

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

FOREWORD TO THE ACCOUNTS

1. Form of Accounts

The accounts have been prepared in accordance with a direction given by HM Treasury in pursuance of section 97 of the Government of Wales Act 1998. The Direction is available on request from Cadw.

2. Background to Cadw

Cadw was established as an Executive Agency (within the former Welsh Office) on 2 April 1991. The organisation was originally created on 29 October 1984, by the then Secretary of State for Wales. Cadw became an Executive Agency of the National Assembly for Wales on 1 July 1999.

3. Principal Activities

Cadw is responsible for the discharge of the National Assembly for Wales' statutory responsibilities relating to the preservation, protection and maintenance of ancient monuments, historic buildings and conservation areas and for the sponsorship of the Royal Commission on the Ancient and Historical Monuments of Wales.

4. Indication of Likely Future Developments

On 1 July 2005 Cadw's status as an Executive Agency changed to that of a Division within the National Assembly for Wales. Its Chief Executive has retired and will be replaced by a Director as Head of Division.

Cadw will become part of a new Culture Department when that Department is created in 2006. Cadw's statutory duties will be unaffected and it will continue to be the lead body on the historic environment within the National Assembly for Wales.

Cadw will no longer produce independent financial accounts but instead present its financial data within the National Assembly for Wales accounts.

5. Appointment of Accounting Officer

On 1 September 2005 the Permanent Secretary of the National Assembly for Wales appointed Hugh Rawlings, Director of Local Government, Public Service and Culture Group as Cadw's Accounting Officer for the purposes of signing the 2004-05 financial accounts.

5. Executive Management Committee

The names of persons who served on this committee during the financial year are disclosed in the Annual Report.

6. Disabled Persons

Cadw follows the Civil Service Code of Practice on Employment of Disabled People. Its policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities.

7. Employee Consultation

Cadw has established Whitley Committees, with employee representatives, to discuss matters of concern. Staff are also consulted over the planning process and regular consultation meetings are held between senior and junior staff.

8. Financial Review

The results for the year are reported in detail in the attached accounts and annual report and record net expenditure of £14,020,000 (2003-04: £13,448,000).

9. Better Payment Practice Code

Cadw follows the principles of the UK Government's Better Payment Practice Code and is committed to paying all valid invoices within 30 days of receipt. In 2004-05, 93.6 per cent of payments met this target (2003-04: 98.5 per cent).

10. Auditors

The Accounts have been audited by the Auditor General for Wales in accordance with section 97 of the Government of Wales Act 1998.

Hugh Rawlings
Accounting Officer
2 September 2005

STATEMENT OF CADW'S AND ACCOUNTING OFFICER'S RESPONSIBILITIES

Under section 97 of the Government of Wales Act 1998, HM Treasury has directed Cadw Executive Agency to prepare a statement of accounts for each financial year in the form and on the basis set out in the accounts direction. The accounts are prepared on an accrual basis and must give a true and fair view of Cadw's state of affairs at the year end and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts Cadw is required to:

- observe the accounts direction issued by HM Treasury, 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 have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that Cadw will continue in operation.

Following the cessation of Cadw's status as an Executive Agency of the National Assembly for Wales on 1st July 2005, Accounting Officer responsibilities reverted to the Director of Local Government, Public Service and Culture Department. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the National Assembly for Wales Accounting Officers' Memorandum, issued by HM Treasury.

STATEMENT ON INTERNAL CONTROL

1. Scope of responsibility

During the 2004-05 financial year the Chief Executive, as Accounting Officer, had responsibility for maintaining a sound system of internal control that supported the achievement of Cadw's policies, aims and objectives, set by the Welsh Assembly Government, whilst safeguarding the public funds and Cadw's assets for which he was personally responsible, in accordance with the responsibilities assigned to him in Government Accounting.

2. The purpose of the system of internal control

The system of internal control was designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it could therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control was based on an ongoing process designed to identify and prioritise the risks to the achievement of Cadw's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Cadw for the year ended 31 March 2005 and up to 30 June 2005 (when Cadw ceased to be an Executive Agency) and accords with HM Treasury guidance.

3. Capacity to handle risk

Cadw had a management board, the Executive Management Committee (EMC), which met monthly to consider plans and strategic direction. The EMC considered the risks facing the organisation and developed an organisation-wide risk register. In developing the risk register advice was sought from internal and external auditors. The risk register was discussed and agreed by Cadw's Corporate Governance Committee. The risk register and risk management guidance was made available to all staff and the identified risks were regularly discussed with appropriate staff and at EMC meetings.

4. The risk and control framework

Cadw identified and assessed the key risks facing the organisation which may have adversely affected the achievement of its objectives. Each risk was allocated an owner who was responsible for managing the risk, determining a control strategy and regularly reporting to EMC. For each identified risk the controls in operation were assessed and documented. This information was available to staff through the risk register. Cadw identified risk priorities in the following areas:

Health and Safety - Health and Safety was regularly discussed at EMC and appropriate action agreed to manage identified risks.

The business continuity issues associated with the relocation of Cadw headquarters - The Cadw relocation project followed recognised project management guidelines and key

risks were identified, regularly updated by the project manager and formally reviewed at Project Board meetings. The outcome was that the project was delivered on time and within budget and with limited impact on business continuity.

A reporting structure was developed which ensured that all identified risks were reviewed throughout the year and an assessment of the operation of internal controls was carried out. Where appropriate partnerships were developed to ensure that objectives were met and risks were managed effectively.

5. Review of effectiveness

During 2004-05 the Chief Executive, as Accounting Officer had responsibility for the review of the effectiveness of the system of internal control. His review was informed by the work of the internal auditors and the executive managers within Cadw who had responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. The Chief Executive was advised on the implication of the result of the review of the effectiveness of the system of internal control by the Executive Management Committee and the Corporate Governance Committee and a plan to address weaknesses and ensure continuous improvement of the system was in place.

Cadw had established a number of processes for maintaining and reviewing the effectiveness of the system of internal control. The EMC met monthly to consider the plans and strategic direction of the Agency. Regular risk reports were discussed and appropriate action agreed for managing identified risks and maintenance of the Agency risk register. Members of the EMC provided an annual assessment on the risks and controls in their areas of responsibility.

A Corporate Governance Committee was established which met biannually. The Committee acted in an advisory capacity and provided a forum for discussing both internal and external audit matters and sought to provide assurance to the Accounting Officer on the operation of internal controls. Members of the Corporate Governance Committee included the Chairman of Cadw's Advisory Committee, Cadw's Accounting Officer, the Assembly's Principal Finance Officer, an independent external member and members of Cadw senior management. The Head of the Assembly's Internal Audit Unit and the Wales Audit Office normally attended meetings.

The internal audit function for Cadw was provided by the internal audit unit of the National Assembly for Wales. The internal audit unit operates to standards defined in the Government Internal Audit Manual. The work of the internal audit unit was informed by an analysis of the risks to which Cadw was exposed, and annual internal audit plans were based on this analysis. At least annually, the Head of Internal Audit (HIA) provided the Chief Executive with a report on internal audit activity in Cadw. The report included the HIA's independent opinion on the adequacy and effectiveness of the system of internal control.

A compliance officer helped monitor implementation of the accepted recommendations of internal and external auditors.

On 1 July 2005 following the retirement of the Chief Executive Cadw became a Division of the Assembly headed by a Director who will take up post on 31 October 2005. The Division is part of the Local Government, Public Services and Culture Department and will be included in a new and separate Culture Department when it is created in 2006.

Signed

Hugh Rawlings
Accounting Officer
2 September 2005

THE CERTIFICATE AND REPORT OF THE AUDITOR GENERAL FOR WALES TO THE MEMBERS OF THE NATIONAL ASSEMBLY FOR WALES

I certify that I have audited the financial statements on pages 9 to 27 under section 97(5) of the Government of Wales Act 1998. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 12 to 14.

Respective responsibilities of Cadw, the Accounting Officer and Auditor

As described on page 3 Cadw and the Accounting Officer are responsible for the preparation of the financial statements in accordance with the Government of Wales Act 1998 and HM Treasury directions made thereunder and for ensuring the regularity of financial transactions. The Accounting Officer is also responsible for the preparation of the other contents of the Annual report. My responsibilities, as independent auditor, are established by statute and guided by the Auditing Practices Board and the auditing profession's ethical guidance.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Government of Wales Act 1998 and with the directions made thereunder by HM Treasury, and whether in all material respects the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if Cadw has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent mis-statements or material inconsistencies with the financial statements.

I review whether the statement on pages 4 to 6 reflects Cadw's compliance with HM Treasury's guidance 'Corporate governance: statement on internal control'. I report if it does not meet the requirements specified by HM Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered whether the Accounting Officer's Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the entity's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and

judgements made by the Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are appropriate to Cadw's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of Cadw at 31 March 2005 and of the net expenditure, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Government of Wales Act 1998 and directions made thereunder by the National Assembly for Wales; and
- in all material respects the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

Jeremy Colman
Auditor General for Wales
12th September 2005

Wales Audit Office
2-4 Park Grove
Cardiff
CF10 3PA

INCOME & EXPENDITURE ACCOUNT FOR YEAR ENDED 31 MARCH 2005

		Year Ended 31 March 2005		Year Ended 31 March 2004	
	Notes	£'000	£'000	£'000	£'000
INCOME					
Monument Activities	2	3,988		3,691	
Income from advice on lottery applications		18		24	
		<hr/>		<hr/>	
Total Income			4,006		3,715
EXPENDITURE					
Monument Activities	2	(8,768)		(7,681)	
Inspectorate Expenditure	3	(215)		(238)	
Administration Expenditure	4	(216)		(119)	
Other Expenditure	5	(2,120)		(1,917)	
Staff Costs	6	(1,884)		(1,811)	
Grants Payable	7	(4,596)		(5,180)	
		<hr/>		<hr/>	
Total Expenditure			(17,799)		(16,946)
Cost of Capital Charge			(227)		(217)
			<hr/>		<hr/>
NET COST OF ACTIVITIES			(14,020)		(13,448)
			<hr/>		<hr/>
NET EXPENDITURE FOR THE YEAR			<u>(14,020)</u>		<u>(13,448)</u>

The movement on the General Fund is shown at Note 14.

All activities are continuing. There have been no material acquisitions or disposals or changes in Cadw's operations during the year.

The notes on pages 12 to 27 form part of these accounts.

STATEMENT OF RECOGNISED GAINS AND LOSSES

for year ended 31 March 2005

	Notes	2004-05 £'000	2003-04 £'000
Movement on Revaluation Reserve for the year	15	<u>466</u>	<u>163</u>

BALANCE SHEET AS AT 31 MARCH 2005

		Year Ended 31 March 2005		Year Ended 31 March 2004	
	Notes	£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible Assets	8		6,099		5,751
CURRENT ASSETS					
Stocks	9	808		763	
Debtors	10	551		401	
Cash at Bank and in hand	11	<u>235</u>		<u>202</u>	
		1,594		1,366	
CREDITORS					
Amounts falling due within one year	12	<u>(1,028)</u>		<u>(774)</u>	
NET CURRENT ASSETS					
			<u>566</u>		<u>592</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			6,665		6,343
Provision for liabilities and charges	13		<u>(6)</u>		<u>(18)</u>
NET ASSETS					
			<u>6,659</u>		<u>6,325</u>
FINANCED BY TAXPAYERS EQUITY					
General Fund	14		5,643		5,775
Revaluation Reserve	15		<u>1,016</u>		<u>550</u>
TOTAL GOVERNMENT FUNDS					
			<u>6,659</u>		<u>6,325</u>

The notes on pages 12 to 27 form part of these accounts.

Hugh Rawlings
Accounting Officer
2 September 2005

Cash Flow Statement

for year ended 31 March 2005

	Notes	2004-05	2003-04
		£'000	£'000
Operating Activities			
Net cash outflow from operating activities		(11,601)	(11,649)
Capital Expenditure & Financial Investments			
Payments to acquire tangible fixed assets	8	(125)	(114)
Proceeds from disposal of fixed assets		-	5
Financing			
Funding from the National Assembly for Wales	14	<u>11,759</u>	<u>11,472</u>
Increase/(decrease) in cash in the year		<u>33</u>	<u>(286)</u>
 Reconciliation of net cost of operating activities to net cash outflow from operating activities			
Net cost of operating activities for the year		(14,020)	(13,448)
Depreciation charges	8	232	225
Loss on asset disposal		5	-
Increase/(decrease) in provision for liabilities and charges	13	(12)	(4)
Notional Charges:			
Central services provided by National Assembly for Wales	5	1,870	1,706
Audit fee	5	38	38
Cost of capital		227	217
Early retirement costs paid by the National Assembly	13	-	2
Movement in net current assets:			
Increase in stocks	9	(45)	(56)
Increase in debtors	10	(150)	(91)
Increase/(decrease) in creditors	12	254	(238)
Net cash outflow from operating activities		<u>(11,601)</u>	<u>(11,649)</u>
 Reconciliation of net cash flow to movement in net funds			
Increase/ (decrease) in cash in period		33	(286)
Net funds at 1 April 2004		<u>202</u>	<u>488</u>
Net funds at 31 March 2005	11	<u>235</u>	<u>202</u>

The notes on pages 12 to 27 form part of these accounts.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

a. Basis of Accounting

The accounts for Cadw have been prepared in accordance with the Accounts Direction issued by HM Treasury on 8 August 2000 pursuant to section 97 of the Government of Wales Act 1998.

The Accounts follow the requirements of the Resource Accounting Manual issued by HM Treasury and are based on the accruals concept of accounting and the historical cost convention, modified to include the revaluation of fixed assets and stocks.

Subject only to compliance with the requirements set out in the Accounts Direction, the Accounts also:

- i. Comply with the accounting and disclosure requirements of the Companies Act 1985 in so far as they are consistent with the status of an Agency of the National Assembly for Wales;
- ii. Comply with accounting standards issued or adopted by the Accounting Standards Board except where HM Treasury has advised that they are inapplicable;

b. Tangible Fixed Assets

Heritage properties in the care of the National Assembly for Wales are of inestimable value and are not included in the Balance Sheet.

Full independent valuations of land and buildings are obtained every five years based on title, tenure, lettings, valuation indices and other relevant factors. The most recent valuation was undertaken at 31 March 2002 by GVA Grimley, Surveyors and Architects. Land and buildings are valued at open market value for existing use except for certain buildings sited within the boundaries, or forming an integral part, of the fabric of a monument which are valued at depreciated replacement cost or the cost of conversion. Car parking sites are valued on the basis of depreciated replacement cost. The surface and other maintenance costs are charged when incurred to the Income and Expenditure Account. In the intervening years GVA Grimley prepare desk-top valuations as at 31 March.

Plant, equipment, exhibitions – including temporary buildings – are valued at current replacement cost. Valuations are updated annually using appropriate indices taken from National Statistics' *Price Index Numbers for Current Cost Accounting*. Archaeological artefacts and works of art are charged in full to the Income and Expenditure Account in the year of purchase.

The capitalisation level is £1,000.

c. Depreciation

With the exception of assets that are valued at open-market value, depreciation is charged to write-off the cost of revalued amounts less estimated residual value of fixed assets on a straight-line basis over the useful economic lives as follows:

Freehold Buildings including dwellings - on an individual basis not exceeding 50 years.

Leasehold Premises - over the shorter of the period of the lease and 50 years.

Plant and Equipment - on an individual basis not exceeding 10 years.

IT and Office Equipment – on an individual basis not exceeding 5 years.

Site Exhibitions - on an individual basis not exceeding 20 years.

Depreciation is charged on a monthly basis both in the year of acquisition and the year of disposal.

d. Stocks

Raw materials and goods for resale are valued at cost, with the exception of oak wood, which is valued at current replacement cost.

e. Value Added Tax (VAT)

Cadw is covered by the VAT registration of the National Assembly for Wales. Cadw recovers VAT on its business activities and on certain contracted-out services, as agreed by HM Treasury. All supplies to third parties, with the exception of certain publication sales, are taxable. Expenditure shown in the Income and Expenditure Account and fixed asset acquisitions include VAT except where VAT is recoverable in conjunction with the business activity or contracted-out service.

f. Leases

Rentals payable under operating leases are charged on a straight-line basis over the terms of the lease.

g. Pension Costs

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS), which are described at Note 6. The defined benefit elements of the schemes are unfunded and are non-contributory except in respect of dependants' benefits. Cadw recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution elements of the schemes, Cadw

recognises the contributions payable for the year; these amounts are charged to the Income and Expenditure account in the year of payment.

h. Income

Income comprises the amounts, excluding VAT, receivable from admissions to monuments and the sale of publications and souvenirs. In compliance with HM Treasury guidance National Assembly funding is credited to the general fund (see note 14) and accounted for on a cash basis.

i. Grants Payable

Grants administered by Cadw in accordance with its statutory powers and duties are charged to the Income and Expenditure Account in the period in which the recipient carries out the activity which creates an entitlement.

j. Works to Properties in Care

Expenditure on the fabric of properties in the care but not ownership of the National Assembly for Wales is charged to the Income and Expenditure Account as it is incurred. Subsequent expenditure on the fabric of ancillary structures at properties in care is treated in the same manner.

k. Notional Costs

- A notional cost has been included to cover certain common services and support functions, such as finance, personnel, information technology, accommodation and other office services, provided to Cadw by the National Assembly for Wales.
- A notional interest on capital charge has been included at 3.5% in 2004-05.
- A notional external audit fee has also been included.

2. MONUMENT ACTIVITIES

	Notes	Presentation £'000	Conservation £'000	2004-05 Total £'000	2003-04 Total £'000
INCOME:					
Admissions		2,171	-	2,171	1,999
Publications		390	-	390	408
Souvenirs		797	-	797	776
Membership Scheme		326	-	326	308
Other		278	26	304	200
		<u>3,962</u>	<u>26</u>	3,988	<u>3,691</u>
EXPENDITURE:					
Cost of sales		564	-	564	648
Goods for resale write-off		(2)	-	(2)	(19)
Membership scheme		100	-	100	117
Events		92	-	92	43
Joint management		113	1	114	126
Development		-	28	28	73
Interpretation		176	-	176	97
Education		25	-	25	22
Marketing/promotion		291	71	362	267
Maintenance		607	2,627	3,234	2,466
Plant		(13)	-	(13)	(37)
Depreciation		214	18	232	225
Miscellaneous		313	-	313	233
Loss on disposal of fixed assets		-	5	5	4
Payments to leases		<u>74</u>	<u>24</u>	98	<u>95</u>
		2,554	2,774	5,328	4,360
Administration expenses	4	56	52	108	93
Staff costs	6	<u>1,702</u>	<u>1,630</u>	3,332	<u>3,228</u>
TOTAL EXPENDITURE		4,312	4,456	8,768	7,681
NET EXPENDITURE		350	4,430	4,780	3,990

3. INSPECTORATE EXPENDITURE

	2004-05 £'000	2003-04 £'000
Contract listing	93	137
Direct excavations	66	59
Specialist services	56	42
	215	238

4. ADMINISTRATION EXPENDITURE

		2004-05	2003-04
	Notes	£'000	£'000
Office services		136	44
Travel and subsistence and hospitality		<u>188</u>	<u>168</u>
		324	212
Less: allocated to monument activities	2	(108)	(93)
		216	119

5. OTHER EXPENDITURE

		2004-05	2003-04
		£'000	£'000
EXPENDITURE:			
Advisory Bodies' expenses		35	26
Ancient monuments expenditure		59	25
Historic buildings expenditure		16	25
Training		44	35
Other		58	62
Notional costs:			
National Assembly for Wales Central Services		1,870	1,706
Audit Fee		<u>38</u>	<u>38</u>
		<u>2,120</u>	<u>1,917</u>

The external auditors have undertaken no non-audit work during the year.

6. STAFF COSTS

		2004-05	2003-04
	Notes	£'000	£'000
Wages and salaries		4,398	4,249
Social Security Costs		306	290
Superannuation		<u>512</u>	<u>500</u>
		5,216	5,039
Less: allocated to monument activities	2	(3,332)	(3,228)
		1,884	1,811

Cadw is unable to disclose reliably its average whole-time equivalent staff number for the year. In order to go some way to meet disclosure requirements, a year-end figure has been determined. On this basis, the number of whole-time equivalents at 31 March 2005 was 215. We are unable to disclose a prior year figure on the same basis.

	2004-05 Number
Industrial	46
Custodial	55
Professional Advisory	12
Specialist	25
Administrative	77
	215

ADVISORY COMMITTEE MEMBERS' REMUNERATION

The National Assembly for Wales bears the costs of the Chairman. External Advisory Committee Members are not remunerated for their services.

SENIOR STAFF REMUNERATION

Name and Title	2004-05		2003-04	
	Salary Range £'000	Benefits in kind	Salary Range £'000	Benefits in kind
Mr Tom Cassidy Chief Executive	70-75	-	70-75	-
Mr Rob Wall Head of Conservation (from 1 st Jan 2004)	50-55	-	50-55	-
Mr Richard Avent Chief Inspector of Ancient Monuments	55-60	-	55-60	-
Mr Andrew Hood Head of Presentation (to 20 th May 2004)	45-50	-	45-50	-
Ms Jayne Rowlands Head of Presentation (from 21 st May 2004)	35-40	-	-	-
Mrs Jean Booker Head of Administration	45-50	-	45-50	-
Mr Mial Watkins Head of Cadwraeth Cymru	45-50	-	45-50	-
Mr Jeff Jenkins Head of Corporate and Central Services	40-45	-	40-45	-

The Chief Executive received a £5,000 performance bonus in 2004/05. The salary of the remaining senior staff consists of a gross salary only with no bonuses payable. With the exception of Mial Watkins and Andrew Hood, a relocation allowance of £900 was paid to all staff who relocated to Nantgarw in January 2005.

SENIOR STAFF EMOLUMENTS

Name and Title	Real increase in pension and related lump sum at age 60 £'000	Total accrued pension at age 60 at 31 March 2005 and related lump sum £'000	CETV(*) at 31/03/04 Nearest £000	CETV at 31/03/05 Nearest £000	Real increase in CETV as funded by employer Nearest £000	Employer contribution to partnership pension account
Mr Tom Cassidy Chief Executive	0-2.5 plus 2.5-5 lump sum	25-30 plus 75-80 lump sum	393	433	13	-
Mr Rob Wall Head of Conservation (from 1 st Jan 2004)	0-2.5 plus 5-7.5 lump sum	15-20 plus 55-60 lump sum	293	350	42	-
Mr Richard Avent Chief Inspector of Ancient Monuments	0-2.5 plus 0-2.5 lump sum	20-25 plus 65-70 lump sum	382	414	13	-
Mr Andrew Hood Head of Presentation (to 20 th May 2004)	0-2.5 plus 0-2.5 lump sum	15-20 plus 50- 55 lump sum	311	318	2	-
Ms Jayne Rowlands Head of Presentation (from 21 st May 2004)	0-2.5 plus 0-2.5 lump sum	0-5 plus 0-5 lump sum	17	26	7	-
Mrs Jean Booker Head of Administration	0-2.5 plus 0-2.5 lump sum	15-20 plus 55-60 lump sum	307	333	10	-
Mr Mial Watkins Head of Cadwraeth Cymru	0-2.5 plus 0-2.5 lump sum	10-15 plus 30-35 lump sum	182	202	11	-
Mr Jeff Jenkins Head of Corporate and Central Services	0-2.5 plus 0-2.5 lump sum	15-20 plus 50-55 lump sum	264	280	-	-

NOTE 6 CONTINUED

Pension benefits are provided through the Principal Civil Service Pension Scheme. This is an unfunded multi-employer defined benefit scheme but Cadw is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out at 31 March 2003. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2004-05 employers contributions of £511,843 were payable to the PCSPS (2003-04 £499,967) at one of four rates in the range 12 to 18.5 per cent of pensionable pay, based on salary bands. For 2005-06 employers contributions are payable to the PCSPS at one of four rates in the range of 16.2 to 24.6 per cent. Employer contributions are to be reviewed every four years following a full scheme valuation by the Government Actuary. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

From 1 October 2002, staff may participate in one of three statutory based ‘final salary’ defined benefit schemes (**classic**, **premium** and **classic plus**). New entrants after 1 October 2002 may choose between membership of **premium** or joining a ‘money purchase’ stakeholder based arrangement with a significant employer contribution (**partnership pension account**).

(a) Classic Scheme

Benefits accrue at the rate of $1/80^{\text{th}}$ of pensionable salary for each year of service. In addition, a lump sum equivalent to three years pensionable salary is payable on retirement. Members pay contributions of 1.5 per cent of pensionable earnings. On death, pensions are payable to the surviving spouse at a rate of half the member’s pension. On death in service, the scheme pays a lump sum benefit of twice pensionable pay and also provides a service enhancement on commuting the spouse’s pension. The enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial valuation and with service enhanced as for widow(er) pensions.

(b) Premium Scheme

Benefits accrue at the rate of $1/60^{\text{th}}$ of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum, but members may commute some of their pension to provide a lump sum up to a maximum of $3/80^{\text{th}}$ of final pensionable earnings for each years service or 2.25 times pension if greater (the commutation rate is £12 of lump sum for £1 of pension given up). Members pay contributions of 3.5 per cent of pensionable earnings. On death, pensions are payable to the surviving spouse or eligible partner at a rate of $3/80^{\text{th}}$ of the member’s pension (before any commutation). On death in service, the scheme pays a lump-sum benefit of 3 times pensionable earnings and also provides a service enhancement on commuting the spouse’s pension. The enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction. Where the member’s ill health is such that it permanently prevents them undertaking any gainful employment, service is enhanced to what they would have accrued to the age of 60.

(c) Classic Plus Scheme

This is essentially a variation of **premium**, but with benefits in respect of service before 1 October 2002 calculated broadly as per **classic**.

Pensions payable under **classic**, **premium** and **classic plus** are increased in line with the Retail Price Index.

(d) Partnership Pension Account

This is a stakeholder type arrangement where the employer pays a basic contribution of between 3 and 12.5 per cent (depending on the age of the member) into a stakeholder pension product. The employee does not have to contribute but where they do make contributions, these will be matched by the employer up to a limit of 3 per cent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8 per cent of pensionable salary to cover the cost of risk benefit cover (death in service and ill health retirement). The member may retire at any time between the ages of 50 and 75 and use the accumulated fund to purchase a pension. The member may choose to take up to 25 per cent of the fund as a lump sum.

No employees have opened partnership pension accounts.

There were no pension contributions of any kind prepaid at the balance sheet date.

***Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarial assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme arrangement which the individual has transferred to the PCSPS arrangements and a transfer payment commensurate to the additional pension liabilities being assumed has been received. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme arrangement) and uses common market valuation factors for the start and end of the period.

7. GRANTS PAYABLE

	2004-05 £'000	2003-04 £'000
Historic Building Grants	2,905	3,549
Ancient Monument Grants	462	425
Grants to Archaeological Trusts	1,105	1,072
Other Grants	124	134
	4,596	5,180

In addition to the above amounts total grant committed at 31 March 2005 amounted to £3,181,189 (31 March 2004: £3,088,480).

8. TANGIBLE FIXED ASSETS

	Dwellings £'000	Land and Buildings £'000	Plant, Equipment £'000	Exhibitions £'000	Assets under construction £'000	Total £'000
Cost or Valuation						
At 1 April 2004	871	3,467	804	1,875	1,027	8,044
Surplus/(deficit) on revaluation	176	320	(4)	58	-	550
Additions	-	-	-	69	56	125
Disposals	-	(9)	-	(27)	-	(36)
Transfer	-	988	-	-	(988)	-
At 31 March 2005	1,047	4,766	800	1,975	95	8,683
Accumulated Depreciation						
At 1 April 2004	1	156	515	1,621	-	2,293
Charge for the year	1	98	74	59	-	232
Revaluation	(1)	(10)	52	49	-	90
Disposals	-	(4)	-	(27)	-	(31)
At 31 March 2005	1	240	641	1,702	-	2,584
Net Book Value						
At 31 March 2005	1,046	4,526	159	273	95	6,099
At 1 April 2004	870	3,311	289	254	1,027	5,751

9. STOCKS

	As at 31 March 2005 £'000	As at 31 March 2004 £'000
Raw materials and consumables	131	104
Goods for resale	677	659
	808	763

10. DEBTORS: AMOUNTS DUE WITHIN ONE YEAR

	As at 31 March 2005 £'000	As at 31 March 2004 £'000
Trade Debtors	167	73
Other Debtors	304	180
Prepayments	80	148
	551	401

Analysis of intra-government balances is disclosed in note 22.

11. BANK AND CASH

	2004-05 £'000	2003-04 £'000
Balance at 1 April	202	391
Net Cash Outflow	<u>33</u>	<u>(189)</u>
Balance at 31 March	235	202
Office of HM Paymaster General	167	115
Commercial Banks	57	76
Cash in hand	<u>11</u>	<u>11</u>
	235	202

12. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	As at 31 March 2005	As at 31 March 2004
	£'000	£'000
Trade Creditors	220	185
Other Creditors	468	392
Grants Creditors	201	122
Accruals	139	75
	1,028	774

Analysis of intra-government balances is disclosed in note 22.

13. PROVISION FOR LIABILITIES AND CHARGES

The provision for liabilities and charges represents the potential future cost to Cadw of personal injury claims which are in the hands of solicitors and are being disputed. Any compensation due is paid on settlement of the claim.

	As at 31 March 2005		As at 31 March 2004	
	£'000		£'000	
	Staff Early Departures	Personal Injury Claims	Staff Early Departures	Personal Injury Claims
Provision at 1 April	-	18	2	20
Increase/(Decrease) in provision	-	(8)	-	(2)
Payments in year	-	(4)	-	-
To creditors due within one year	-	-	(2)	-
Provision at 31 March	-	6	-	18
Total Provision at 1 April	18		22	
Total Provision at 31 March	6		18	

14. GENERAL FUND

	2004-05	2003-04
	£'000	£'000
Balance at 1 April	5,775	5,809
Funding	11,759	11,472
Net expenditure for the year	(14,020)	(13,448)
Reversal of notional costs	2,135	1,961
Early retirement creditor paid by the Assembly	-	2
Transferred from Revaluation Reserve in respect of realised element of revaluation reserve	(6)	(21)
Balance at 31 March	5,643	5,775

15. REVALUATION RESERVE

	2004-05	2003-04
	£'000	£'000
Balance at 1 April	550	387
Surplus on revaluation	460	142
Transferred to General Fund in respect of realised element of revaluation reserve	6	21
Balance at 31 March	1,016	550

16. FINANCIAL INSTRUMENTS

Financial Reporting Standard 13 (Derivatives and Other Financial Instruments) requires disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the way in which Cadw is financed, it is not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS 13 mainly applies. Cadw has very limited powers to borrow or invest surplus funds and, financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing Cadw in undertaking its activities:

- Liquidity risk – Cadw has no borrowings and relies primarily on Assembly grants for its cash requirements, and is therefore not exposed to liquidity risks;
- Interest-rate risk – Cadw has no material deposits and so is not exposed to interest rate risk; and
- Foreign currency exchange risk – All of Cadw material assets and liabilities are denominated in sterling, and so it is not exposed to currency exchange risk. Cadw accepts euro at its sites however in Cadw's view all material transactions are conducted in sterling.

17. OPERATING LEASES

Annual commitments under operating leases are as follows:

	2004-05	2003-04
	£'000	£'000
Plant and Machinery Leases expiring within:		
Less than one year	36	21
One to five years	65	74
More than five years	1	-
TOTAL	102	95

18. RECONCILIATION OF MOVEMENTS IN TAXPAYERS EQUITY

	Notes	2004-05 £'000	2003-04 £'000
Movement on General Fund for the year	14	(132)	(34)
Movement on Revaluation Reserve for the year	15	<u>466</u>	<u>163</u>
		334	129
Government funds as at 1 April		6,325	6,196
Government funds as at 31 March		6,659	6,325

19. CAPITAL COMMITMENTS

Cadw had contracted capital commitments of £35,895 at 31 March 2005 (£15,549 at 31 March 2004).

20. CONTINGENT LIABILITIES

In addition to amounts provided there were personal injury claims outstanding against Cadw totalling £13,500 at 31 March 2005 (£40,500 at 31 March 2004). The basis of these claims is currently being disputed.

21. ANALYSIS OF EXPENDITURE BY MAIN CATEGORY

	2004-05 £'000	2003-04 £'000
Administration Costs	<u>7,660</u>	<u>7,168</u>
Net Administration Costs	<u>7,660</u>	<u>7,168</u>
Programme Costs		
- Monument expenditure	5,096	4,135
- Inspectorate expenditure	215	238
- Grant expenditure	4,596	5,180
- Depreciation	232	225
- Cost of capital	227	217
less: Income	<u>(4,006)</u>	<u>(3,715)</u>
Net Programme Costs	<u>6,360</u>	<u>6,280</u>
Total net Expenditure for the year	14,020	13,448

During the year, there were no capital receipts.

22. ANALYSIS OF INTRA-GOVERNMENT BALANCES

	2004-05		2003-04	
	Debtors	Creditors	Debtors	Creditors
Balances with other central government bodies	313	452	119	378
Balances with local authorities	6	105	24	41
Balances with NHS Trusts	-	-	-	-
Balances with public corporations and trading funds	-	-	-	-

23. LOSSES, SPECIAL PAYMENTS AND EX-GRATIA PAYMENTS

During 2004-05 Cadw suffered no losses, other than those incurred in the normal course of its business, and made no special or ex-gratia payments.

24. RELATED PARTY TRANSACTIONS

Cadw was an Executive Agency of the National Assembly for Wales until 30th June 2005. The Assembly is therefore regarded as a related party.

During the year Cadw had various material transactions with the National Assembly for Wales. There were no related party transactions with organisations in which Advisory Committee Members or Senior Staff held positions of influence.

25. POST BALANCE SHEET EVENTS

As of 1st July 2005 Cadw ceased to hold Executive Agency status and became a Division of the National Assembly for Wales. All assets and liabilities of the Agency were transferred to the National Assembly for Wales.

It was previously headed by a Chief Executive who retired and will be replaced by a Director as Head of Division. Marilyn Lewis has been appointed as Head of Division and will take up this post on 31 October 2005.

There will be no financial effect of integration into the National Assembly for Wales.