities	(553)	(176)	0	0	(729)
Provisions	0	(188)	0	0	(188)
Net Assets (before pension liabilities)	127,545	9,089	17,378	6,304	160,316
Pension Liabilities	0	(57,315)	0	0	(57,315)
Net Assets (after pension liabilities)	127,545	(48,226)	17,378	6,304	103,001

20. Reconciliation of Net Income/Expenditure to Net Cash Flow from Operating Activities

	Amgueddfa Cymru		Consolidated	
	2021/22	2020/21	2021/22	2020/21
	£'000	£'000	£'000	£'000
Net (Expenditure)	(464)	(1,738)	(515)	(2,245)
Share of Joint Venture	171	0	171	0
Unrealised (Gains) on market value investments	(186)	(580)	(186)	(580)
Donated Assets	(15)	(50)	(15)	(50)
Depreciation	2,308	2,238	2,328	2,263
Impairment of Fixed Asset	0	4,472	0	4,472
Loss on disposal	0	51	1	54
(Increase)/Decrease in Stocks	10	0	86	(5)
(Increase)/Decrease in Debtors	1,265	(1,243)	1,127	(1,092)
Increase/(Decrease) in Creditors	(357)	663	(312)	606
Increase in Creditors: Amounts falling due after one year	20	0	20	0
Increase in Provisions	188	0	188	0
FRS102 current year pension costs	2,395	2,047	2,395	2,047
Net Cash Inflow from Operating Activities	5,335	5,860	5,288	5,470

21. Analysis of Cash and Cash Equivalents

	Amgueddfa Cymru		Consolidated	
	2021/22	2020/21	2021/22	2020/21
	£'000	£'000	£'000	£'000
Cash in hand	10,083	9,305	10,514	9,783
Short term notice deposits	801	800	801	800
Total cash and cash equivalents	10,884	10,105	11,315	10,583

22. Capital Commitments

	2022	2021
	£'000	£'000
At the balance sheet date there were capital commitments of	2,531	562

Major commitments as at 31 March 2022 related to the essential backlog maintenance works programme, including £955,000 for roof repairs and £196,000 for fire detection systems at National Museum Cardiff, and £102,000 for chillers at the National Waterfront Museum. Commitments also included £474,000 for Commercial Platforms systems. Major commitments as at 31 March 2021 related to the essential backlog maintenance works programme, including £180,000 for lift works at National Museum Cardiff.

23. Contingent Liabilities and Guarantees

As at 31 March 2022 there were no claims against us in respect of personal injury allegedly occurring at our Museums, which have not been provided for in the accounts.

There is a guarantee in the event of the closure of Big Pit: National Coal Museum to make safe the mineshaft and surrounding areas. Decommissioning is likely to cost around £1 million and has been underwritten by the Welsh Government.

24. Related Party Transactions

We are a Welsh Government Sponsored Body. The Welsh Government is therefore regarded as a related party. During the year we received funding from the Welsh Government in the form of Grant-in-Aid and other grant referred to in note 3 to the accounts. We also received £1,350 in relation to service activities from the Welsh Government and made a payment of £4,160 reimbursed bank interest to them. Our trading subsidiary NMGW Enterprises Ltd received income of £58,066 venue hire income from the Welsh Government during the year. Outstanding balances with the Welsh Government, including loans, are referred to in notes 14, 15 and 16 to the accounts.

We made the following payments to other related parties in 2021/22. Unless otherwise stated there were no outstanding balances at the end of the year.

- £1,162 to Pembrokeshire Coast National Park Authority. Dr Madeleine Havard, Trustee and Gwyneth Hayward, Trustee are Trustees of Pembrokeshire Coast National Park Authority.
- £6,916 to Dyfed Archaeological Trust. We also received income of £2,500. Hywel John, Trustee, is a Trustee of Dyfed Archaeological Trust.
- £3,600 to Creative & Cultural Skills. We also received income of £5,543. David Anderson, Director General, is a Director of Creative & Cultural Skills.
- £30,614 to Natural History Museum. We also received income of £5,391. Freya Stannard, Trustee, is Head of National Programmes at Natural History Museum.
- £1,000 to Children's Festival of Welsh History. Carys Howell, Trustee and Rheon Tomos, Independent External Member of the Audit and Risk Assurance Committee are directors of Children's Festival of Welsh History.
- Baroness Kay Andrews, Trustee, is a trustee of the National Lottery Heritage Fund. Grants received from the National Lottery Heritage Fund are identified in note 3 to the accounts.

We received a total of £1,000 in donations from Trustees (£6,175 in 2020/21).

During the year Hywel John, Treasurer, Carys Howell, Trustee and Rob Humphreys, Trustee served as directors of NWMS Ltd referred to in note 9 to the accounts. None of the directors receive remuneration from this company.

25. Financial Instruments

Amgueddfa Cymru has no borrowings other than interest-free loans from the Welsh Government, including from their Invest-to-Save Fund. We rely primarily on Welsh Government grant-in-aid drawn down on a monthly basis for our cash requirements which limits our liquidity risk. In 2021/22 £32.6m or 85.3% of our consolidated income derived from the Welsh Government (£27.9m or 81.1% in 2020/21). The balance of £5.7m or 14.7% (£6.5m or 18.9% in 2020/21) is derived from grants from other bodies, trading and income generating activities, donations and investments.

All assets and liabilities are denominated in sterling and so we are not exposed to currency risk. We mitigate exposure to market risk through diversification of our investment portfolio, managed by Barclays in line with the risk appetite and investment objectives we set.

26. Post Balance Sheet Events

Settlement agreements were negotiated in 2022/23 regarding employment tribunal claims which were ongoing as at 31 March 2022. Under these agreements ex-gratia payments of £12,000 in July 2022 and £50,000 in December 2022 were made, and termination payments of £20,000 will be made in 2023/24. These have been accrued in these accounts. Also under these settlement agreements staff costs of £144,000 will be paid in 2023/24 and £29,000 in 2024/25, which have been provided for in these accounts.

The Accounting Officer authorized these financial statements for issue on 21st September 2023