

AMGUEDDFA CYMRU –
NATIONAL MUSEUM WALES

FINANCIAL REPORT

2018/19



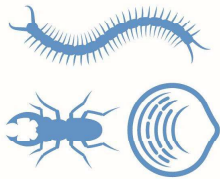
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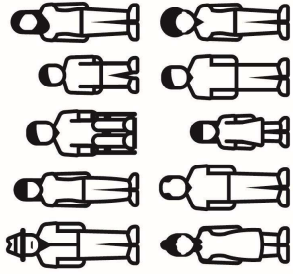
FINANCIAL REPORT OF THE BOARD OF TRUSTEES OF THE NATIONAL MUSEUM OF WALES

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INSPIRING PEOPLE, CHANGING LIVES IN 2018/19



In the last 10 years,
our scientists have
discovered over
400 new species of
living and extinct species
from **over 65 countries**



We welcomed
1,887,376
visitors to our national museums
A **147%** increase in
visits since the introduction of
free entry in 2001

We reached over
146,000 followers
on Facebook, Twitter
and YouTube



We work in
partnership
with over
120 charities
and **community organizations**



1,135
volunteers contributed
over **28,500 hours**

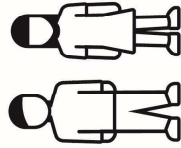


1.8 million
people viewed
5.9 million
pages on our website

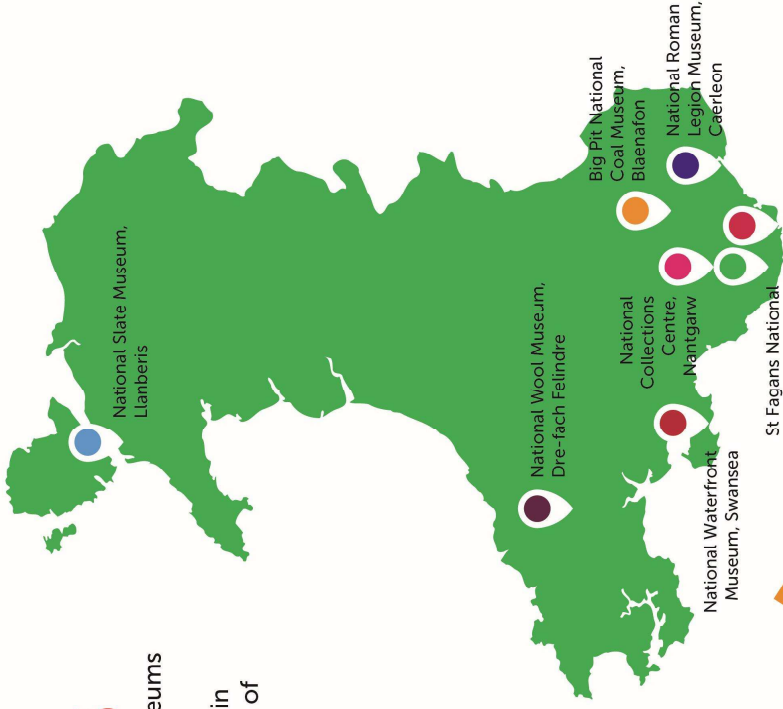
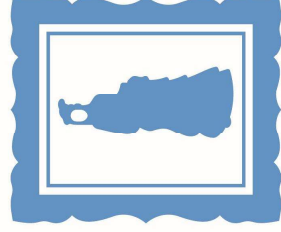
Our annual contribution
to the Welsh economy is
£83 million
of gross value added



We are the largest provider of
learning outside the classroom
in Wales, reaching
208,388
schoolchildren and students



We care for
5 million
objects and intangible
heritage, and develop
Wales' national collections
for future generations



We hosted **57** exhibitions across
Amgueddfa Cymru



We currently have
70 pioneering
research projects
ranging from
natural sciences
and art to history
and social sciences

National Slate Museum,
Llanberis

National Wool Museum,
Dre-fach Felindre

National Collections
Centre,
Nantgaww

National Waterfront
Museum, Swansea

Big Pit National
Coal Museum,
Blaenafon

National Roman
Legion Museum,
Caerleon

St Fagans National
Museum of History

National Museum Cardiff



Noddir gan
Llywodraeth Cymru
Sponsored by
Welsh Government

national
museum
Wales
amgueddfa
cymru

ysbrydoli pobl
newid bywydau
inspiring people
changing lives

@AmgueddfaCymru
www.museum.wales

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

SECTION 1: PERFORMANCE

Section 1.1 Overview of Performance

Achievements during the year

For the second year in a row, Amgueddfa Cymru's visitor figures hit an all-time record in 2018/19 with 1,887,376 visitors to the seven national museums. This was an increase of 110,804 on the 2017/18 figures.

| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|--------|-----------|-----------|-----------|-----------|-----------|-----------|
| Visits | 1,629,196 | 1,685,954 | 1,674,807 | 1,549,603 | 1,776,572 | 1,887,376 |

This once again cements the success of the free entry policy to all national museums in Wales which was introduced by the Welsh Government in 2001/02. Visitor figures in 2018/19 were 147% higher than they were prior to this policy.

We made history with the completion of the £30 million redevelopment of St Fagans National Museum of History in October, a project that was made possible with significant support from the National Lottery Heritage Fund and the Welsh Government, as well as gifts from trusts, foundations and individuals. People from across Wales were involved in creating three new galleries and reconstructing Llys Llywelyn – creating history with rather than for people, thus facilitating people's access to their cultural rights. We also collaborated with artists, craftspeople, young people, academics and community groups to reimagine the museum. There has been a 19% increase in visitors in 2018/19 compared with the previous year. The museum has already won several awards, including the RICS Tourism and Leisure award for Wales and Highly Commended across the UK, and Heritage Angel Awards Wales for Best Craftsperson or Apprentice and Best Rescue of a Historic Building over £5 million.

2018/19 was another exceptional year for exhibitions, both at our museums and at other venues. In summer 2018, we worked with the Japanese Government Cultural Agency and the National Museum of Japanese History to bring *Kizuna: Wales Japan Design* to National Museum Cardiff. *Kizuna* was a major exhibition of Japanese Art and Design - the first ever in the UK on this scale outside London – which attracted nearly 60,000 visitors over a 12 week period. As part of our programme to mark the year of the centenary of the Representation of the People Act 1918, the main photography exhibition for the permanent photography gallery at National Museum Cardiff was *Women in Focus*. The exhibition celebrated the role and contribution of women throughout the history of photography, as practitioners and subjects. The work invited us to examine how photography has been used to mis-represent women through objectification and idealisation, an issue that has particular currency in today's climate.

Amgueddfa Cymru curators identified and dated a group of Iron Age chariot fittings, discovered by a private individual in Pembrokeshire in 2018. This is the first time that a

group of artefacts decorated with Celtic art decoration has been discovered in Pembrokeshire, providing a first glimpse of the styles and techniques used to decorate chariots in the tribal area of the *Demetae* or *Octapitae* peoples during the first century AD. In partnership with Cadw, Dyfed Archaeological Trust and Pembrokeshire College and with support from the National Lottery Heritage Fund these finds have been excavated. Young volunteers have been engaged in this work.

We were fortunate to acquire at an auction the archive of Welsh-born Kate Evans, relating to the story of militant suffragettes from Wales. This means that the national collections now tell a more inclusive story of suffragists, which is both personal and national. Included in the collection is a rare silver suffragette Hunger Strike medal and a fascinating archive of letters, books and ephemera relating to Evans, who was born in 1866 in Llansantffraid, Montgomeryshire.

A new Events Strategy and Action Plan for 2018/23 was developed. Programmes delivered in 2018/19 included: celebrations of Diwali, Black History month, Pride and LGBT+; new programmes including Silent Discos and Sleepovers; the re-introduction of Halloween and Christmas Nights as market leader events at St Fagans National Museum of History.

We developed a number of new strategic partnerships, both within Wales and beyond. Highlights include the signing of Memorandum of Understandings with the Football Association of Wales, to work together to promote Welsh history, and with the National Museum of Ireland.

We remain the leading provider of learning outside the classroom in Wales, welcoming 208,388 pupils and students, and 489,185 informal learners in 2018/19. For the second year, we delivered Ar Lafar, a festival for Welsh Language learners, developed with the National Centre for Learning Welsh at the National Slate Museum, the National Waterfront Museum and St Fagans National Museum of History. Over 635 Welsh language learners participated in the Festival, and it has now been established as an annual event. We also reached over 192,000 users via our vibrant digital learning programme.

Financial Results for the Year

| | 2018/19 | Restated 2017/18 |
|--|--------------------|---------------------|
| | £ | £ |
| Total income | 31,929,000 | 36,623,000 |
| Total expenditure | (31,959,000) | (28,831,000) |
| Other movements | 56,000 | (88,000) |
| Consolidated net income | 26,000 | 7,704,000 |
| | | |
| Net movement in funds (after all realised and unrealised gains and losses) | 15,270,000 | 11,486,000 |
| | | |
| Total fund balances held in unrestricted and restricted public and private reserves at year end | 132,023,000 | 116,753,000 |
| | | |
| Fund balances held for unrestricted public purposes at year end (excluding pension reserve) | 8,707,000 | 7,320,000 |

The reduction in total income for the year is mainly due to there having been a significant injection of capital Grant-in-Aid funding from Welsh Government in 2017/18 for essential capital maintenance works. The increase in total expenditure reflects higher staff costs, partly due to an increase in the actuarial calculation of pension scheme costs, and partly to increased staff numbers. Reasons for increased staff numbers included a higher level of trading and income generating activity, and additional posts at St Fagans: National History Museum, with the full re-opening of the site during the year.

Overall consolidated net income for 2018/19 was therefore significantly lower than in 2017/18. The actuarial calculation of the pension scheme deficit reported actuarial gains of £13.6 million and there were also revaluation gains on land and buildings of £1.6 million, resulting in a significant increase in overall funds in the year.

The principal activities of our trading company, NMGW Enterprises Ltd, for the year were sales at our retail shops, contract and in-house catering, car parking, image licensing, corporate hire, lettings and filming rights. The company reported a profit before Gift Aid to Amgueddfa Cymru of £898,000 for 2018/19 (£644,000 for 2017/18). The increase reflects increased visitor figures across all sites, especially at St Fagans where the new restaurant and gift shop opened as part of the redevelopment project.

Total Funds at 31 March 2019 were £131,023,000, 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 £8,707,000, of which £3,386,000 is represented by fixed assets. The remaining unrestricted public funds of £5,321,000 are allocated to various plans and future commitments, including forecast budget deficits over the coming four years and repayments of Welsh Government Invest-to-Save loans.

Aims and Objectives

During 2018/19, we continued to implement our Vision: to be an organization that is **Inspiring people, Changing lives**. This Vision reflects an aspiration to root our work in Welsh cultural and intellectual traditions and to develop a new paradigm for national museums across the world.

Our priorities, expressed as Commitments in our Vision Map, were informed by consultation with the public in Wales, as well as our Board of Trustees, members of staff and volunteers together with public and third sector partners. Our Vision Commitments are in four key areas as outlined below:

Ysbrydoli Pobl, Newid Bywydau

Ein Hymrwymiaidau

Mae pedwar maes allweddol i'n hymrwymiaidau:

Ffynnu

- Gweithredu fel stiwardiaid ein trefnadaeth ddiwyllianol a naturiol er lles cenedlaethau'r dyfodol yng Nghymru.
- Datblygu, cynnal ac arallgyfeirio ein hadnoddau.
- Datblygu ein harhwy twristaeth ddiwyllianol i gefnogi economi Cymru.

Dysgu

- Datblygu sgiliau ein staff a'r bobl sy'n defnyddio ein gwasanaethau.
- Hynwyddo dealltwriaeth y cyhoedd o lechyd a llesiant.
- Hynwyddo dysgu am oes a darparu cyfleoedd.

Profiad

- Adeiladu a chynnal gofodau ffisegol a digidol croesawgar.
- Adrodd straeon ysbrydoledigtrwy arddangosfeydd a digwyddiadau.

Cyfranogi

- Datblygu cyswethiau a rhydwethiau partner effeithiol a chynalladwy.
- Cynnwys pobl a chymunedau yn ein gwaith.

Inspiring People, Changing Lives

Our Commitments

Our commitments for delivering the Vision are in four key areas:

Prosper

- Acting as stewards of our cultural and natural heritage for the future generations of Wales.
- Thriving, sustaining and diversifying our resources.
- Building our cultural tourism offer in support of the Welsh economy.

Experience

- Building and maintaining welcoming physical and digital spaces.
- Telling inspiring stories through exhibitions and events.

Participate

- Building sustainable, effective partnership networks and collaborations.
- Involving people and communities in shaping and taking part in our work.

Learn

- Developing the skills of our staff and the people who use our services.
- Promoting public understanding of health and well-being.
- Promoting and delivering learning for life.



Our Vision is completely aligned to the national goals set out in the Well-being of Future Generations (Wales) Act 2015, having been originally developed within this framework, and to other Welsh Government strategies. The Vision Commitments and objectives are mapped to the seven well-being goals set out in the Act, as explained in our Well-being Statement which is available on our website at <https://museum.wales/well-being-statement/>. A further report will be published in the Autumn outlining how we have progressed our wellbeing objectives in relation to the Act in 2018-19.

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 current public-facing title of the organization is Amgueddfa Cymru – National 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 (WGSB).

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 its 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

During 2018/19 we directly operated seven museums across Wales:

National Museum Cardiff, Cathays Park, Cardiff

National Museum Cardiff is unique among national museums in the UK in its range of art and natural science displays.

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.

Big Pit National Coal Museum, Blaenafon, Torfaen

Set in the heart of the World Heritage Site at Blaenafon, Big Pit is a complete former working coalmine. Guided by ex-miners, visitors can descend over 90 metres to the very depths of the mine and experience the darkness that the miners worked in day after day.

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, inscriptions, tombstones, building materials, a labyrinth mosaic, military equipment, pottery, glass and jewellery.

The National Slate Museum, Llanberis, Gwynedd

Here, 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 give live displays of splitting and dressing slate by hand.

The National Wool Museum, Dre-fach Felindre, Carmarthenshire

Located 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 that has remained in continuous operation since it was built – now houses the Museum.

The National Waterfront Museum, Maritime Quarter, Swansea

In the heart of Swansea's regenerated Maritime Quarter, the National Waterfront Museum is housed in a listed waterfront warehouse linked to a new, ultra-modern slate and glass building. The opening of the Museum in October 2005 was the culmination of a ten-year strategy that saw £40m of investment in our five social and industrial museums across Wales.

In addition, the National Collections Centre in Nantgarw, Rhondda Cynon Taf, is open to the public by appointment. We are also currently involved in 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

We remain committed to the monitoring and evaluation of our work in both quantitative and qualitative ways. While our quantitative performance indicators provide a snapshot of performance, qualitative data from case studies and narrative reports continue to provide more detailed insight, and an opportunity for reflecting on and enriching our work.

The performance measures within our evaluative framework and the targets we set for 2019/20 onwards, a period in which there will be continuing significant financial restrictions, will continue to focus on consolidating our achievements to date while also looking to ensure better outcomes for the people of Wales through the delivery of our long-term Vision.

The out-turns for our key performance indicators during 2018/19 are shown in the following table:

| Key Performance Indicator | 2017/18 out-turn | Annual Target | 2018/19 out-turn |
|---|------------------|---------------|------------------|
| Number of visits | 1,776,572 | 1,800,000 | 1,887,376 |
| Number of website visits | 1,593,453 | 1,600,000 | 1,759,643 |
| Number of formal education visits | 187,249 | 140,000 | 208,388 |
| Number of informal education visits | 420,995 | 260,000 | 489,185 |
| Total net income from research and charging, trading company profits and recharges, and revenue fundraising | £1,250,000 | £1,800,000 | £1,820,000 |

As reported earlier, the total number of visits made to our museums during 2018/19 was an all-time record and exceeded the ambitious target of 1.8 million set by Welsh Government. This was despite the National Roman Legion Museum being closed to visitors for essential roof works from September 2018 onwards. The number of visits to our website during the same period was 1,759,643 which exceeded the target of 1.6 million and was a significant increase on the previous year.

Our work on serving the formal education sector continued to attract significant numbers with 208,388 formal education visits, greatly exceeding the target of 140,000. The number of informal education visits, which encompasses the number of 'added-value' learning visits to our sites and the number of participants on off-site learning activities, was 489,185. This was significantly higher than the target of 260,000 and also than the number achieved in 2017/18.

We met the challenging target of £1.8 million total net income from research and charging, trading company profits, and revenue fundraising. This was an increase of 44% on the previous year, with a particularly successful year for the trading company. This continues to be a significant area of development for us, in order to balance our budget year-on-year.

Capital Investment

To underpin the delivery of the Vision, a programme of capital works continues, focusing in 2018/19 on progressing a four year essential maintenance works plan funded by additional Welsh Government grant-in-aid. This included replacement of chillers and humidifiers at National Museum Cardiff, and roof works at National Roman Legion Museum. 2018/19 also saw the completion of the redevelopment of St Fagans National Museum of History. IT and wifi networks were upgraded at all sites during the year.

Working in Partnership

In 2018/19 we 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.

Our relationship with Pembrokeshire Coast National Park Authority has continued to develop positively. A revised Service Level Agreement was negotiated and agreed, resulting in a continued commitment to deliver exhibitions at Oriel y Parc until 2024. We work in collaboration with the Park Authority and local communities to deliver programmes that meet the local audiences and users of the centre.

In September 2018, we opened *Coast* at Oriel y Parc, an exhibition addressing the pressing issue of sea-plastic pollution that encourages visitors to become activists in the fight-back to conserve the precious natural resources along the coast of Wales. In the spirit of our revised partnership, all content, design and interpretation was delivered in collaboration between the Park Authority and ourselves for the first time, featuring art and natural science collections objects displayed together for the first time.

International partnership work remains a priority. Following collaboration with White international on a touring exhibition in Japan in 2017/18, we worked with the Japanese Government Cultural Agency and the National Museum of Japanese History to bring *Kizuna: Wales Japan Design* to National Museum Cardiff. There was also a tour of our art collection to Japan working with Fukui Fine Arts Museum.

We developed new strategic partnerships with the Football Association of Wales to work together to promote Welsh history, and with the National Museum of Ireland. As a result of the latter, we worked in partnership to develop an exhibition at Collins Barracks in Dublin called *Jurassic Skies* which explored how dinosaurs took to the air and the origin of birds.

In support of our partnership with Aberystwyth University, we also re-developed and delivered *Wriggle!* at the Old College, Aberystwyth in April 2019, in support of the university's National Lottery Heritage Fund application to redevelop the building as gallery and visitor centre.

Specimen Acquisition

Our collections lie at the heart of our service to the public, and it is essential that they should continue to develop so as to safeguard our heritage and reflect the changing needs of Wales. The amount of our Welsh Government Specimen Acquisition Grant has declined significantly in recent years but we continue to use it to lever in additional funding and have received generous help in 2018/19 from long-term supporters, especially the Derek Williams Trust, National Lottery Heritage Fund, and private donors.

Significant purchases and donations in 2018/19 included several art works, archaeological finds, the archive of Welsh-born suffragist Kate Evans, and natural science specimens. More information is available in note 11 to the accounts.

Research Activity

Our research plays a pivotal role in the understanding of the heritage, culture and natural environment of Wales and underpins all our public services and the work of government, universities and independent researchers. Some smaller research projects deliver results quickly while others extend over several reporting years. We continue to be recognised as an Independent Research Organization by UK Research and Innovation and we work with partners in all relevant sectors, in Wales and beyond. This includes the Higher Education Institutes in Wales, many of whom have Memorandum of Understandings with us as well as Natural Resources Wales.

We have had notable successes during 2018/19 with research grant funding from UK Research and Innovation. We were successful in a joint £4.85m Biotechnology & Biological Sciences Research Council partnership bid with the John Innes Centre and other UK partners to deliver the insect vector biology workstream of the *Enhancing UK surveillance and response to Xylella fastidiosa* project. Our Arts & Humanities Research Council Refugee Wales grant application was successful and the three-year project will begin in September 2019 working with refugees who have fled Syrian and Tamil civil-war conflicts and settled in Wales. The project will co-produce oral histories with refugees and their families to understand how they are coping with post-conflict trauma and memories, and how they are constructing new lives in Wales. Meanwhile, Phase 1 of the Arts & Humanities Research Council Networking Grant submitted in 2017 was successful in March 2018 and the first two network workshops, held in Edinburgh and Cardiff, have been successfully completed.

Learning and Engagement

We are the leading provider of learning outside the classroom in Wales. We welcomed 208,388 school children and students to our museums in 2018/19, and over 485,321 informal learners engaged with us. We are one of Wales's biggest providers of informal family learning.

The new curriculum for Wales is being developed and we are actively working with schools to pilot and evaluate new ways of supporting programme delivery, such as collaborating with a primary school to create digital trails around St Fagans. Exhibitions at National Museum Cardiff proved popular with primary and secondary students including 'Leonardo da Vinci: A Life in Drawings' and the display of Tim Peake's spacecraft. 1,550 Key Stage 3 pupils engaged with the development of the Tim Peake's display and over 6,000 learners from 222 schools in Wales visiting the exhibition. New galleries opened at St Fagans in October providing a range of engagement programmes for schools. The National Roman

Legion Museum closed to the public in September however its learning programme for schools has continued.

Our work with teachers and trainee teachers is important to ensure we continue to expand our formal learning offer. Workshops for 400 trainee teachers were delivered with three of the teacher training providers across Wales and a more in-depth opportunity was provided for twenty students who elected to take part in museum placements.

Amgueddfa Cymru has a vibrant digital learning programme, with a total annual reach of 192,000 users. Resources such as IBook's and creative projects offer a variety of ways for pupils and teachers to engage with the national collection and enhance their digital competence. New bilingual digital experiences include the development of a Roman iBook at the National Roman Legion Museum and Google Virtual Reality Expedition at Big Pit National Coal Museum, created as part of Google's Expeditions Programme to reach 1 million school-children across the UK. The expedition helped to prepare learners with additional learning needs for their visit underground and was the first expedition to be created in the Welsh language.

Supporting the early years through literacy and family learning is a priority for Fusion: Creating opportunities through culture, a Welsh Government initiative to support communities and individuals who face the greatest barriers to participation. As part of this initiative Toddler Time, Amgueddfa Cymru's early years programme, is delivered at three of our museums and 3,500 children under 3 and accompanying adults took part in the programme during 2018/19.

We have formed several strategic partnerships supporting the development and delivery of our public programmes. Our work with the Age Friendly Culture Network and partners such as the Arts Council and Ageing Well in Wales has supported the development of age and dementia friendly practice across Amgueddfa Cymru. Other examples include our community partnership with Blaenavon Town Council, which has resulted in the intergenerational work at Big Pit and several dementia friendly programmes. Other partnership working has led to the development of new programmes such as dementia walks, art therapy sessions and performances such as 'The Return', by Relive at St Fagans.

Our skills programme for adults and young people offers a different and varied context for learning to help achieve higher levels of attainment and success. Opportunities developed this year include volunteering and work placement opportunities, and accredited courses supporting craft development and Welsh language learning.

Exhibitions

We are the leading producer of cultural, heritage and natural science exhibitions in Wales. We work with our communities, partners and stakeholders across our museums to generate exhibitions and displays that appeal to all our visitors. In 2018/19 we delivered 38 exhibitions across all our museums, including our partnership venue Oriel y Parc. A further 14 exhibitions that had opened in the previous year continued into 2018/19.

At National Museum Cardiff, the flagship museum for our exhibitions, we continue to grow our audience and increase opportunities for income generation. Major exhibitions at National Museum Cardiff included:

- *Kizuna: Wales Japan Design* at National Museum Cardiff, the first exhibition of Japanese Art and Design in the UK on this scale outside London. This exhibition attracted 58,535 visits in 12 weeks, which constituted 770 average daily visits and a conversion rate of 44%. It further facilitated retail income of £30,000.
- *Tim Peake's Soyuz Space Craft* was a major attraction during our usually quieter period over Christmas. This had a major impact on the visitor numbers to National Museum Cardiff with 91,483 total visits, a record breaking 1,253 average daily visits and a conversion rate of 58%. It further provided 5,833 virtual reality experiences generating income of £29,000. The retail income was £21,000.
- To mark the 500th anniversary of Leonardo da Vinci's death, we are displaying twelve of his greatest drawings as part of #Leonardo500 *Leonardo: A Life in Drawing*, a UK national celebration of this extraordinary artist. This attracted 21,366 visits, 419 average daily visits and a conversion rate of 19%. The exhibition has further generated over £63,000 in ticket sales until the end of March 2019 with just over a month to go and almost £19,000 in retail income.
- The main photography exhibition that opened in this financial year, for the permanent photography gallery at National Museum Cardiff was *Women in Focus*. This exhibition celebrated the role and contribution of women throughout the history of photography, and explored the way in which women have been represented as subjects in photography. *Women in Focus* had 57,093 visits which constituted 255 average daily visits and a conversion rate of 16%.
- As the final exhibition commemorating the First World War at National Museum Cardiff *Poppies for Remembrance* explored how the poppy became the symbol for remembrance, and provided an opportunity for contemplation and reflection on loss and recovery. There were 91,877 visits and 481 average daily visits.

Other exhibition highlights in 2018/19 across our museums included our partnership biennial exhibition *Artes Mundi 8* (41,009 visits and 402 average daily visits), and *Kyffin Williams* (52,484 visits and 256 average daily visits) at National Museum Cardiff; *Pirates and Lost Ports* at the National Waterfront Museum; *Coast* at Oriel y Parc, St David's which contributed to the Welsh Government's *Year of the Sea*; *Cofeb* at the National Slate Museum; *Women in the War* at that National Wool Museum which formed part of the last year of the Welsh Governments First World War commemoration programme; and *From Mine to Museum* at Big Pit National Coal Museum.

Fundraising

2018/19 was another successful year for fundraising with donations income of £1.6m received during the year, including cash gifts and gifts of artworks. A further £1.2m was secured in new pledges. A number of government grants were also secured.

Further significant gifts were secured for the St Fagans capital fundraising appeal taking our fundraising above the capital appeal target. Major gifts were given by the Hodge Foundation towards the Llys Llywelyn project at St Fagans, and the Clore Duffield Foundation towards the new building Gweithdy, alongside a number of donations from individual donors following a fundraising dinner at St Fagans Castle.

Our summer exhibition, *Kizuna*, at National Museum Cardiff attracted a number of key sponsors. In particular a Welsh Government grant was secured through the Regional Tourism Engagement Fund, which enabled the Museum to commit to a high profile marketing campaign for the exhibition, whilst private companies including Sony, Toshiba

and Hitachi gave support alongside the Great Britain Sasakawa Foundation and Daiwa Anglo-Japanese Foundation.

We secured increased investment from players of People's Postcode Lottery for our core work. The National Lottery Heritage Fund supported us with a range of different projects, in particular, a major grant was secured for our Hands on Heritage programme of work. This will see groups of young people partner with us over the coming years to help engage new, younger audiences.

The Colwinston Charitable Trust has been a long term supporter of our work and they agreed to support a major exhibition of the artist David Nash that will take place over the summer of 2019 at National Museum Cardiff.

Corporate support was secured during the year from our Patrons sponsor Brewin Dolphin alongside many companies who supported our St David's Day dinner including Geldards, Capital Law, Lichfields, Western Power Distribution and Lovell Partnerships Ltd.

Our Patrons and many other individuals and organizations continued their support over the year and we are extremely grateful to them all.

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.

Volunteers

The Friends of National Museum Wales continued to support our work in a number of ways. This included as ambassadors for our work, providing a programme of talks, trips and other activities that complement our own educational activity. The Friends also provided financial support, including a £20,000 gift for our work, and donations towards our monthly organ recitals at National Museum Cardiff.

Our Volunteer Co-ordinators worked with colleagues to enhance opportunities for volunteering across all our museums. As a result, we received 28,501 hours of input from 1,135 volunteers during 2018/19. This includes contributions towards behind the scenes and preventative conservation work, learning activities for the public and helping to maintain our gardens and farm.

We have developed our Event Volunteering programme which encourages our local community to volunteer a few hours here and there, to support our event programming and income generation. Volunteers assist with all large scale events across Amgueddfa Cymru.

Innovate Trust and The Wallich maintain two of our unused gardens at St Fagans National Museum of History and use these in various ways with their service users, such as skill development, wellbeing activities, etc. These gardens allow the charities to develop programmes and projects they wouldn't be able to achieve without this outdoor space.

We are greatly indebted to all our volunteers for their commitment and enthusiasm in helping inspire people and change lives across Amgueddfa Cymru

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 the seven museums and promoting sustainable living through our exhibitions, events and learning programs, for example helping schools promote Education for Sustainable Development through the SCAN project. We work closely with partners such as Cynnal Cymru and Sustrans on sustainable development issues.

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 have a Sustainable Development Forum that considers issues, makes recommendations to the directors and Trustees accordingly and drives forward policy development. The Forum actively promotes sustainable development practices across all sites.

More information on how we are creating sustainable museums, including our Environmental Statement, can be found at www.museumwales.ac.uk/en/sustainability.

Performance

Conserving the nation's treasures and opening our doors to over 1.8 million visitors a 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 participate in the CRC Energy Efficiency Scheme.

In 2018/19 there was a decrease in overall emissions by 27.3% due to a fall in consumption of both gas and electricity. Water consumption decreased by 18.5% following a big increase in 2017/18 due to leaks. There was an increase in overall waste of 10.7%.

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 | | 2018/19 | 2017/18 | 2016/17 | 2015/16 | 2014/15 |
|---|---|------------------|----------------|----------------|----------------|----------------|
| Non-financial indicators (tCO ₂) | Scope 1 (Direct) Emissions - gas | 1,014 | 1,464 | 1,424 | 1,440 | 1,500 |
| | Scope 2 (In-direct) Emissions – purchased electricity | 1,582 | 2,116 | 2,424 | 2,749 | 3,047 |
| | Scope 3 (Business travel) Emissions | 25 | 26 | 27 | 24 | 37 |
| | Total | 2,621 | 3,606 | 3,875 | 4,213 | 4,584 |
| Related energy consumption (kWh'000) | Gas | 5,464 | 7,951 | 7,705 | 7,783 | 8,086 |
| | Electricity | 5,190 | 5,548 | 5,426 | 5,538 | 5,716 |
| | Total | 10,654 | 13,499 | 13,131 | 13,321 | 13,802 |
| Financial indicators (£) | Gas | 216,754 | 204,745 | 169,481 | 174,564 | 192,203 |
| | Electricity | 647,989 | 596,914 | 548,415 | 517,647 | 571,349 |
| | CRC administration fee | 1,290 | 1,290 | 1,290 | 1,290 | 1,290 |
| | Official Business Travel | 161,771 | 156,312 | 147,169 | 183,978 | 200,089 |
| | Total | 1,027,804 | 959,261 | 877,479 | 877,479 | 964,931 |
| Targets and Performance | | | | | | |
| <p>Our Environmental Statement sets a target to reduce CO₂ produced by energy and transportation usage by 2% per annum. In 2018/19 there was a decrease of 27.3%, mainly due to a fall in consumption of gas and electricity by 21%. The remainder of the decrease was due to government conversion factors being reduced. The decrease in CO₂ since 2014/15 is 42.8%.</p> <p>The reduction in electricity consumption in 2018/19 follows the installation of a new lighting and control system in the art galleries at National Museum Cardiff over the four years to 2017/18 and voltage optimisation equipment installed at some sites in 2017/18. The operation of temporary replacement chillers during the installation of new chillers at National Museum Cardiff also made a positive impact. Regarding gas consumption, a fall was expected for 2018/19 following the unusually cold winter of 2017/18. Despite the fall in consumption, expenditure on gas and electricity has increased due to increases in wholesale prices.</p> <p>For a number of years we have encouraged sustainable travel modes for journeys to our sites by visitors and staff in various ways; for example the St Fagans redevelopment project included a travel plan promoting sustainable travel for visitors and staff, and use of video conferencing equipment has reduced the number of journeys between sites for meetings. Car hire CO₂ has fallen by over 30% since 2014/15 due to a combination of fewer miles and more cars using diesel rather than petrol.</p> | | | | | | |

| Waste | | 2018/19 | 2017/18 | 2016/17 | 2015/16 | 2014/15 |
|-----------------------------------|----------------------------|----------------|----------------|----------------|----------------|----------------|
| Non-financial indicators (tonnes) | Hazardous waste | 0.3 | 0.2 | 0.5 | 0.2 | 1.2 |
| | Non-hazardous waste: | | | | | |
| | - Landfill | 1,262.6 | 1,123.2 | 954.9 | 646.7 | 818.2 |
| | - Reused/Recycled | 1,948.6 | 1,773.2 | 1,853.2 | 1,953.6 | 1,968.8 |
| | - Incinerated | 43.9 | 41.6 | 33.4 | 28.1 | 19.7 |
| | Total waste | 3,255.3 | 2,938.2 | 2,842.0 | 2,628.5 | 2,807.8 |
| Financial indicators (£) | Total disposal cost | 56,923 | 51,643 | 40,417 | 38,912 | 28,943 |

| | | Targets and Performance |
|--|--|--|
| | | <p>The Greening Government commitments target on waste is a 25% reduction in the total overall volume of waste from 2009/10 levels by 2015.</p> <p>We actively encourage the minimisation of waste through increased recycling and promotion of re-use and reduction across all our sites. The 47.7% increase in landfill waste in 2016/17 was due to a change in contractors for general waste at National Museum Cardiff, however we hope that non-biodegradable general waste will again be recycled once a new Energy from Waste plant is opened in Cardiff. The increase of 10.7% in overall waste in 2018/19 is mainly at St Fagans and can be attributed to the increase in visitor numbers there and the final phase of project development works.</p> |

| Finite Resource Consumption | | 2018/19 | 2017/18 | 2016/17 | 2015/16 | 2014/15 |
|--|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| Non-financial indicators ('000m ³) | Total Water consumption | 23,463 | 28,786 | 22,860 | 20,584 | 20,768 |
| | | | | | | |
| Financial indicators (£) | Total Water supply costs | 79,828 | 89,705 | 67,506 | 64,923 | 79,437 |
| | | | | | | |

| | | Targets and Performance |
|--|--|---|
| | | <p>Our Energy Policy sets a target to reduce water consumption by 5% per annum. In 2018/19 water consumption fell by 18.5% compared with the previous year, when consumption was very high due to leaks. Consumption was 2.6% higher than in 2016/17 which is to be expected with higher visitor figures, particularly at St Fagans. Over the seven years from 2011/12 water consumption has fallen by 26.5%.</p> |

Future Strategy

In 2019/20 we will build on progress already achieved in reducing greenhouse gas emissions, waste and water consumption. The Sustainable Development Forum has agreed a target of a 1% reduction in energy usage at all sites in 2019/20, compared with 2018/19 usage. The replacement of humidifiers and chillers at National Museum Cardiff at the start of 2019/20 will achieve a reduction in emissions. The Sustainable Development Forum continue to explore further energy saving works. Following participation of twelve members of staff in Carbon Literacy training in 2018/19 we will continue to roll this training out to other members of staff during the year.

Biodiversity

We aim 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.

At National Museum Cardiff, the development of a natural history museum in the future will make a significant contribution to contemporary debates relating to sustainability, climate change and the loss of biodiversity. The interplay between humans and the natural environment will also be one of the key themes explored at St Fagans National Museum of History. Travelling exhibitions offer further opportunities to explore our impact on the world.

Sustainable Procurement

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

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

We consider the long term implications of changing weather, extreme events and sea level rises from climate change when developing our policies.

Our sustainability practices, processes and achievements are subject to external assessment under BS8555 and under the Government's Carbon Reduction Commitment, and are also included in the overall framework of internal control, described in more detail in the Governance Statement, which can be found in this Financial 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 2016.

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 2018/19 was seven calendar days (eight days in 2017/18), which includes 96.2% (by number) of invoices settled within 30 days (95.7% in 2017/18). There were no payments of interest under the Late Payment of Commercial Debts (Interest) Act 1998 (£Nil in 2017/18).

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 reserves policy remains dependent upon, and restricted by, the authority granted by the Welsh Government in our Framework Agreement, which at the financial year-end 2018/19 limited cash reserves to 2% of grant-in-aid, with exemptions from any limit in respect of the Specimen Purchase Grant and self-generated income. Further general and specific exemptions may be available upon application in respect of the National Waterfront Museum (to reflect the joint funding arrangement with the City & County of Swansea) and capital projects that straddle the financial year-end.

Private funds are separately maintained and specified in the accounts. These are not subject to a carryover limit and 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.

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 current difficulties surrounding public finances and the challenging economic environment for fundraising from private sources, we are determined to continue our plans, including capital developments and refurbishments, to deliver the Vision priorities. We are dependent on Welsh Government funding to sustain the majority of our activities. In

response to reductions in our core revenue grant-in-aid over recent years, we have implemented a staff costs reduction programme and are implementing an income generation plan. 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 2019 were £131,023,000, with an analysis provided in note 19 to the accounts. Unrestricted public funds, excluding the pension reserve, were £8,707,000 of which £3,386,000 is represented by fixed assets, leaving £5,321,000 which has been allocated to various plans 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 which 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 which 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 £2,845,000 to £2,960,000.

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 £108,000.

The total value of investments held at 31 March 2019 was therefore £3,068,000.

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 an decrease of £11.9m in the deficit from £37.4m to £25.5m, following an increase of £4.8m in the previous year. The value of the Scheme's assets has increased from £128.8m to £136.0m, while the Scheme's obligations fell by £4.7m. 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.

The most recent triennial actuarial valuation of the scheme, to 31 March 2018, was agreed by Amgueddfa Cymru and the Scheme Trustees on 11 June 2019, 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 2021 and the recovery plan will be reviewed and agreed once these results are available.

Welsh Language Policy

We are committed to comply with the Welsh Language Standards, as set out by the Welsh Government under Section 44 of the Welsh Language (Wales) Measure 2011. These Standards set clear expectations on us to provide services in Welsh to the public, and to promote the use of the Welsh language. The standards set for Amgueddfa Cymru have been determined by the Welsh Language Commissioner. Our Compliance Notice and Amgueddfa Cymru's Welsh Language Policy, are available on our website www.museum.wales/thewelshlanguage. We will produce our annual report on compliance with the Welsh Language Standards, which will be published on our website, in September 2019.

During 2018/19 we continued to develop our public programme of Welsh-language and bilingual events and activities. We further developed our partnership with the National Centre for Learning Welsh, including developing Ar Lafar, our annual multi-site festival for Welsh learners, and launching new resources for learners at the National Eisteddfod. We continued our focus on developing new and innovative bilingual interpretation and design techniques. This was seen in the three new galleries of the St Fagans Redevelopment Project which opened in October 2018 and various exhibitions produced in partnership. For example the trilingual (Welsh, Japanese, English) Kizuna exhibition in National Museum Cardiff which included as part of the marketing campaign the first bilingual advert (Welsh and English) on Classic FM. We have joined the National Centre for Learning Welsh's Welsh in the Workplace programme and continued our existing formal and informal programme of activities to support staff in using and improving their Welsh language skills, including Welsh language lessons, new informal clubs for staff and trialling new training.

In October 2018, the Welsh Language Commissioner determined that two standards had been breached in National Museum Cardiff in November 2017. The associated report and Decision Notice required further action, which we have implemented within the required timeframe. We await a response from the Commissioner.

David Anderson

Accounting Officer and Director General
Approved and signed on 11 July 2019

Hywel John

General Treasurer, on behalf of the Board of Trustees
Approved and signed on 11 July 2019

SECTION 2: ACCOUNTABILITY

Section 2.1: CORPORATE GOVERNANCE REPORT

2.1.1 DIRECTORS' REPORT

BOARD OF TRUSTEES (From 1 April 2018 onwards)

PRESIDENT

Roger Lewis * # (appointed 15 April 2019)

VICE PRESIDENT

Dr Carol Bell * # (Acting President until 15 April 2019)

TREASURER

Laurie Pavelin, CBE, FCA * # (retired 31 March 2019)

Hywel John, FCA * # (appointed Treasurer 15 April 2019, Chairman of the Audit Committee from 1 June 2018)

APPOINTED BY THE WELSH GOVERNMENT

Carys Howell

Jessica Seaton

Rachel Hughes, MBA FlntLM #

Michael Prior, BA Solicitor *

Dr Catherine Duigan

Maria Battle BA (Hons) Solicitor (appointed 15 April 2019)

Gwyneth Hayward (appointed 15 April 2019)

APPOINTED BY THE NATIONAL MUSEUM OF WALES

Dr Hywel Ceri Jones, CMG

Baroness Kay Andrews, OBE #

Victoria Provis, MBA (retired 31 March 2019)

Prof. Robert Pickard, BSc, Ph.D, FRSB *

Dr Glenda Jones, BA (Hons), Ph.D #

Robert Humphreys (appointed 15 April 2019)

Dr Madeleine Havard (appointed 15 April 2019)

* Members of the Audit Committee

Members of the Performance Review Committee

INDEPENDENT EXTERNAL MEMBERS OF THE AUDIT COMMITTEE

Dr Eurfyl ap Gwilym (Chairman) (retired 31 May 2018)

Rheon Tomos, BA, IPFA

Sara Williams, LLB (Hons) (resigned 18 August 2018)

DIRECTORATE (From 1 April 2018 onwards)

Director General

Director of Collections & Research

Director of Gallery Development & Visitor Experience

Director of Finance & Corporate Resources, and

Deputy Director General

Director of Learning & Engagement

David Anderson

Steve Burrow (from 21 May 2018 to 23 December 2018)

Richard Bevins (Joint) (to 31 May 2018)

Diane Gwilt (Joint) (to 31 May 2018)

Janice Lane

Neil Wicks

Nia Williams

The Director of Collections & Research post remains in the Directorate structure with plans to recruit in 2019/20.

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 2018 onwards)

Chris Jackson (Chairman)
Richard Gloster
Richard Nash
David Anderson
Neil Wicks
Jessica Seaton
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 Finance & 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 2019 are contained in note 7 to the accounts.

Principal Office

The principal office for the National Museum of Wales 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 |
| Investment Managers: | Barclays, Cardiff |
| Taxation: | Deloitte LLP, Cardiff |
| Pension Fund Administrators: | BBS 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.

Statement of disclosure of information to auditors

So far as the Director General 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. The governance framework has been in place for the year ended 31 March 2019, and up to the date of approval of the annual report and accounts, and accords with Treasury guidance. 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 which are subject to audit review.

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 2019. 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)

2018-19 has been the fourth 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, Performance Review 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 meets on a regular basis, in public, to conduct its business.

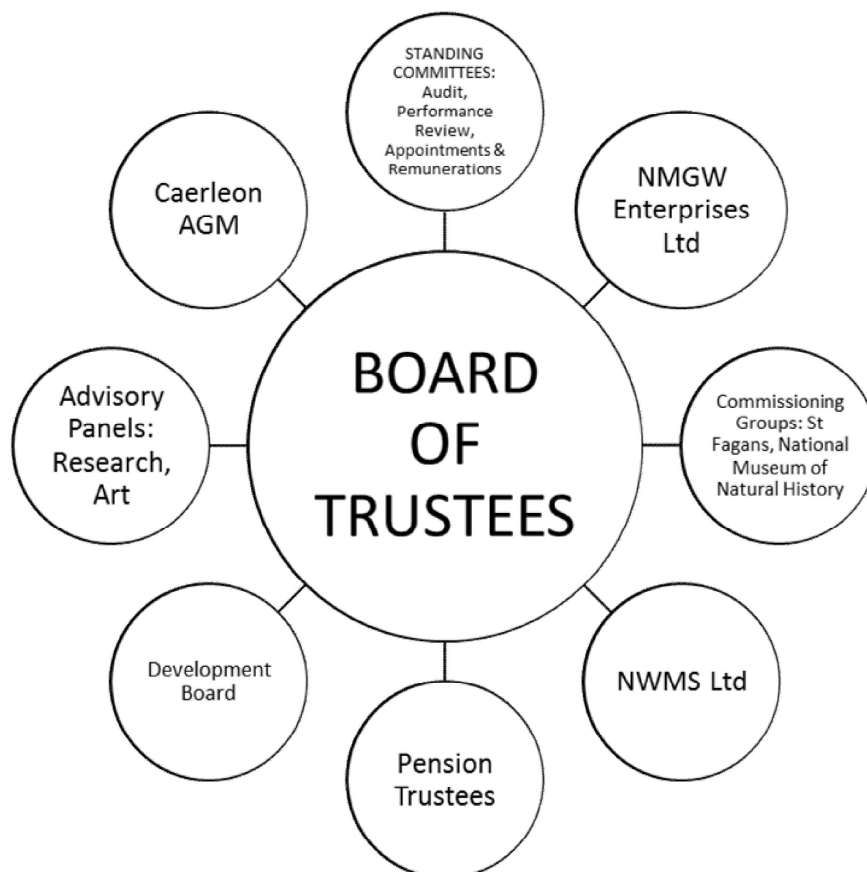
Members of the Board of Trustees of the Charity are appointed by the Welsh Government and Amgueddfa Cymru, in numbers set out in the supplemental Royal Charter and in accordance with the principles of open selection as recommended by the Nolan Review. An Appointments sub-committee assists and advises 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. No members of the Board of Trustees were remunerated during the year. Details of their 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 the Financial Report. The schedule also indicates which Trustees are members of the Performance Review Committee and Audit Committee. The record of attendance at Board of Trustees meetings is shown below. Satisfactory explanations of all absences were received.

| Trustee | 28/06/18 | 04/10/18 | 13/12/18 | 14/03/19 | Number of meetings | Percentage attendance |
|------------------|----------|----------|----------|----------|--------------------|-----------------------|
| Carol Bell | | | | | 4 | 100% |
| Laurie Pavelin | | | | | 4 | 100% |
| Glenda Jones | | | | | 4 | 100% |
| Hywel Ceri Jones | | | | | 4 | 100% |
| Jessica Seaton | Apols | Apols | | | 2 | 50% |
| Kay Andrews | | | Apols | Apols | 2 | 50% |
| Rachel Hughes | | | Apols | | 3 | 75% |
| Robert Pickard | Apols | | | | 3 | 75% |
| Victoria Provis | | | | | 4 | 100% |
| Michael Prior | | | | | 4 | 100% |
| Catherin Duigan | | | | | 4 | 100% |
| Hywel John | | | | | 4 | 100% |
| Carys Howell | | | | | 4 | 100% |

The Board of Trustees delegates some authority to various sub-committees, principally the Performance Review Committee, which has a broad remit to monitor financial, operational and performance issues, and the Audit 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:



The Trustees also appoint the Board of NMGW Enterprises Limited, the subsidiary company directing our trading activities. In addition to Trustee directors, other non-executive directors with specific relevant experience are appointed. A schedule of those Board Members is included in the Directors' Report under section 2.1.1 of the Financial Report.

Day-to-day operational issues are led and managed by the Senior Management 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.

3.3 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 strives 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, 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.

No matters were raised during the year under our Whistleblowing Policy. Our Whistleblowing and Fraud & Corruption policies will next be reviewed by the Audit Committee in May 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.

In 2018/19 almost 1.9 million people visited the museums. We take the safety of staff and visitors seriously and have a series of policies and procedures in place to support this.

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.

3.4.1 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 Performance Review Committee and the Audit 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 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.

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 Management 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 Performance Review and Audit committees. Furthermore, the Performance Review and Audit 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 Directorate and Audit Committee.

Internal Audit's most recent review of our Risk Management and Assurance Framework 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'.

Major risks, as reflected on the Strategic Risk Register, are security of our assets, data breach, inability to deliver operational plan due to insufficient resources and erosion of funding. 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 and Freedom of Information Act. These include:

- an Information Security Policy
- a Data Protection Policy
- eLearning on Data Protection for staff
- guidance and policy regarding the handling of information issued to all staff
- maintaining and reporting on statutory compliance with the Freedom of Information and Data Protection acts
- the Performance Review and Audit committees receiving reports on data handling arrangements.

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

Our Information Security policies and procedures were reviewed as part of the preparation for Cyber Essentials certification.

We have continued to bring our practices in line with the requirements of General Data Protection Regulations, including updating policies and procedures, staff training, completing a data discovery exercise to identify personal data held and implementation of a data breach log.

We reported two personal data incidents to the Information Commissioner's Office (ICO) in 2018/19 both relating to documents sent via Royal Mail.

The year has also seen an increase in the number of Freedom of Information (FOI) requests we receive. There has been a move away from requests about our management to those about our collections, with collections now making up 42% of all requests.

3.5 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 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.

3.6 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 and Policy.

In line with our Community Engagement Strategy and the sustainability principle in the Well-being of Future Generations (Wales) Act 2015 we have developed and

delivered public programmes in collaboration with over 70 public and third sector organizations. Examples this year include:

- Delivering Hands on Heritage, part of a UK wide youth engagement initiative with a Consortium of our youth forums and four core partner organizations including: Llamau, PromoCymru, Barnado's Cymru and Children in Wales.
- Working with representatives of the Black communities of Wales in order to diversify the collections.
- Providing volunteer and skills development opportunities to a range of people across our seven museums, with over 700 volunteers contributing 23,000 hours.
- Delivering the Welsh Government Fusion Programme which aims to empower people, particularly people who are experiencing poverty, to take an active part in the arts, culture and heritage. This work includes delivering the Cultural Ambition Programme to provide internships for young people across Wales in partnership with Creative and Cultural Skills, Cardiff and the Vale College and a range of local and national heritage and cultural organisations.
- Facilitating engagement forums including a Diversity Forum, a Volunteer Forum, and an Adult Learning Forum to shape our public and volunteering programmes with partners across Wales

The recent major transformation of St Fagans National Museum of History provides an example of our engagement work in practice. The museum remained open throughout the redevelopment with over 120 third and public sector partners and 3,000 volunteers collaborating on all aspects of the redevelopment, from co-curating displays to shaping public programmes. Skills based opportunities for work-placements and apprenticeships were embedded throughout and the construction company was requested to deliver a Community Benefit Plan as part of their work.

Our Vision, 'Inspiring People, Changing Lives', is a call to action on a journey towards cultural democracy. We have recently worked with staff to define our organizational values and have started work on our ten year strategy. We are committed to embedding a cultural rights based approach, inspired by the United Nations Declaration of Human Rights (1948). We have reviewed our Vision Commitments and Objectives to ensure the Goals and Sustainability Principle outlined in the Well-being of Future Generations (Wales) Act 2015 are embedded. We are currently collaborating with a range of national bodies as part of our delivery against the Act.

Our Communications Strategy is designed to promote the organization, our Vision, objectives and priorities. Social networks, including Twitter and Facebook, are increasingly used to communicate with target audiences. Frequent press releases are issued to promote our activities and work.

We recognise the importance of internal communications and have continued to implement the Internal Communications Plan. We also provide electronic and face-to-face internal briefings to staff to ensure they are involved in and updated on decision-making. This work is currently being reviewed as part of the organisation's work to obtain Investors in People accreditation across Amgueddfa Cymru.

We also work with our recognised trade unions and have this year continued to work positively together both internally and through the Historic Wales Strategic Partnership. Union representatives continue to attend Staff Executive Committee for Human and Financial Resources as well as the Staff Forum. Regular meetings are also held between a representative member of the Board of Trustees and 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.

4. Review of Effectiveness

The Director General, as 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 Management 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 Committee and directors, and plans to address issues and ensure continuous improvement of the system are in place. More information is provided on these plans in section 5 on Governance Issues and Future Improvements below, which also notes that no significant governance or internal control issues arose during the year.

Evaluation questionnaires are completed by the Board and the Audit Committee on a biannual basis. They were last completed in 2017/18 and will be completed again in 2019/20. The findings in 2017/18 were very positive overall.

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 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 2019, the Internal Auditor concluded that we have an adequate and effective framework for risk management, governance and internal control, although some further enhancements are needed to ensure the framework remains adequate and effective.
- 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 3 yearly basis; the latest review was carried out in 2017/18 and confirmed that we are compliant with the Code
- The Wales Audit Office, our external auditor, provides a Management Letter report summarising the work undertaken in respect of the financial statements. This is reviewed by the Audit 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.

5. Governance Issues and Future Improvements

No significant governance or internal control issues arose during the year. This is supported by the Internal Audit Annual Report.

During 2018/19 we continued to implement our ten-year Vision, as outlined on pages 4 and 5, which was agreed by the Board in March 2015. The challenge remains to deliver our Vision in the context of the economic climate and specifically the reductions in grant-in-aid from the Welsh Government and lack of certainty on future grant-in-aid levels. We will continue to implement our Vision in 2019/20, and moving forward we will:

- ensure integration of the Well-being of Future Generations (Wales) Act across the organization
- further review our structures to support delivery of our Vision within available resources
- trial process for completing Annual Director Assurance Statements, for which the template was agreed in 2018/19. These will feed into the Annual Governance Statement
- continue to increase income generation and deliver commercial income projects
- continue to implement the Human Resources Strategy
- implement the Training & Development Strategy

- improve processes across the organization, including implementation of new systems
- enhance compliance with General Data Protection Regulations
- continue to implement the Essential Maintenance Programme

6. 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 needs for improvements and we will monitor their implementation and operation as part of our next review.

David Anderson

Accounting Officer and Director
Approved and signed on 11 July 2019

Hywel John

General Treasurer, on behalf of the Board of Trustees
Approved and signed on 11 July 2019

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 2018-2021, which are published on our website at <https://museum.wales/about/policy/equality-diversity/>. These documents outline our priorities in delivering equality and inclusion to staff and visitors.

We have continued to roll out training and development in Dignity at Work and Challenging Without Confronting to staff. We also provided equalities training to raise awareness and improve service delivery. These include courses provided by The Wallich and Stonewall, and a number of staff have been trained as Dementia Friends.

During the year we have again celebrated events such as LGBT History Month and Black History Month with successful events taking place at the National Waterfront Museum and St Fagans. Amgueddfa Cymru continues to raise awareness of its work at Pride Cymru. We are also working with a wide range of community partners on the More and Better initiative funded by the Paul Hamlyn Foundation including working collaboratively with our Diversity and Youth Forums to inform our programmes and exhibitions.

Our most recently published mean gender pay gap (the difference between men and women's hourly pay) was 6.33% for 2017/18, and the median gender pay gap was 2.97%. Our Gender Pay Gap Report is published on the government's Gender Pay Gap Service website (<https://gender-pay-gap.service.gov.uk/employer/HQ4Zb2NG>) and on our website (<https://museum.wales/accountability/gender-pay-gap/>). We have identified a number of actions that have been and will be implemented 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 have a guaranteed interview scheme which aims to create a level playing field for disabled applicants in the recruitment process. 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.

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.

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. 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 Leadership Team. The Health & Safety Forum established last year, which includes trade union representatives and managers continues to work well. The group has developed key policies around workplace wellbeing including on menopause and unacceptable behaviour.

Representatives of our recognised unions attend the monthly Staff Executive Group meetings, facilitating openness and transparency. This 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.

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.

Regular staff briefings have been held across all our museums to keep staff informed of work across the organization following each meeting of the Board of Trustees. The Director General also sends regular 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 have identified Investors in People (IiP) status as an important external measure of this commitment and a steering group representative of our workforce has been established to take this work forward. The IiP40 survey sent to all staff in June 2018 identified the priority areas to be developed in preparation for our assessment.

During 2018/19 we have offered staff training in a wide number of areas. These include leadership and management development, professional development and skills based training. 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 to train Miner Guides and Mechanical and Electrical Engineers, and in the Estates department and Historic Buildings Unit at St Fagans to address skills shortages and to implement succession plans in these areas. Our People Development Strategy outlines how the organization will increase the numbers of apprentices across the organization over the next five years.

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 2019 was 3.86% or 8.17 days (5.08% or 10.94 days in 2017/18). We have worked with line managers to address high rates of absence and closely monitor attendance management to ensure our policies, including ensuring that return to work interviews are consistently implemented. While the reduction in absence compared with the previous year is significant, our levels are still higher than those of other Welsh Government Sponsored Bodies and we are taking further action to address this.

Our focus in 2018/19 was to raise awareness of mental health. We participated in the Mind Workplace Index for the first time. The results will inform the measures we can put in place to support staff with their mental wellbeing. We have also run training programmes in mental health awareness, mindfulness and resilience as well as Mental Health First Aid.

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.

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, 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 arrangements for the Director General's salary have changed this year. Rather than being eligible for an annual bonus, increases to the Director General's salary will now be considered as part of the annual pay remit as is the case for all other staff.

The directors are shown on page 20 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, 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 12 months, and for the other directors is normally 6 months. The dates of commencement of employment of the current Directorate as directors are:

| | |
|-----------------------------------|------------------|
| David Anderson (Director General) | 11 October 2010 |
| Janice Lane | 3 September 2012 |
| Neil Wicks | 27 June 2011 |
| Nia Williams | 17 October 2016 |

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 £40,000 (£19,000 in 2017/18) for agency staff and £14,000 (£5,000 in 2017/18) for consultancy staff. No individuals were employed in 2018/19 or 2017/18 under 'off-payroll' arrangements at more than £220 per day and for longer than six months.

The Remuneration and Pension Benefits of the Directors

| Single Total Figure of Remuneration | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|-----------------------------|
| | Salary band | Bonus band | Benefits in kind | Pension benefits | Total band |
| | 2018/19 (2017/18) | 2018/19 (2017/18) | 2018/19 (2017/18) | 2018/19 (2017/18) | 2018/19 (2017/18) |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| David Anderson Director General | 100-105 (95-100) | - - | - - | 22 (22) | 125-130 (120-125) |
| Neil Wicks Director of Finance & Corporate Resources, Deputy Director General | 80-85 (80-85) | - - | - - | 10 (8) | 90-95 (85-90) |
| Janice Lane Director of Gallery Development & Visitor Experience | 75-80 (70-75) | - - | - - | 9 (8) | 85-90 (80-85) |
| Stephanos Mastoris Acting Director of Operations | - (15-20) | - - | - - | - (5) | - (20-25) |
| Richard Bevins Joint Director of Collections & Research | 10-15 (65-70) | - - | - - | 3 (15) | 10-15 (80-85) |
| Diane Gwilt Joint Director of Collections & Research | 10-15 (65-70) | - - | - - | 1 (8) | 10-15 (75-80) |
| Nia Williams Director of Learning & Engagement | 65-70 (60-65) | - - | - - | 7 (6) | 75-80 (65-70) |
| Steve Burrow Director of Collections & Research | 35-40 (-) | - - | - - | 3 (-) | 40-45 - |

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 2017/18 and 2018/19, except for:

- Richard Bevins, who left office on 31 May 2018, remaining employed as Keeper of Natural Sciences. His emoluments as Joint Director of Collections & Research consisted of a basic salary as shown above. His annualised salary as Joint Director of Collections & Research for 2018/19 was between £70,000 and £75,000, and for 2017/18 was between £65,000 and £70,000.
- Diane Gwilt, who left office on 31 May 2018, remaining employed as Keeper of Collections Services. Her emoluments as Joint Director of Collections & Research consisted of a basic salary as shown above. Her annualised salary as Joint Director of Collections & Research for 2018/19 was between £70,000 and £75,000, and for 2017/18 was between £65,000 and £70,000.

- Steve Burrow took up office on 21 May 2018, and left office on 23 December 2018, remaining employed as Head of Historic Properties. His emoluments as Director of Collections & Research consisted of a basic salary as shown above. His annualised salary as Director of Collections & Research for 2018/19 was between £60,000 and £65,000. The Director of Collections & Research post remained vacant until year end, with plans to recruit in 2019/20.
- Stephanos Mastoris, who left office on 30 June 2017, remaining employed as Head of NWMS and Museums. His emoluments as Acting Director of Operations consisted of a basic salary as shown above. His annualised salary as Acting Director of Operations for 2017/18 was between £70,000 and £75,000. The Director of Operations post was replaced by the Director of Gallery Development and Visitor Experience post in 2017/18.

The emoluments of the Director General consisted of a basic salary of £102,500 (£100,000 in 2017/18). The arrangements for the Director General's salary changed during 2018/19. Previously the Director General was eligible for a non-consolidated bonus based on performance. The Director General gave up his rights to his bonus in 2017/18 and therefore no bonus was awarded. From 2018/19 the Director General is no longer eligible for a bonus.

Pension Benefits

| | Real increase/ (decrease) in pension and related lump sum at age 60 £ | Accrued pension at age 60 at 31 March 2019 and related lump sum £ | CETV at 31 March 19 £'000 | CETV at 31 March 18 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 5,000-7,500 lump sum | 10,000-15,000 plus 30,000-35,000 lump sum | 279 | 236 | 28 |
| Neil Wicks Director of Finance & Corporate Resources, Deputy Director General | 0-2,500 plus 5,000-7,500 lump sum | 35,000-40,000 plus 105,000-110,000 lump sum | 677 | 595 | 55 |
| Janice Lane Director of Gallery Development & Visitor Experience | 0-2,500 plus 2,500-5,000 lump sum | 25,000-30,000 75,000-80,000 lump sum | 482 | 428 | 39 |
| Richard Bevins Joint Director of Collections & Research | 0-2,500 plus 0-2,500 lump sum | 35,000-40,000 plus 110,000-115,000 lump sum | 950 | 959 | (17) |
| Diane Gwilt Joint Director of Collections & Research | 0-2,500 plus 0-2,500 lump sum | 25,000-30,000 plus 75,000-80,000 lump sum | 578 | 597 | (25) |
| Nia Williams Director of Learning & Engagement | 0-2,500 plus 2,500-5,000 lump sum | 10,000-15,000 plus 40,000-45,000 lump sum | 292 | 255 | 26 |
| Steve Burrow Director of Collections & Research | 0-2,500 plus 0-2,500 lump sum | 10,000-15,000 plus 35,000-40,000 lump sum | 230 | 209 | 14 |

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 2018/19, excluding workers engaged under our pool arrangements, was 636 (604 in 2017/18). Including workers engaged under our pool arrangements, the average number was 850 (804 in 2017/18).

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

| | Permanent Staff | Other Staff | 2018/19 Number | 2017/18 Number |
|--|-----------------|-------------|----------------|----------------|
| Trading Subsidiary | 37 | 10 | 47 | 45 |
| Fundraising | 7 | 1 | 8 | 8 |
| Learning and Engagement | 38 | 8 | 46 | 43 |
| Collections and Research | 86 | 8 | 94 | 95 |
| Gallery Development and Visitor Experience | 259 | 43 | 302 | 290 |
| Support | 49 | 7 | 56 | 55 |
| | 476 | 77 | 553 | 536 |
| | Female Staff | Male Staff | 2018/19 Number | 2017/18 Number |
| Directors | 2 | 3 | 5 | 6 |
| Employees | 280 | 268 | 548 | 530 |
| | 282 | 271 | 553 | 536 |

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

There were ten employees (six in 2017/18) whose emoluments for the year were between £60,001 and £69,999, and one (none in 2017/18) 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. The emoluments of three employees who were employed for part of the year as directors are disclosed in the Directors' Remuneration tables above for the period for which they were directors. Their emoluments for the remainder of the year were below £60,000 for one of these employees, and between £60,001 and £69,999 for two of these employees.

Median Remuneration

WGSBs are required to disclose the relationship between the remuneration of the highest-paid director in their organization and the median remuneration of the organization's workforce. The banded remuneration of the Director General, who was the highest-paid director in 2018/19, was £100,000-£105,000 (2017/18 £95,000-£100,000). This was 4.3 times (2017/18 4.3 times) the median remuneration of the workforce, which was £23,786 (2017/18 £22,778). No employees received remuneration in excess of the Director

General in 2018/19 or 2017/18. Remuneration (excluding Directors) ranged from £16,934 to £75,477 (2017/18 £16,320 to £67,664). 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. Workers engaged under our pool arrangements have not been included in the median salary calculations.

| | 2018/19 | 2017/18 |
|--|-----------------------------|--------------------|
| Band of Highest Paid Individual's Remuneration | 100,000- 105,000 | 95,000- 100,000 |
| Median Total | 23,786 | 22,778 |
| Ratio | 4.3 | 4.3 |

David Anderson

Accounting Officer and Director General Treasurer, on behalf of the Board of Trustees

Approved and signed on 11 July 2019

Hywel John

General Treasurer, on behalf of the Board of Trustees

Approved and signed on 11 July 2019

Section 2.3: Audit Report

The Certificate and independent auditor's report of the Auditor General for Wales to the National Assembly for Wales

Report on the audit of the financial statements

Opinion

I certify that I have audited the financial statements of National Museum of Wales for the year ended 31 March 2019 under Section 9 of the Museums and Galleries Act 1992. These comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet and the Consolidated Cash Flow Statement 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 as at 31 March 2019 and of its net income, gains and losses and cash flows for the year then ended; and
- have been properly prepared in accordance with Welsh Ministers' directions issued under the Museum and Galleries Act 1992.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). 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 opinion.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Accounting Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorized for issue.

Other information

The Accounting Officer is responsible for the other information in the annual report and accounts. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. 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.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on regularity

In my opinion, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the National Assembly for Wales and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Report on other requirements

Opinion on other matters

In my opinion, the part of the Remuneration Report to be audited has been properly prepared in accordance with Welsh Ministers' directions made under the Museum and Galleries Act 1992.

In my opinion, based on the work undertaken in the course of my audit:

- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Governance Statement has been prepared in accordance with Welsh Ministers' guidance;
- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Performance Report has been prepared in accordance with the Museums and Galleries Act 1992.

Matters on which I report by exception

In the light of the knowledge and understanding of the body and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report or the Annual 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;
- the financial statements and the Remuneration Report to be audited are not in agreement with the accounting records and returns;
- information specified by Welsh Ministers regarding the remuneration and other transactions is not disclosed; or
- I have not received all of the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

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.

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 obtain sufficient evidence to give reasonable assurance that 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.

Adrian Crompton
Auditor General for Wales
15 July 2019

24 Cathedral Road
Cardiff
CF11 9LJ

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31 MARCH 2019

| | Notes | Public funds | | Private Funds | | 2018/19 | Restated |
|--|-------|---------------------|-----------------------|---------------------|-----------------------|----------------|---------------------------|
| | | Restricted £'000 | Unrestricted £'000 | Restricted £'000 | Unrestricted £'000 | Total £'000 | 2017/18 Total £'000 |
| INCOME AND ENDOWMENTS FROM: | | | | | | | |
| Donations & Legacies | | | | | | | |
| Grants | 3 | 1,223 | 23,343 | 0 | 0 | 24,566 | 29,466 |
| Donations & Legacies | 4 | 5 | 0 | 1,033 | 603 | 1,641 | 1,866 |
| | | 1,228 | 23,343 | 1,033 | 603 | 26,207 | 31,332 |
| Other Trading Activities | 5 | 0 | 4,040 | 0 | 0 | 4,040 | 3,250 |
| Income from Investments | | | | 92 | 21 | 113 | 79 |
| Other Income | 6 | 0 | 1,534 | 30 | 5 | 1,569 | 1,962 |
| TOTAL INCOME AND ENDOWMENTS | | 1,228 | 28,917 | 1,155 | 629 | 31,929 | 36,623 |
| EXPENDITURE ON: | | | | | | | |
| Raising Funds: | | | | | | | |
| Expenditure on Raising Donations & Legacies | | 0 | 598 | 29 | 64 | 691 | 660 |
| Expenditure on Other Trading Activities | 5 | 0 | 3,143 | 0 | 0 | 3,143 | 2,606 |
| | | 0 | 3,741 | 29 | 64 | 3,834 | 3,266 |
| Charitable Activities: | | | | | | | |
| Learning & Engagement | | 200 | 2,777 | 19 | 1 | 2,997 | 2,782 |
| Collections & Research | | 1,149 | 6,511 | 144 | 4 | 7,808 | 6,597 |
| Gallery Development & Visitor Experience | | 989 | 14,772 | 93 | 12 | 15,866 | 14,797 |
| Governance | | 0 | 544 | 0 | 0 | 544 | 522 |
| | | 2,338 | 24,604 | 256 | 17 | 27,215 | 24,698 |
| Other: | | | | | | | |
| Pension Finance Costs | 18e | 0 | 910 | 0 | 0 | 910 | 867 |
| TOTAL EXPENDITURE | | 2,338 | 29,255 | 285 | 81 | 31,959 | 28,831 |
| Share of Joint Venture | 9 | (108) | 0 | 0 | 0 | (108) | (108) |
| Net Gains on Investments | 12 | 0 | 0 | 134 | 30 | 164 | 20 |
| NET INCOME/EXPENDITURE | | (1,218) | (338) | 1,004 | 578 | 26 | 7,704 |
| OTHER RECOGNISED GAINS/(LOSSES): | | | | | | | |
| Gains on revaluation of fixed assets | 10 | 1,592 | 7 | 18 | 5 | 1,622 | 7,344 |
| Actuarial Gains/(Losses) on defined benefit pension scheme | 18d | 0 | 13,622 | 0 | 0 | 13,622 | (3,562) |
| NET MOVEMENT IN FUNDS | | 374 | 13,291 | 1,022 | 583 | 15,270 | 11,486 |
| RECONCILIATION OF FUNDS: | | | | | | | |
| Total Funds Brought Forward | 19 | 131,020 | (30,121) | 13,891 | 1,963 | 116,753 | 105,267 |
| TOTAL FUNDS CARRIED FORWARD | 19 | 131,394 | (16,830) | 14,913 | 2,546 | 132,023 | 116,753 |

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 2018/19 was £15,279,000 (an increase of £11,496,000 in 2017/18).

The prior year comparators for Expenditure on Charitable Activities and Gains on revaluation of fixed assets have been restated. There is no overall impact on Net Movement in Funds.

The notes on pages 47 to 70 form part of these accounts.

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2019

| | Notes | Amgueddfa Cymru | | Consolidated | |
|--|-------|-----------------|---------------------------|-----------------|---------------------------|
| | | 2019 £'000 | Restated 2018 £'000 | 2019 £'000 | Restated 2018 £'000 |
| FIXED ASSETS | | | | | |
| Tangible Assets | 10 | 110,331 | 107,873 | 110,397 | 107,953 |
| Heritage Assets | 11 | 24,110 | 23,455 | 24,110 | 23,455 |
| Share of Joint Venture: | 9 | | | | |
| Share of gross assets | | 9,234 | 9,341 | 9,234 | 9,341 |
| Share of gross liabilities | | (2) | (1) | (2) | (1) |
| | | <u>9,232</u> | <u>9,340</u> | <u>9,232</u> | <u>9,340</u> |
| Investments | 12 | 3,068 | 2,945 | 3,068 | 2,945 |
| | | <u>146,741</u> | <u>143,613</u> | <u>146,807</u> | <u>143,693</u> |
| CURRENT ASSETS | | | | | |
| Stock | 13 | 9 | 14 | 236 | 230 |
| Debtors due within one year | 14 | 4,644 | 3,920 | 2,939 | 3,057 |
| Investments | 21 | 791 | 785 | 791 | 785 |
| Cash at bank and in hand | 21 | 9,637 | 10,593 | 11,331 | 11,423 |
| | | <u>15,081</u> | <u>15,312</u> | <u>15,297</u> | <u>15,495</u> |
| CURRENT LIABILITIES | | | | | |
| Creditors due within one year | 15 | (3,854) | (2,363) | (4,044) | (2,525) |
| | | <u>11,227</u> | <u>12,949</u> | <u>11,253</u> | <u>12,970</u> |
| NET CURRENT ASSETS | | | | | |
| | | <u>157,968</u> | <u>156,562</u> | <u>158,060</u> | <u>156,663</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | | |
| | | <u>157,968</u> | <u>156,562</u> | <u>158,060</u> | <u>156,663</u> |
| CREDITORS | | | | | |
| Amounts falling due after one year | 16 | (500) | (1,900) | (500) | (1,900) |
| Provisions | 17 | 0 | (569) | 0 | (569) |
| | | <u>157,468</u> | <u>154,093</u> | <u>157,560</u> | <u>154,194</u> |
| NET ASSETS EXCLUDING PENSION SCHEME LIABILITY | | | | | |
| | | <u>157,468</u> | <u>154,093</u> | <u>157,560</u> | <u>154,194</u> |
| Defined benefit pension scheme deficit | 18a | (25,537) | (37,441) | (25,537) | (37,441) |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITY | | | | | |
| | | <u>131,931</u> | <u>116,652</u> | <u>132,023</u> | <u>116,753</u> |
| FUNDS | 19 | | | | |
| Public Funds Restricted - Income | | 112,316 | 113,534 | 112,316 | 113,534 |
| Public Funds Restricted - Revaluation | | 19,078 | 17,486 | 19,078 | 17,486 |
| Total Public Funds Restricted | | <u>131,394</u> | <u>131,020</u> | <u>131,394</u> | <u>131,020</u> |
| Public Funds Unrestricted - Income | | 8,550 | 7,161 | 8,642 | 7,262 |
| Public Funds Unrestricted - Revaluation | | 65 | 58 | 65 | 58 |
| Pension Reserve | | (25,537) | (37,441) | (25,537) | (37,441) |
| Total Public Funds Unrestricted | | <u>(16,922)</u> | <u>(30,222)</u> | <u>(16,830)</u> | <u>(30,121)</u> |
| Private Funds Restricted - Income | | 14,636 | 13,632 | 14,636 | 13,632 |
| Private Funds Restricted - Revaluation | | 277 | 259 | 277 | 259 |
| Total Private Funds Restricted | | <u>14,913</u> | <u>13,891</u> | <u>14,913</u> | <u>13,891</u> |
| Private Funds Unrestricted - Income | | 2,466 | 1,888 | 2,466 | 1,888 |
| Private Funds Unrestricted - Revaluation | | 80 | 75 | 80 | 75 |
| Total Private Funds Unrestricted | | <u>2,546</u> | <u>1,963</u> | <u>2,546</u> | <u>1,963</u> |
| | | <u>131,931</u> | <u>116,652</u> | <u>132,023</u> | <u>116,753</u> |

Signed on behalf of the Trustees by

David Anderson
Accounting Officer and Director General
Approved and signed on 11 July 2019

Hywel John
Treasurer, on behalf of the Board of Trustees
Approved and signed on 11 July 2019

The prior year comparators have been restated for Public Funds Restricted - Income and Public Funds Restricted - Revaluation. There is no overall impact on Funds brought forward.

The notes on pages 47 to 70 form part of these accounts.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

| Consolidated Cash Flow Statement | | | | | | | |
|--|---------------------|---------------------|----------------------|---------------------|----------------|----------------|---------|
| Notes | Public funds | | Private Funds | | 2018/19 | 2017/18 | |
| | Restricted | Unrestricted | Restricted | Unrestricted | Total | Total | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | |
| Net Cash Inflow from Operating Activities | 20 | 713 | 795 | 233 | 556 | 2,297 | 7,945 |
| Cashflows from Investing Activities: | | | | | | | |
| Purchase of tangible fixed assets | | (1,288) | (780) | 0 | 0 | (2,068) | (3,081) |
| Purchase of heritage assets | | (73) | (6) | 0 | 0 | (79) | (121) |
| Net sale of investments | | 0 | 0 | 33 | 8 | 41 | 0 |
| Net Cash provided by/(used in) Investing Activities | | (1,361) | (786) | 33 | 8 | (2,106) | (3,202) |
| Cashflows from Financing Activities: | | | | | | | |
| Loan repayments | | 0 | (306) | 0 | 0 | (306) | (22) |
| Cash inflow from new loans | | 0 | 29 | 0 | 0 | 29 | 295 |
| Net Cash provided by/(used in) Financing Activities | | 0 | (277) | 0 | 0 | (277) | 273 |
| (Decrease)/Increase in Cash | | (648) | (268) | 266 | 564 | (86) | 5,016 |
| Cash and cash equivalents at start of year | | (1,162) | 6,953 | 5,256 | 1,161 | 12,208 | 7,192 |
| Cash and cash equivalents at end of year | 21 | (1,810) | 6,685 | 5,522 | 1,725 | 12,122 | 12,208 |

| Amgueddfa Cymru Cash Flow Statement | | | | | | | |
|--|---------------------|---------------------|----------------------|---------------------|----------------|----------------|---------|
| Notes | Public funds | | Private Funds | | 2018/19 | 2017/18 | |
| | Restricted | Unrestricted | Restricted | Unrestricted | Total | Total | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | |
| Net Cash Inflow from Operating Activities | 20 | 713 | (84) | 233 | 556 | 1,418 | 7,948 |
| Cashflows from Investing Activities: | | | | | | | |
| Purchase of tangible fixed assets | | (1,288) | (765) | | | (2,053) | (3,028) |
| Purchase of heritage assets | | (73) | (6) | | | (79) | (121) |
| Net sale of investments | | 0 | 0 | 33 | 8 | 41 | 0 |
| Net Cash provided by/(used in) Investing Activities | | (1,361) | (771) | 33 | 8 | (2,091) | (3,149) |
| Cashflows from Financing Activities: | | | | | | | |
| Loan repayments | | 0 | (306) | 0 | 0 | (306) | (22) |
| Cash inflow from new loans | | 0 | 29 | 0 | 0 | 29 | 295 |
| Net Cash provided by/(used in) Financing Activities | | 0 | (277) | 0 | 0 | (277) | 273 |
| Increase in Cash | | (648) | (1,132) | 266 | 564 | (950) | 5,072 |
| Cash and cash equivalents at start of year | | (1,162) | 6,123 | 5,256 | 1,161 | 11,378 | 6,306 |
| Cash and cash equivalents at end of year | 21 | (1,810) | 4,991 | 5,522 | 1,725 | 10,428 | 11,378 |

The notes on pages 47 to 70 form part of these accounts.

Notes to the Accounts for the Year Ended 31 March 2019

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 2019 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 2019 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 Engagement; Collections and Research; Gallery Development and 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 be sold as part of continuing business 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 recognised 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 | | Restated |
|--|---------------------|-----------------------|---------------------|-----------------------|---------------------------|
| | Restricted £'000 | Unrestricted £'000 | Restricted £'000 | Unrestricted £'000 | 2017/18 Total £'000 |
| INCOME AND ENDOWMENTS FROM: | | | | | |
| Donations & Legacies | | | | | |
| Grants | 5,049 | 24,417 | 0 | 0 | 29,466 |
| Donations & Legacies | 34 | 0 | 1,297 | 535 | 1,866 |
| | 5,083 | 24,417 | 1,297 | 535 | 31,332 |
| Other Trading Activities | 0 | 3,250 | 0 | 0 | 3,250 |
| Income from Investments | 0 | 0 | 66 | 13 | 79 |
| Other Income | 0 | 1,945 | 13 | 4 | 1,962 |
| TOTAL INCOME AND ENDOWMENTS | 5,083 | 29,612 | 1,376 | 552 | 36,623 |
| EXPENDITURE ON: | | | | | |
| Raising Funds: | | | | | |
| Expenditure on Raising Donations & Legacies | 0 | 645 | 12 | 3 | 660 |
| Expenditure on Other Trading Activities | 0 | 2,606 | 0 | 0 | 2,606 |
| | 0 | 3,251 | 12 | 3 | 3,266 |
| Charitable Activities: | | | | | |
| Learning & Engagement | 54 | 2,725 | 2 | 1 | 2,782 |
| Collections & Research | 480 | 6,100 | 14 | 3 | 6,597 |
| Gallery Development & Visitor Experience | 299 | 14,380 | 19 | 99 | 14,797 |
| Governance | 0 | 522 | 0 | 0 | 522 |
| | 833 | 23,727 | 35 | 103 | 24,698 |
| Other: | | | | | |
| Pension Finance Costs | 0 | 867 | 0 | 0 | 867 |
| TOTAL EXPENDITURE | 833 | 27,845 | 47 | 106 | 28,831 |
| Share of Joint Venture | (108) | 0 | 0 | 0 | (108) |
| Net Gains on Investments | 0 | 0 | 16 | 4 | 20 |
| NET INCOME/EXPENDITURE | 4,142 | 1,767 | 1,345 | 450 | 7,704 |
| OTHER RECOGNISED GAINS/(LOSSES): | | | | | |
| Gains on revaluation of fixed assets | 7,188 | 32 | 96 | 28 | 7,344 |
| Actuarial (Losses) on defined benefit pension scheme | 0 | (3,562) | 0 | 0 | (3,562) |
| NET MOVEMENT IN FUNDS | 11,330 | (1,763) | 1,441 | 478 | 11,486 |
| RECONCILIATION OF FUNDS: | | | | | |
| Total Funds Brought Forward | 119,690 | (28,358) | 12,450 | 1,485 | 105,267 |
| TOTAL FUNDS CARRIED FORWARD | 131,020 | (30,121) | 13,891 | 1,963 | 116,753 |

We have restated the prior year comparators for 2017/18 due to indexation gains being incorrectly treated as revaluation gains rather than reversals of permanent diminutions. This has resulted in an decrease of £1,241,000 in Expenditure on Charitable Activities under Public funds restricted, and a matching decrease in Gains on revaluation of fixed assets. There is no impact on net movement in funds.

3. Grants Receivable

| | Public | | 2018/19 £'000 | 2017/18 £'000 |
|--------------------------------|---------------------|-----------------------|------------------|------------------|
| | Restricted £'000 | Unrestricted £'000 | | |
| Revenue Grant-in-Aid | 0 | 22,326 | 22,326 | 22,607 |
| Specimen Purchase Grant-in-Aid | 269 | 0 | 269 | 269 |
| Capital Grant-in-Aid | 830 | 0 | 830 | 4,289 |
| Other government grant | 124 | 1,017 | 1,141 | 2,301 |
| | 1,223 | 23,343 | 24,566 | 29,466 |

We received total Grant-in-Aid from the Welsh Government of £23,425,000 (£27,165,000 in 2017/18) which comprises the Revenue, Specimen Purchase and Capital Grant-in-Aid.

Other government grant included National Lottery Heritage Fund grant of £607,000 (£1,682,000 in 2017/18), of which £420,000 was for the St Fagans redevelopment project, including £98,000 recognised under public restricted funds and £322,000 under public unrestricted funds, matching the allocation of project expenditure to those funds. Other government grant also included Welsh Government grants of £429,000 (£515,000 in 2017/18), Cardiff Council grant of £105,000 (£90,000 in 2017/18), and European Union grant of £nil (£14,000 in 2017/18).

4. Donations & Legacies

| | Public Funds | | Private Funds | | 2018/19 £'000 | 2017/18 £'000 |
|-----------------|---------------------|-----------------------|---------------------|-----------------------|------------------|------------------|
| | Restricted £'000 | Unrestricted £'000 | Restricted £'000 | Unrestricted £'000 | | |
| Donated Assets | 0 | 0 | 649 | 0 | 649 | 147 |
| Legacies | 0 | 0 | 0 | 1 | 1 | 193 |
| Other donations | 5 | 0 | 384 | 602 | 991 | 1,526 |
| | 5 | 0 | 1,033 | 603 | 1,641 | 1,866 |

Donated assets include heritage assets valued at £649,000 (see note 11 for more details). All valuations of donated (or part-donated) assets in the previous year were carried out by curatorial staff or other qualified staff, or by reference to invoices/acceptance in lieu correspondence.

Other donations includes gifts from trusts and foundations received as contributions towards specimen purchases, the St Fagans redevelopment project, and other projects. These included £375,000 from players of the People's Postcode Lottery (£350,000 in 2017/18), £200,000 from the Hodge Foundation (£nil in 2017/18) and £100,000 from the Clore Duffield Foundation (£nil in 2017/18). (We also received donations in 2017/18 of £300,000 from the Garfield Weston Foundation £200,000 from the Foyle Foundation and £200,000 from the Moondance Foundation.)

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.

| | 2018/19 | 2017/18 |
|--|------------|---------|
| | £ '000 | £ '000 |
| Turnover | 3,721 | 3,037 |
| Cost of sales | (2,728) | (2,225) |
| Gross Profit | 993 | 812 |
| Administrative expenses | (406) | (374) |
| Other operating income | 306 | 206 |
| Profit on ordinary activities before interest | 893 | 644 |
| Interest receivable | 13 | 7 |
| Interest payable | (8) | (7) |
| Profit on ordinary activities before taxation | 898 | 644 |
| Tax on profit on ordinary activities | 0 | 0 |
| Profit for the financial year | 898 | 644 |
| Gift aid payable to the Museum | (907) | (654) |
| Retained profit for the financial year | (9) | (10) |
| Total assets | 2,213 | 1,329 |
| Total liabilities | (2,120) | (1,227) |
| Shareholders' funds | 93 | 102 |

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.

6. Other Income

| | Public Funds | | Private Funds | | 2018/19 | 2017/18 |
|---------------------------------------|--------------|--------------|---------------|--------------|--------------|---------|
| | Restricted | Unrestricted | Restricted | Unrestricted | | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Learning, Exhibitions & Digital Media | 0 | 261 | 0 | 0 | 261 | 281 |
| Collections & Research | 0 | 330 | 0 | 0 | 330 | 651 |
| Museum Operations | 0 | 794 | 0 | 0 | 794 | 914 |
| Support | 0 | 149 | 30 | 5 | 184 | 116 |
| | 0 | 1,534 | 30 | 5 | 1,569 | 1,962 |

7. Total Expenditure

(a) Amgueddfa Cymru

| | Direct Costs | Depre- ciation | Marketing, Press & PR | Support Costs | | | Restated 2018/19 2017/18 | Restated 2017/18 |
|---|-----------------|-------------------|--------------------------|---------------|------------|--------------------|--------------------------------|---------------------|
| | | | | Finance | ICT | Human Resources | | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Expenditure on Raising Funds | | | | | | | | |
| Raising Donations & Legacies | 606 | 0 | 25 | 13 | 24 | 23 | 691 | 660 |
| | 606 | 0 | 25 | 13 | 24 | 23 | 691 | 660 |
| Expenditure on Charitable Activities | | | | | | | | |
| Learning & Engagement | 2,610 | 163 | 66 | 35 | 62 | 61 | 2,997 | 2,782 |
| Collections & Research | 6,458 | 768 | 171 | 92 | 161 | 158 | 7,808 | 6,597 |
| Gallery Development & Visitor Experience | 14,142 | 808 | 315 | 170 | 298 | 292 | 16,025 | 14,956 |
| Governance | 371 | 0 | 51 | 27 | 48 | 47 | 544 | 522 |
| | 23,581 | 1,739 | 603 | 324 | 569 | 558 | 27,374 | 24,857 |
| Pension Finance Costs | 910 | 0 | 0 | 0 | 0 | 0 | 910 | 867 |
| Total Expenditure | 25,097 | 1,739 | 628 | 337 | 593 | 581 | 28,975 | 26,384 |

(b) Consolidated

| | Direct Costs | Depre- ciation | Marketing, Press & PR | Support Costs | | | Restated 2018/19 2017/18 | Restated 2017/18 |
|---|-----------------|-------------------|--------------------------|---------------|------------|--------------------|--------------------------------|---------------------|
| | | | | Finance | ICT | Human Resources | | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Expenditure on Raising Funds | | | | | | | | |
| Raising Donations & Legacies | 606 | 0 | 25 | 13 | 24 | 23 | 691 | 660 |
| Trading Subsidiary | 3,114 | 29 | 0 | 0 | 0 | 0 | 3,143 | 2,606 |
| | 3,720 | 29 | 25 | 13 | 24 | 23 | 3,834 | 3,266 |
| Expenditure on Charitable Activities | | | | | | | | |
| Learning & Engagement | 2,610 | 163 | 66 | 35 | 62 | 61 | 2,997 | 2,782 |
| Collections & Research | 6,458 | 768 | 171 | 92 | 161 | 158 | 7,808 | 6,597 |
| Gallery Development & Visitor Experience | 13,983 | 808 | 315 | 170 | 298 | 292 | 15,866 | 14,797 |
| Governance | 371 | 0 | 51 | 27 | 48 | 47 | 544 | 522 |
| | 23,422 | 1,739 | 603 | 324 | 569 | 558 | 27,215 | 24,698 |
| Pension Finance Costs | 910 | 0 | 0 | 0 | 0 | 0 | 910 | 867 |
| Total Expenditure | 28,052 | 1,768 | 628 | 337 | 593 | 581 | 31,959 | 28,831 |

The amount of £41,553 (£42,134 in 2017/18) is included in resources expended for external auditors' remuneration. This includes £36,628 (£37,184 in 2017/18) for the Amgueddfa Cymru audit fee, £4,350 (£4,350 in 2017/18) for the trading subsidiary audit fee and £575 (£600 in 2017/18) for other work for the trading subsidiary.

66.7% of total expenditure during the year was on staff costs (66.8% in 2017/18).

8. Staff Costs

(a) Staff Costs during the year:

| | Consolidated | |
|--|---------------|---------------------|
| | 2018/19 | Restated 2017/18 |
| | £'000 | £'000 |
| Salaries & Wages | 15,520 | 14,918 |
| Social Security Costs | 1,227 | 1,172 |
| Pension current service cost (note 18e) | 4,137 | 3,632 |
| Pension deficit contribution for past service (note 18e) | 218 | 0 |
| Pension scheme expenses (note 18e) | 410 | 375 |
| Pension FRS102 current service cost adjustment | (1,157) | (1,014) |
| Apprenticeship Levy | 60 | 53 |
| Severance Costs | 4 | 95 |
| | 20,419 | 19,231 |
| FRS102 Pension Finance Costs (note 18e) | 910 | 867 |
| | 21,329 | 20,098 |

We have restated the prior year comparators for 2017/18 for disclosure of salaries and wages and pension costs. There is no impact on total staff costs for 2017/18.

Included within the staff costs are £1,460,000 (£1,270,000 in 2017/18) relating to the trading subsidiary.

Staff costs in the prior year, 2017/18 also included a provision of £569,000 for salary increases relating to that year which were formally agreed by our recognised unions and paid in 2018/19.

Severance costs include payments under our Redundancy Scheme and Early Severance Agreement and our Mutually Assured Resignation Scheme.

One employee left Amgueddfa Cymru during the year under the Redundancy and Early Severance Agreement at the end of their fixed term contract, incurring costs of £4,000. Statutory payments are enhanced by a factor of 4 under this scheme. (Costs of £95,000 were incurred in 2017/18 by employees leaving under this Agreement, as part of our Voluntary Redundancy programme.)

No employees left Amgueddfa Cymru under our Mutually Assured Resignation Scheme in 2018/19 (none in 2017/18). 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 2018/19 or 2017/18. The total amount of travel, subsistence and accommodation expenses reimbursed by us for our Board and committee members was £10,000 (£10,000 in 2017/18). This does not include any expenses waived by trustees as this is immaterial. A total of 13 trustees were reimbursed expenses during the year (16 in 2017/18).

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 | |
|------------------------------------|-----------------------------|---------------|--------------------------------|---------------|
| | 2019 £'000 | 2018 £'000 | 2019 £'000 | 2018 £'000 |
| Donations and Legacies | 6 | 5 | 3 | 2 |
| Other Income | 0 | 0 | 0 | 0 |
| Total incoming resources | 6 | 5 | 3 | 2 |
| Charitable activity expenditure | 216 | 216 | 108 | 108 |
| Governance costs | 5 | 5 | 3 | 2 |
| Total resources expended | 221 | 221 | 111 | 110 |
| Revaluation of Fixed Assets | 0 | 0 | 0 | 0 |
| Net Movement in Funds | (215) | (216) | (108) | (108) |

| | Total Assets and Liabilities | | Share of Assets and Liabilities | |
|--|------------------------------|---------------|---------------------------------|---------------|
| | 2019 £'000 | 2018 £'000 | 2019 £'000 | 2018 £'000 |
| Fixed Assets | 18,463 | 18,679 | 9,232 | 9,340 |
| Current Assets | 5 | 2 | 2 | 1 |
| Liabilities due within one year | (5) | (2) | -2 | (1) |
| Liabilities due after more than one year | (44) | (45) | 0 | 0 |
| Net Assets | 18,419 | 18,634 | 9,232 | 9,340 |
| Funds | | | | |
| General Fund (unrestricted) | 18,417 | 18,632 | 9,231 | 9,339 |
| Restricted Fund | 2 | 2 | 1 | 1 |
| | 18,419 | 18,634 | 9,232 | 9,340 |

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 2018 | 1,719 | 37,749 | 67,296 | 1,769 | 5,276 | 0 | 113,809 |
| Additions in Year | 0 | 43 | 0 | 190 | 740 | 1,587 | 2,560 |
| Impairment reversal | 12 | 1 | 1 | 0 | 0 | 0 | 14 |
| Revaluation | 15 | 597 | 1,063 | 0 | 0 | 0 | 1,675 |
| At 31 March 2019 | 1,746 | 38,390 | 68,360 | 1,959 | 6,016 | 1,587 | 118,058 |
| Depreciation | | | | | | | |
| At 1 April 2018 | 0 | 1,155 | 1,052 | 1,050 | 2,679 | 0 | 5,936 |
| Charge for the Year | 0 | 567 | 524 | 159 | 489 | 0 | 1,739 |
| Impairment reversal | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluation | 0 | 27 | 25 | 0 | 0 | 0 | 52 |
| At 31 March 2019 | 0 | 1,749 | 1,601 | 1,209 | 3,168 | 0 | 7,727 |
| Net Book Value | | | | | | | |
| At 1 April 2018 | 1,719 | 36,594 | 66,244 | 719 | 2,597 | 0 | 107,873 |
| At 31 March 2019 | 1,746 | 36,641 | 66,759 | 750 | 2,848 | 1,587 | 110,331 |

(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 2018 | 1,719 | 37,749 | 67,296 | 1,769 | 5,475 | 0 | 114,008 |
| Additions in Year | 0 | 43 | 0 | 190 | 755 | 1,587 | 2,575 |
| Impairment reversal | 12 | 1 | 1 | 0 | 0 | 0 | 14 |
| Revaluation | 15 | 597 | 1,063 | 0 | 0 | 0 | 1,675 |
| At 31 March 2019 | 1,746 | 38,390 | 68,360 | 1,959 | 6,230 | 1,587 | 118,272 |
| Depreciation | | | | | | | |
| At 1 April 2018 | 0 | 1,155 | 1,052 | 1,050 | 2,798 | 0 | 6,055 |
| Charge for the Year | 0 | 567 | 524 | 159 | 518 | 0 | 1,768 |
| Impairment reversal | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluation | 0 | 27 | 25 | 0 | 0 | 0 | 52 |
| At 31 March 2019 | 0 | 1,749 | 1,601 | 1,209 | 3,316 | 0 | 7,875 |
| Net Book Value | | | | | | | |
| At 1 April 2018 | 1,719 | 36,594 | 66,244 | 719 | 2,677 | 0 | 107,953 |
| At 31 March 2019 | 1,746 | 36,641 | 66,759 | 750 | 2,914 | 1,587 | 110,397 |

Our land and buildings were professionally valued on 31 March 2016 by External Valuer, Andrew Gardner of Cooke and Arkwright Chartered Surveyors. The valuations were in accordance with the requirements of the Royal Institution of Chartered Surveyors Valuation – Professional Standards UK January 2014 (revised April 2015) and the International Valuation Standards 2013, and with the Charities SORP (FRS102). The valuation of each owner occupied property was on the basis of being valued to Current

Value in Existing Use assuming that the properties would be sold as part of continuing business. 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 321 in March 2019 (316 in March 2018).

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

| | 2018/19 £'000 | 2017/18 £'000 |
|------------------------------------|------------------|------------------|
| Collection management costs | | |
| Conservation | 788 | 735 |
| Collections Information | 244 | 255 |
| Collection Services | 257 | 288 |
| Collection Centre | 33 | 30 |
| | 1,322 | 1,308 |

These costs are recognised in the Statement of Financial Activities.

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

| | Art £'000 | Historic Buildings £'000 | Other £'000 | Total £'000 |
|-------------------------------|---------------|--------------------------------|----------------|----------------|
| Donated Assets | 7,475 | 160 | 329 | 7,964 |
| Purchased Assets | 9,327 | 5,682 | 1,137 | 16,146 |
| Total at 31 March 2019 | 16,802 | 5,842 | 1,466 | 24,110 |

(i) Heritage Assets donated during the year:

| | Art | Historic Buildings | Other | Total |
|---|--------------|-----------------------|------------|--------------|
| | £'000 | £'000 | £'000 | £'000 |
| <i>Radion Fold (...the Illuminating Gas) - Cerith Wyn Evans</i> | 300 | 0 | 0 | 300 |
| <i>Felician Zach and his Daughter Klara - Philip de Laszlo</i> | 150 | 0 | 0 | 150 |
| <i>Tiara - Marit Aschan Guinness</i> | 10 | 0 | 0 | 10 |
| <i>Silver gilts - John Edwards</i> | 189 | 0 | 0 | 189 |
| Total Additions in Year | 649 | 0 | 0 | 649 |
| Total at 1 April 2018 | 6,826 | 160 | 329 | 7,315 |
| Total at 31 March 2019 | 7,475 | 160 | 329 | 7,964 |

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:

| | Art | Historic Buildings | Other | Total |
|---|--------------|-----------------------|--------------|---------------|
| | £'000 | £'000 | £'000 | £'000 |
| Kate Evans, Welsh Suffragette - collection of objects | 0 | 0 | 49 | 49 |
| Silver coins, wreck | 0 | 0 | 11 | 11 |
| <i>The Sky in a Room - Ragnar Kjarannson</i> | 19 | 0 | 0 | 19 |
| Total Additions in Year | 19 | 0 | 60 | 79 |
| Impairment in year | 0 | (73) | 0 | (73) |
| Total at 1 April 2018 | 9,308 | 5,755 | 1,077 | 16,140 |
| Total at 31 March 2019 | 9,327 | 5,682 | 1,137 | 16,146 |

iii) Heritage Assets disposals and impairments during the year:

Other than the impairment of £73,000 to Historic Buildings shown in note 11b ii) above, there have been no other impairments to and no disposals of assets included in the Balance Sheet in the last 5 years.

iv) Capitalised specimen acquisition over the last five years:

| | 2018/19 | 2017/18 | 2016/17 | 2015/16 | 2014/15 |
|---|------------|------------|------------|------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Donated Assets | | | | | |
| Art | 649 | 147 | 0 | 272 | 1,240 |
| Historic Buildings | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 185 | 0 |
| Total Donated Assets | 649 | 147 | 0 | 457 | 1,240 |
| Purchased Assets | | | | | |
| Art | 19 | 30 | 678 | 474 | 135 |
| Historic Buildings | 0 | 91 | 45 | 0 | 0 |
| Other | 60 | 0 | 0 | 13 | 0 |
| Total Purchased Assets | 79 | 121 | 723 | 487 | 135 |
| Total Capitalised Specimen Acquisition | 728 | 268 | 723 | 944 | 1,375 |

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

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

| | 2018/19 | 2017/18 | 2016/17 | 2015/16 | 2014/15 |
|------------------|------------|------------|------------|------------|------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Art | 34 | 28 | 54 | 57 | 71 |
| Natural Sciences | 30 | 47 | 60 | 39 | 33 |
| Industry | 3 | 0 | 0 | 1 | 2 |
| Conservation | 8 | 0 | 0 | 15 | 7 |
| Library | 65 | 40 | 85 | 75 | 88 |
| History | 9 | 200 | 116 | 123 | 266 |
| | 149 | 315 | 315 | 310 | 467 |

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.

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

Number of items held:

There are approximately 5.3 million items in Amgueddfa Cymru's collections

| | |
|---------------------------|------------------|
| Archaeology & Numismatics | 1,300,224 |
| Art | 46,562 |
| Biodiversity | 2,472,182 |
| Geology | 509,085 |
| Industry | 268,977 |
| National Wool Museum | 12,000 |
| Library | 264,559 |
| Social & Cultural History | 398,090 |
| Total | 5,271,679 |

(i) Archaeology & Numismatics: the Department holds a collection of 812,724 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) Biodiversity: a collection of 2,472,182 botany and zoology items is held at National Museum Cardiff. Specimens are on display in the natural history galleries, or can be viewed by appointment. The study of the earth's biodiversity and of how organisms interact is essential to our future wellbeing.

(iv) Geology: 509,085 items are held at National Museum Cardiff. These 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.

(v) 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'.

(vi) 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.

(vii) Library: the main Library, housed at National Museum Cardiff, and the library housed at St Fagans: National History Museum, contain 264,559 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.

(viii) Social & Cultural History: this collection holds 398,090 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 | |
|----------------------------------|-----------------|---------|--------------|---------|
| | 2019 | 2018 | 2019 | 2018 |
| | £'000 | £'000 | £'000 | £'000 |
| At 1 April 2018 | 2,945 | 2,925 | 2,945 | 2,925 |
| Additions to investments at cost | 3,333 | 1,845 | 3,333 | 1,845 |
| Disposals at market value | (3,374) | (1,845) | (3,374) | (1,845) |
| Net Gain on Revaluation | 164 | 20 | 164 | 20 |
| Market Value at 31 March 2019 | 3,068 | 2,945 | 3,068 | 2,945 |

Of total investments of £3,068,000, £2,563,000 (£2,462,000 at 31 March 2018) was held in Restricted Private Funds and £505,000 (£483,000 at 31 March 2018) in Unrestricted Private Funds.

The historic cost of investments at 31 March 2019 was £3,020,000 (£2,682,000 at 31 March 2018). 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 | |
|---------------------------|-----------------|-------|--------------|-------|
| | 2019 | 2018 | 2019 | 2018 |
| | £'000 | £'000 | £'000 | £'000 |
| UK Listed Investments | 1,889 | 985 | 1,889 | 985 |
| Non UK Listed Investments | 1,173 | 1,949 | 1,173 | 1,949 |
| Cash & Cash Deposits | 6 | 11 | 6 | 11 |
| | 3,068 | 2,945 | 3,068 | 2,945 |

13. Stock

| | Amgueddfa Cymru | | Consolidated | |
|-------------------------------------|-----------------|-------|--------------|-------|
| | 2019 | 2018 | 2019 | 2018 |
| | £'000 | £'000 | £'000 | £'000 |
| Shop Goods for Sale | 0 | 0 | 248 | 248 |
| Publications stock held separately | 37 | 31 | 37 | 31 |
| Less: Provision for stock write-off | (28) | (17) | (49) | (49) |
| | 9 | 14 | 236 | 230 |

14. Debtors

| | Amgueddfa Cymru | | Consolidated | |
|-------------------------------------|-----------------|--------------|--------------|--------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £'000 | £'000 | £'000 | £'000 |
| Trade Debtors | 85 | 103 | 198 | 255 |
| Amount due from trading subsidiary | 1,472 | 668 | 0 | 0 |
| Loan due from trading subsidiary | 301 | 301 | 0 | 0 |
| Other Debtors | 2,466 | 2,638 | 2,388 | 2,555 |
| Prepayments | 320 | 210 | 353 | 247 |
| | 4,644 | 3,920 | 2,939 | 3,057 |
| Balances with: | | | | |
| Central government bodies | 2,194 | 2,354 | 2,195 | 2,356 |
| NHS bodies | 0 | 0 | 0 | 0 |
| Local authorities | 28 | 2 | 30 | 10 |
| Sub total intra government balances | 2,222 | 2,356 | 2,225 | 2,366 |
| Bodies external to government | 2,422 | 1,564 | 714 | 691 |
| Total | 4,644 | 3,920 | 2,939 | 3,057 |

15. Creditors: Amounts falling due within one year

| | Amgueddfa Cymru | | Consolidated | |
|-------------------------------------|-----------------|--------------|--------------|--------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £'000 | £'000 | £'000 | £'000 |
| Loans | 1,342 | 306 | 1,342 | 306 |
| Trade Creditors | 210 | - | 232 | - |
| Accruals and Deferred Income | 2,302 | 2,057 | 2,470 | 2,219 |
| | 3,854 | 2,363 | 4,044 | 2,525 |
| Balances with: | | | | |
| Central government bodies | 1,434 | 445 | 1,434 | 445 |
| Local authorities | 27 | 27 | 27 | 27 |
| Sub total intra government balances | 1,461 | 472 | 1,461 | 472 |
| Bodies external to government | 2,393 | 1,891 | 2,583 | 2,053 |
| Total | 3,854 | 2,363 | 4,044 | 2,525 |

Accruals and Deferred Income includes £385,000 un-spent grant income deferred to the following year (£646,000 at 31 March 2018), and £90,000 (£96,000 at 31 March 2018) for premium payments buy-out instalments which are due in less than one year.

Loans of £1,342,000 due in less than one year are outstanding to the Welsh Government's Invest-to-Save fund (£306,000 at 31 March 2018).

16. Creditors: Amounts falling due after one year

| | Amgueddfa Cymru | | Consolidated | |
|------------------------------|-----------------|-------|--------------|-------|
| | 2019 | 2018 | 2019 | 2018 |
| | £'000 | £'000 | £'000 | £'000 |
| Loans | 433 | 1,746 | 433 | 1,746 |
| Accruals and Deferred Income | 67 | 154 | 67 | 154 |
| Total | 500 | 1,900 | 500 | 1,900 |

Loans of £433,000 (£1,746,000 at 31 March 2018) are outstanding to the Welsh Government's Invest-to-Save fund, repayable within 2 to 5 years. (At 31 March 2018 £1,669,000 was repayable within 2 to 5 years and £77,000 in more than 5 years.)

Accruals and Deferred Income includes £67,000 (£154,000 at 31 March 2018) for premium payments buy-out instalments which are due after more than one year.

17. Provisions

| | Amgueddfa Cymru | | Consolidated | |
|------------|-----------------|-------|--------------|-------|
| | 2019 | 2018 | 2019 | 2018 |
| | £'000 | £'000 | £'000 | £'000 |
| Provisions | 0 | 569 | 0 | 569 |

A provision of £569,000 was made for the prior year for salary increases relating to 2017/18 which were formally agreed by our recognised unions and paid during 2018/19.

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 2018. This was updated at 31 March 2019 by a qualified independent actuary using guidelines issued by HM Treasury.

The FRS102 valuation as at 31 March 2019 showed a decrease in the deficit from £37,441,000 to £25,537,000.

Our contribution to the scheme in the year to 31 March 2019 amounted to £3,957,000 (£3,576,000 to 31 March 2018). This includes contributions at a rate of 21.3% of Pensionable Remuneration, and salary forgone by members under salary-sacrifice arrangements which we pay over to the Scheme.

We expect to contribute £4,031,000 to the Scheme in 2019/20. The projected total charge to the Statement of Financial Activities in 2019/20 is £5,029,000, and the projected deficit at 31 March 2020 is £26,535,000.

(a) Amounts in the balance sheet:

| | 2019 | 2018 |
|----------------------------|------------------------|------------------------|
| | £'000 | £'000 |
| Fair value of assets | 136,030 | 128,815 |
| Defined benefit obligation | <u>(161,567)</u> | <u>(166,256)</u> |
| (Deficit) | <u>(25,537)</u> | <u>(37,441)</u> |

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

| | 2019 | 2018 |
|-------------------------------------|-----------------------|-----------------------|
| | £'000 | £'000 |
| Opening fair value of assets | 128,815 | 125,738 |
| Interest income | 3,282 | 3,501 |
| Employer's contributions | 3,957 | 3,576 |
| Members' contributions | 335 | 293 |
| Scheme expenses | (410) | (375) |
| Actuarial experience gains | 4,141 | 1,007 |
| Benefits paid | <u>(4,090)</u> | <u>(4,925)</u> |
| Closing fair value of assets | <u>136,030</u> | <u>128,815</u> |

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

| | 2019 | 2018 |
|---|-----------------------|-----------------------|
| | £'000 | £'000 |
| Opening defined benefit obligation | 166,256 | 158,319 |
| Current service cost | 4,137 | 3,632 |
| Past service cost | 218 | 0 |
| Members' contributions | 335 | 293 |
| Interest cost | 4,192 | 4,368 |
| Actuarial experience losses/(gains) | (9,481) | 4,569 |
| Benefits paid | <u>(4,090)</u> | <u>(4,925)</u> |
| Closing defined benefit obligation | <u>161,567</u> | <u>166,256</u> |

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

| | 2019 | 2018 |
|--|----------------------|-----------------------|
| | £'000 | £'000 |
| Actuarial experience gains - fair value of assets (note 18b) | 4,141 | 1,007 |
| Actuarial gains/(losses) - present value of obligations (note 18c) | <u>9,481</u> | <u>(4,569)</u> |
| Actuarial (losses)/gains | <u>13,622</u> | <u>(3,562)</u> |

(e) Amounts charged to resources expended:

| | 2019 | | 2018 | |
|---|--------------|---------------------|--------------|---------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Current service cost | 4,137 | | 3,632 | |
| Past service cost | 218 | | 0 | |
| Scheme expenses | 410 | | 375 | |
| | | <u>4,765</u> | | <u>4,007</u> |
| Interest income | (3,282) | | (3,501) | |
| Interest cost | <u>4,192</u> | | <u>4,368</u> | |
| | | <u>910</u> | | <u>867</u> |
| Total charge to resources expended | | <u>5,675</u> | | <u>4,874</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:

| | 2019 | 2018 |
|-------------|-------|-------|
| Equities | 39.3% | 39.7% |
| LDI | 26.1% | 25.1% |
| Multi-asset | 20.0% | 20.4% |
| Others | 14.6% | 14.8% |

(g) Principal actuarial assumptions:

| | 2019 | 2018 |
|--|-------|-------|
| Discount rate | 2.90% | 2.55% |
| Inflation - RPI | 3.60% | 3.45% |
| Inflation - CPI | 2.60% | 2.45% |
| CARE revaluation | 2.60% | 2.45% |
| Pension increases in payment - pre 2000 | 3.60% | 3.45% |
| Pension increases in payment - post 2000, pre 2016 | 2.60% | 2.45% |
| Pension increases in payment - post 2016 | 2.15% | 2.10% |
| Pension increases in deferment | 2.60% | 2.45% |
| Assumes life expectancy currently age 65 | | |
| Male | 86.6 | 86.8 |
| Female | 88.9 | 88.7 |
| Assumes life expectancy currently age 45 | | |
| Male | 87.6 | 87.8 |
| Female | 90.0 | 89.9 |

(h) Sensitivity analysis – Change in defined benefit obligation as at 31 March 2019:

| | |
|---|----------|
| Increase/decrease discount rate by 50 bps | -9%/+10% |
| Increase/decrease assumed rate of inflation by 50 bps | +10%/-8% |

19. Statement of Funds

(a) Movement in Funds

| | Restated 1 April 2018 £'000 | Incoming Resources £'000 | Resources Expended £'000 | Other Movements in Year £'000 | 31 March 2019 £'000 |
|------------------------------|--------------------------------------|--------------------------------|--------------------------------|--|---------------------------|
| Public Funds | | | | | |
| Restricted - Capital Income | 99,355 | 894 | (2,088) | (108) | 98,053 |
| Restricted - Specimen Income | 14,179 | 334 | (250) | 0 | 14,263 |
| Restricted - Revaluation | 17,486 | 0 | 0 | 1,592 | 19,078 |
| Total Restricted | 131,020 | 1,228 | (2,338) | 1,484 | 131,394 |
| Unrestricted - Income | 7,262 | 28,917 | (27,537) | 0 | 8,642 |
| Unrestricted - Revaluation | 58 | 0 | 0 | 7 | 65 |
| Pension Reserve | (37,441) | 0 | (1,718) | 13,622 | (25,537) |
| Total Unrestricted | (30,121) | 28,917 | (29,255) | 13,629 | (16,830) |
| Total Public Funds | 100,899 | 30,145 | (31,593) | 15,113 | 114,564 |
| Private Funds | | | | | |
| Restricted - Income | 13,632 | 1,155 | (285) | 134 | 14,636 |
| Restricted - Revaluation | 259 | 0 | 0 | 18 | 277 |
| Unrestricted - Income | 1,888 | 629 | (81) | 30 | 2,466 |
| Unrestricted - Revaluation | 75 | 0 | 0 | 5 | 80 |
| Total Private Funds | 15,854 | 1,784 | (366) | 187 | 17,459 |
| Total | 116,753 | 31,929 | (31,959) | 15,300 | 132,023 |

Funds recorded in our own non-consolidated accounts at 31 March 2019 were £131,931,000 with £92,000 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 2019 were £19,500,000. 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 | | 2019 £'000 |
|--|---------------------|-----------------------|---------------------|-----------------------|-----------------|
| | Restricted £'000 | Unrestricted £'000 | Restricted £'000 | Unrestricted £'000 | |
| Fixed Assets | 133,217 | 3,386 | 9,383 | 821 | 146,807 |
| Current Assets | (1,292) | 9,334 | 5,530 | 1,725 | 15,297 |
| Current Liabilities | (531) | (3,513) | 0 | 0 | (4,044) |
| Long term Liabilities | 0 | (500) | 0 | 0 | (500) |
| Net Assets (before pension liabilities) | 131,394 | 8,707 | 14,913 | 2,546 | 157,560 |
| Pension Liabilities | 0 | (25,537) | 0 | 0 | (25,537) |
| Net Assets (after pension liabilities) | 131,394 | (16,830) | 14,913 | 2,546 | 132,023 |

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

| | Amgueddfa Cymru | | Consolidated | |
|--|-----------------|--------------|--------------|--------------|
| | 2018/19 | Restated | 2018/19 | Restated |
| | | 2017/18 | | 2017/18 |
| | £'000 | £'000 | £'000 | £'000 |
| Net Income | 35 | 7,714 | 26 | 7,704 |
| Share of Joint Venture | 108 | 108 | 108 | 108 |
| Unrealised (Gains) on market value investments | (164) | (20) | (164) | (20) |
| Donated Assets | (649) | (147) | (649) | (147) |
| Depreciation | 1,739 | 1,557 | 1,768 | 1,590 |
| Impairment of Fixed Asset | 59 | (1,241) | 59 | (1,241) |
| (Increase)/Decrease in Stocks | 5 | (8) | (6) | (11) |
| (Increase)/Decrease in Debtors | (726) | (1,335) | 116 | (1,387) |
| (Decrease)/Increase in Creditors | (138) | (547) | (110) | (518) |
| (Decrease)/Increase in Provisions | (569) | 569 | (569) | 569 |
| FRS102 current year pension costs | 1,718 | 1,298 | 1,718 | 1,298 |
| Net Cash Inflow from Operating Activities | 1,418 | 7,948 | 2,297 | 7,945 |

21. Analysis of Cash and Cash Equivalents

| | Amgueddfa Cymru | | Consolidated | |
|--|-----------------|---------------|---------------|---------------|
| | 2018/19 | 2017/18 | 2018/19 | 2017/18 |
| | | £'000 | | £'000 |
| Cash in hand | 9,637 | 10,593 | 11,331 | 11,423 |
| Short term notice deposits | 791 | 785 | 791 | 785 |
| Total cash and cash equivalents | 10,428 | 11,378 | 12,122 | 12,208 |

22. Capital Commitments

| | 2019 | 2018 |
|---|--------------|-------|
| | £'000 | £'000 |
| At the balance sheet date there were capital commitments of | 1,071 | 666 |

Major commitments as at 31 March 2019 related to £956,000 in total for the essential backlog maintenance works programme, including roof works at National Roman Legion Museum, and replacement of humidifiers and chillers at National Museum Cardiff. Major commitments as at 31 March 2018 related to design and buildings consultancy fees for this programme.

23. Contingent Liabilities and Guarantees

As at 31 March 2019 there existed four claims against us in respect of personal injury allegedly occurring at our museums. We anticipate that any liability, currently estimated at £27,980, will be covered by our insurance.

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 £19,979 in relation to service activities from the Welsh Government and made payments of £13,498 to them. Loans outstanding with the Welsh Government are referred to in notes 15 and 16 to the accounts.

We made the following payments to other related parties in 2018/19:

- £3,000 to Creative & Cultural Skills. David Anderson, Director General, is a board member of Creative & Cultural Skills. Our trading subsidiary NMGW Enterprises Ltd also received income of £2,450 during the year.
- £999 to ICOM UK. Janice Lane, Director of Gallery Development and Visitor Experience, is a board member of ICOM UK.
- £98,743 to Cardiff University. Dr Carol Bell, Vice President, is a member of the Council of Cardiff University, and Sara Williams, Independent External Member of the Audit Committee until 18 August 2018, is employed by Cardiff University. We also received income of £24,421 and our trading subsidiary NMGW Enterprises Ltd received income of £41,309 during the year.
- £267 to Wales Millennium Centre. Dr Carol Bell is a Board member of the Wales Millennium Centre. Our trading subsidiary NMGW Enterprises Ltd also received income of £620 during the year.
- £2,778 to Prysog Cyf. The sister of Glenda Jones, Trustee, is a Director of Prysog Cyf.
- Victoria Provis, Trustee, is a member of the Council of University of Wales Trinity Saint David. We received income of £500, and our trading subsidiary NMGW Enterprises Ltd received income of £65 during the year.
- Michael Prior, Trustee, is a board member of St John's College Limited. Our trading subsidiary NMGW Enterprises Ltd received income of £620 during the year.
- £4,218 to Urdd Gobaith Cymru. Rheon Tomos, Independent External Member of the Audit Committee, is a Trustee of Urdd Gobaith Cymru.
- Rheon Tomos is a member of the Audit Committee of the Welsh Language Commissioner. Our trading subsidiary NMGW Enterprises Ltd received income of £645 during the year.

- £2,900 to Children's Festival of Welsh History. Carys Howell, Trustee and Rheon Tomos, are directors of Children's Festival of Welsh History.
- £2,198 to Aberystwyth University. Sara Williams is employed by Aberystwyth University. We also received income of £166 during the year.
- £590 to Institute of Welsh Affairs. Eurfyl ap Gwilym, Chair of the Audit Committee until 31 May 2018, is a trustee of the Institute of Welsh Affairs. Our trading subsidiary NMGW Enterprises Ltd also received income of £3,025 during the year.
- 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 £1,560 in donations from Trustees (£11,800 in 2017/18).

During the year Laurie Pavelin, Treasurer, Glenda Jones, Trustee and Carys Howell, 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's 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 2018/19 £23.9m or 74.9% of our consolidated income derived from the Welsh Government (£27.7m or 75.6% in 2017/18). The balance of £8.0m or 25.1% (£8.9m or 24.4% in 2017/18) 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. Prior Year Adjustment

We have restated the prior year comparators for 2017/18 due to indexation gains being incorrectly treated as revaluation gains rather than reversals of permanent diminutions. This has resulted in an decrease in brought forward Public Funds Restricted - revaluation of £1,241,000, matched by a increase in brought forward Public Funds Restricted - income. The prior year comparators for funds on the Balance Sheet have been restated, along with the prior year comparators for Expenditure on charitable activities and Gains on revaluation of fixed assets on the Statement of Financial Activities. There is no impact on net movement in funds or total funds brought forward.

27. Post Balance Sheet Events

The Accounting Officer authorized these financial statements for issue on 11 July 2019. There were no post balance sheet events.