

national
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wales
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Financial Report 2012/13



National Museum Cardiff

Cathays Park, Cardiff CF10 3NP
+ 44 (0) 29 2039 7951

Big Pit: National Coal Museum

Blaenafon, Torfaen NP4 9XP
+ 44 (0) 1495 790 311

The National Slate Museum

Gilfach Ddu, Llanberis, Gwynedd LL55 4TY
+ 44 (0) 1286 870 630

The National Waterfront Museum

Oystermouth Road, Maritime Quarter, Swansea SA1 3RD
+ 44 (0) 1792 638950

St Fagans: National History Museum

St Fagans, Cardiff CF5 6XB
+ 44 (0) 29 2057 3500

The National Roman Legion Museum

High Street, Caerleon NP18 1AE
+ 44 (0) 1633 423 134

The National Wool Museum

Dre-fach Felindre, Llandysul, Carmarthenshire SA44 5UP
+ 44 (0) 1559 370 929

The Collections Centre

Nantgarw, Rhondda Cynon Taf CF15 7QT
+ 44 (0) 29 20573 651

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

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).

Its 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.

Stakeholder engagement remains the cornerstone of Amgueddfa Cymru’s Vision. To this end, the Operational Plan for 2012/2013 continued the process of implementing the Consultation Scheme, Policy and Ownership Action Plan. The Policy sets out the values, principles and key participatory techniques that directed Amgueddfa Cymru’s main consultative activities for 2012/2013. The Ownership Action Plan for 2012/2013, developed in parallel with the Operational Plan, set out the programme of public engagement activity across Amgueddfa Cymru. During this period a key focus was on stakeholder engagement to inform a major project to redevelop St Fagans: National History Museum.

Aims and Objectives

Amgueddfa Cymru’s current priorities, set out in its Vision, are to:

- **create living museums** where the collections tell their stories more clearly, and visitors experience life in the past and present and explore a variety of possible futures
- **develop flourishing collections** that are well used, sustained and growing
- **find paths to make sense of the world** using a variety of media suitable for diverse learning styles to create equality of access to the collections
- **learn through sharing** our plans with our visitors and jointly developing the ways in which we work, to provide meaningful access to the collections for the diversity of peoples who have made Wales their home
- **communicate** our messages so that Amgueddfa Cymru – National Museum Wales becomes known worldwide as a centre of learning of international quality
- **grow through learning** by embedding and celebrating learning skills at the very heart of all our work
- **build our resources** so that we have a strong and solid base, from which we will be able to deliver our Vision for the next decade and beyond.

Amgueddfa Cymru's locations

During 2012/13 Amgueddfa Cymru 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 arts, archaeological and science displays.

St Fagans: National History Museum, 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 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.

Amgueddfa Cymru also has its National Collections Centre in Nantgarw, Rhondda Cynon Taf, which is also open to the public by appointment. In addition, we are currently involved in partnership arrangements with local organizations across Wales including the Pembrokeshire Coast National Park Authority and Wrexham Borough Council.

Achievements during the year

The seven national museums in Wales received a record 1.75 million visits in 2012/13, the highest total ever recorded since free entry was introduced in April 2001.

2007/8	2008/9	2009/10	2010/11	2011/12	2012/13
1,672,677	1,524,806	1,641,053	1,656,340	1,690,026	1,745,315

Amgueddfa Cymru introduced the free entry policy eight months earlier than in England – a pioneering move that nearly doubled visitor figures to national museums in Wales. This commitment to promoting access for all to Wales's culture and history remains as strong today, with the policy enshrined in the Welsh Government's plan of action for 2011/16, Programme for Government.

Back in 2001/2 a specific 'free for all' marketing campaign resulted in figures increasing by 88% – from 764,599 to 1,430,428 – within twelve months. The momentum has continued and, in fact, accelerated. In 2012/13, the national museums in Wales enjoyed their highest ever number of visits.

Striking the right balance between meeting the needs and expectations of existing loyal visitors and attracting new audiences has been critical both in terms of increasing the volume and also, within that total, increasing the number of visitors from the C2, D and E socio-economic categories.

In 2000/01 fewer than 250,000 of visits were by people from these less affluent groups. Over the years, the figure has increased to over 500,000 – one in every three visits.

One particular success is the continued development of the new National Museum of Art on the top floor of National Museum Cardiff. This has proved to be very popular with new audiences. National Museum Cardiff had 368,441 visitors in 2010/11 and has had 477,399 visitors in 2012/13. The number of visitors has increased by 108,958 in this two-year period, which represents an increase of 29.6% since 2010/11.

The National Wool Museum achieved over 34,000 visits for the first time. Since 2000/01 this Museum, located in the Teifi Valley, has seen its visitor figures increase by 236%.

The National Waterfront Museum saw a record-breaking 271,452 visitors, while the National Roman Legion Museum attracted 71,992, a new record at this museum.

Overall press coverage achieved across the seven national museums in 2012/13 was over 2,000 pieces of coverage, which equates to an Advertising Value Equivalent of around £2m.

Other highlights of the year included:

- St Fagans: National History Museum being named the UK's most loved museum by the consumer magazine *Which?*
- The confirmation of a successful bid to the Heritage Lottery Fund (HLF) for the Making History project to redevelop St Fagans: National History Museum. The HLF has confirmed funding of £12m towards a £25.5m project – the largest grant ever awarded by the HLF in Wales. The Welsh Government has already committed £6.9m to the project, and we expect to submit applications to other organizations over the next two years. We believe this is currently the most exciting museum project in the UK. It will create a unique learning environment at St Fagans, presenting the histories of the people of Wales in a totally new way. For the first time anywhere, national collections of archaeology and social history will be displayed together in an open-air museum setting, enabling visitors to explore over 200,000 years of Welsh history in innovative new ways.
- The launch of Transforming Children's Futures, Amgueddfa Cymru's strategy for supporting participation in cultural activities for children, young people and families in poverty during 2012-2015. Amgueddfa Cymru has always been about transforming children's futures by enabling them to experience life in the past and present. For many years it has had a commitment to creating pathways through which the children of Wales can participate in cultural activities and enrichment.
- The National Slate Museum's celebration of 40 years since opening its doors to the public for the first time. Celebrations focused on what has happened during the last four decades at the Museum, charting its establishment and the role of museums in our communities today.
- The Olympic torch relay visit to Big Pit: National Coal Museum for its first lunchtime stop in Wales. It was greeted by the local community, schools, local councillors, Museum staff and the world's media.

Working in Partnership

In 2012/13 Amgueddfa Cymru continued to work with partners throughout Wales and beyond to show the national collections in a variety of venues and we have a number of high-profile key partnerships in place to achieve this.

We continued to work with the Welsh Government on their review of Cyfoeth Cymru Gyfan-Sharing Treasures. This year the overall budget has been doubled to £200,000 following the support of the HLF in Wales. This scheme will allow the national collections to be presented in venues across Wales including Llangollen, Abergavenny and Chepstow.

The co-operation with Wrexham Museum continues to flourish with the installation of two successful exhibitions and two further displays planned for 2013/14.

In February 2013 Amgueddfa Cymru signed a revised Service Level Agreement (SLA) with Pembrokeshire Coast National Park Authority, which reflected the changes in the partnership for Oriel y Parc since the original SLA of 2008. Signage throughout the Oriel y Parc site was improved with a template now existing for each new exhibition and greater general visibility of Amgueddfa Cymru's role. A marketing plan has been prepared to confirm the respective responsibilities of each party and a fundraising plan has been developed for implementation by the National Park Authority.

2012/13 began the move away from a year-long exhibition theme, to be replaced by three discrete exhibitions. This has been a far more successful model, attracting 32,867 visits to the gallery representing a conversion rate of 16% of total visitors attending Oriel y Parc.

The programme began with the exhibition *Graham Sutherland*, which ran from April to July 2012, and was an enhanced version of the display at National Museum Cardiff. This was the first time a full exhibition about Graham Sutherland had been shown at Oriel y Parc, and was very well received.

From July to October 2012, Oriel y Parc hosted the Amgueddfa Cymru-generated loan exhibition *John Piper: the Mountains of Wales*. This was extremely popular, and it was interesting to show work from one national park (Snowdonia) in the context of another. In addition to the main works in the show, two Piper paintings of St Davids were borrowed from the National Library collection, and showed a small selection of Sutherland's own work that complemented the Pipers.

New Ground: Landscape Art in Wales since 1970 ran between October 2012 and March 2013. We were able to show some of the best examples of contemporary landscape inspired by Wales including a work by Richard Long. This exhibition proved very successful with educational groups of all ages.

The most recent exhibition was divided into two parts – *Spirit of Place: Sutherland and the Romantic Landscape* in the front gallery, with the back gallery given over to showing a film work from the collection, Anthony Shapland's *A Setting*, which is the first time Amgueddfa Cymru has displayed it since its acquisition. *Spirit of Place* looks at how Sutherland's work in Pembrokeshire during the 1930s was fundamental to wider landscape art developments in British Art in the first half of the twentieth century and includes a major loan from the Tate Gallery.

We continue to develop our international partnership work. Following a highly successful touring exhibition to the USA we are working again with the American Federation of Arts on a proposed tour of British landscape art. Four venues in the USA have now signed Letters of Intent to take the exhibition, which is due to open in spring 2015.

In March 2013 we launched an exhibition, *Wales Land of the Red Dragon*, at the Three Gorges Museum in Chongqing, China.

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 Amgueddfa Cymru's Director of Finance. The accounts are compliant with the requirements of the Statement of Recommended Practice (SORP 2005) 'Accounting and Reporting by Charities'.

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

Financial Results for the Year

Amgueddfa Cymru's consolidated net outgoing resources for the financial year were £295,000 (net incoming resources of £1,836,000 in 2011/12). Total incoming resources were £29,441,000 (£30,426,000 in 2011/12), total resources expended were £29,657,000 (£28,510,000 in 2011/12), and the share of joint venture net expenditure was £79,000 (£80,000 in 2011/12). The net decrease in funds for the year after taking account of all realised and unrealised gains and losses was £10,114,000 (a net increase of £392,000 in 2011/12). Fund balances at 31 March 2013 stood at £87,274,000 (£97,388,000 at 31 March 2012).

The principal activities of NMGW Enterprises Ltd for the year were sales at Amgueddfa Cymru's 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 £415,000 for the 2012/13 financial year (£491,000 in 2011/12). This decrease reflects the impact of continued economic uncertainty, low consumer confidence and challenging trading conditions, particularly on corporate hire, corporate lets and filming income streams. Costs were well controlled.

Performance Indicators

As a learning organization Amgueddfa Cymru remains 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 continues to provide more detailed insight, and an opportunity for reflecting on and enriching our work.

During 2012/13 we continued to employ an evaluation framework that embraces both of these approaches. This toolkit and the targets we set for 2013/14 onwards, a period in which there will be ongoing and significant public sector financial austerity, will continue to focus on consolidating our excellent performance to date while also looking to achieve better outcomes for the people of Wales through the delivery of our long-term Vision.

As reported earlier, the total number of visits made to our sites during 2012/13 was 1,745,315 (1,690,026 in 2011/12), the highest number ever against a target of 1,600,000. The number of visits to Amgueddfa Cymru's website during the same period was 1,895,877 (1,648,896 in 2011/12), illustrating the extent to which visitors continue to choose to access information about our work online.

Our work on serving the formal education sector continues to attract significant numbers of visits with 218,630 formal education visits (248,425 in 2011/12) although this was below the target of 235,000 and reflects a trend of decreased formal education visits among other providers of learning outside the classroom in Wales. The number of informal education visits was 215,289 (209,400 in 2011/12), well exceeding a target of 170,000. Furthermore, there were 53,663 participants in Amgueddfa Cymru-led educational activities taking place away from our museums (32,981 in 2011/12), well exceeding the target of 30,000.

While all of the collections are documented according to the Collections Trust guidelines, we have continued with a programme of computerising collections records with the aim of achieving appropriate levels of computerised documentation for the objects within the collections. During 2012/13, and based on a total collection size of 5.1m, we achieved 49.8% of the collections computerised to inventory standard (46.8% in 2011/12).

The number of venues to which loans were made was 312 (312 in 2011/12), just exceeding the target of 310.

Capital Investment

To underpin the delivery of the Vision, a programme of capital works continues, with the capital planning programme focusing on St Fagans as the National History Museum.

Projects within the Capital Plan progressed during the year have included:

- Undertaking the 5-year testing of electrical circuits, fire precaution works and the provision of an air source heat pump at St Fagans, funded by a sponsor.
- Plans to redevelop the National Roman Legion Museum at Caerleon; this project will be taken forward over the coming years.
- The majority of the capital investment during 2012/13 has been focused on St Fagans. This will be developed to become the place that tells the story of the peoples and nation of Wales, from earliest times to the present day. The development will enhance the offer at St Fagans by putting the existing buildings and social history collections into the wider context of the national history of Wales.
- Much of the archaeology collections will be moved from National Museum Cardiff and redisplayed at St Fagans so that a fuller story can be told. The aim is to fulfil the expectations of visitors who want to learn more about the roots of Wales and why it is such a diverse country today.

Prioritising Resources

Since the Vision priorities were established six years ago, Amgueddfa Cymru has been continuously reviewing its budget allocations to deliver against the priorities, with capacity for change being aided through naturally occurring staff turnover and prioritising recruitment to vacant posts together with the utilisation of in-year budget savings. This has been allied to a drive to establish greater flexibility within budgets by reducing staff and other fixed costs.

The reductions in Welsh Government grants for the three years commencing 2011/12 provided a further impetus to the process and resulted in the offering of voluntary redundancies in 2012/13, following a similar exercise in 2010/11 and 2011/12.

In response to both the need to refocus Amgueddfa Cymru's work to meet the changing expectations of its visitors and the unprecedented challenges posed by the current financial climate for every public sector organization in Wales, in January 2013 Amgueddfa Cymru started a 90-day consultation with its staff and partners on a proposed new structure for the organization.

Valuation of Fixed Assets

Amgueddfa Cymru's 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 2011.

Heritage assets acquired prior to 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 merely a valuation at one particular moment in time. In line with Financial Reporting Standard (FRS) 30 on heritage assets, disclosures are covered in Note 10 to the accounts.

Amgueddfa Cymru's interest in the property at the National Waterfront Museum is reflected by its 50% share in the joint venture company with the City & County of Swansea. Details of the joint venture interest are shown in Note 8 to the accounts.

Specimen Acquisition

Amgueddfa Cymru made a number of acquisitions during the year. Once again the more expensive art purchases were only made possible by the generous help of long-term supporters the Derek Williams Trust, The Art Fund, the National Heritage Memorial Fund and the Heritage Lottery Fund. Amgueddfa Cymru continues to be skilled in using its Specimen Acquisition Grant to lever in additional funding from third parties in order to enhance the national collections.

Significant acquisitions included:

- Two oil paintings, *Margam House, Glamorgan, looking South* and *Margam House, Glamorgan, looking North*, British School, late 17th century. Purchased through Sotheby's for £218,500 with a grant of £123,500 from the Heritage Lottery Fund and of £75,000 from the Art Fund.
- Marble bust, John Gibson (1790-1866), Joseph Ablett (1773-1848), c.1830. Purchased at auction for £5,000. This bust was previously offered to Amgueddfa Cymru in the 1980s at £15,000, and was felt to be too expensive at that price.
- Four casters, silver, George Wickes, London, 1730. Purchased for £25,000 with the assistance of a grant of £10,000 from the Art Fund. The casters form part of the Bodelwyddan centrepiece (NMW A 51194), acquired by Amgueddfa Cymru in New York with the assistance of the National Heritage Memorial Fund and the Art Fund in 1995.
- Milk jug, Nantgarw China Works, decorated by Thomas Pardoe, 1821-23, purchased for £5,000. The decoration can be compared to drawings and watercolours in a similar style by Pardoe in Amgueddfa Cymru's collection.
- Artwork in hand blown and cast glass, *Fossil Panel*, Steffen Dam (b.1961), 2010. Purchased for £10,000 supported by a grant of £5,000 from the Derek Williams Trust.
- Series of six prints, *Female Genital Mutilation Series*, Paula Rego (b.1935), 2009. This was purchased from Marlborough Fine Art, London, for £17,000 with the assistance of a grant of £8,500 from the Derek Williams Trust.
- Oil on canvas, wood, gesso and glass, *White Abstract (Royal Family at Windsor)*, Keith Coventry (b.1958), 1994. Purchased for £9,360 with the assistance of a grant of £4,680 from the Derek Williams Trust.
- Monumental porcelain vase, decorated in fencai enamels, *Still Life with Three Chinese Vases II*, Felicity Aylieff (b. 1954), 2011. Purchased for £25,000. The Derek Williams Trust provided £11,500 towards the purchase and the Art Fund gave a grant of £5,000.
- Henry IV noble: Found in 2009 on a construction site at Newtown, Powys. Exactly contemporary with the Owain Glyn Dŵr revolt; the gold coinage of Henry IV (1399-1413) is very rare and this is the first to be recorded with a Welsh provenance. Purchased for £10,000.

- Two-hundred-million-year-old Ichthyosaur skull found at Lavernock in the Vale of Glamorgan. These marine reptiles were major predators in Jurassic seas. Purchased for £6,500.
- Mounted specimen of a Mouflon from Denmark, purchased for the temporary family exhibition *The Wolf Inside*. Mouflons are thought to be one of the two ancestors of modern domestic sheep breeds. Purchased for £3,290.

Research Activity

Amgueddfa Cymru's research plays a pivotal role in the understanding of the heritage, culture and natural environment of Wales and its place in the world and supporting increasing public and popular interest in these areas. Research underpins all activities, and Amgueddfa Cymru's credibility as a national museum. Fundamental research, in fields such as taxonomy, numismatics and art history, enables Amgueddfa Cymru to support the highest-level research undertaken by universities where such topics are no longer well supported.

A wide range of research activities will continue in 2013/14, supporting the themes of the acquisition and exhibition programmes as well as other core activities. Several longer-term projects may continue for a number of years. Research activity is fostered and monitored by a Research Board, which aims to ensure that research is directed in support of our Vision and is as best resourced as it can possibly be within constrained budgets.

Following recognition as an Independent Research Organisation (i.e. equivalent to a university) by both the Arts & Humanities Research Council and the Natural Environment Research Council, research frameworks created for all subject areas have been identified in those areas where future research can be most usefully concentrated in support of delivering the Vision. A cross-section of some of the projects is presented here.

Art

- A gold cup of 1662 and its context: presented to Welshpool parish church by Thomas Davies, agent of the East India Company in West Africa and plantation owner on Barbados.
- A publication on Welsh ceramics in the collection, including aspects of social history, manufacturing methods and factory organization, to coincide with the bicentenary of Welsh porcelain as well as the reinterpretation of the Welsh Ceramics Gallery.
- A collaborative research project 'Research and Reveal' involving the research and redisplay of paintings from the collection of nineteenth-century French art by six postgraduate students from the University of Bristol, funded by a bursary of £5,000 from the Association of Art Historians.
- Continuing research into the materials and techniques of Richard Wilson, his contemporaries and followers, leading up to a landmark exhibition at National Museum Cardiff celebrating the artist's tercentenary in 2014.
- Cutting-edge X-ray analysis of the collection of Welsh porcelain in partnership with Cranfield University's Centre for Archaeological and Forensic Analysis, to improve attribution and dating of objects within the collection and understanding of their significance in the context of contemporary scientific innovation.
- The formation of the 56 Group Wales, with in-depth research the group's archives, in preparation for a display at National Museum Cardiff.
- The art and archives of Graham Sutherland: placing them in the broader context of twentieth century art and considering the possibilities of interpretation through archival collections.

Archaeology & Numismatics

- Palaeolithic settlement of Wales: publication of excavations undertaken at Pontnewydd Cave, Denbighshire. (Oxbow Books/Amgueddfa Cymru Monograph).
- Late Bronze Age settlement at Llanmaes, Vale of Glamorgan: post-excavation research programme.
- Research on Bronze and Iron Age hoarding and votive practice in Wales: Burton, Langstone, PAS/Treasure articles
- Post-excavation research on the Roman town at Caerwent, Monmouthshire: report on the forum-basilica (with Cardiff University); Bulmore civil settlement and Coed Cemetery, Caerleon.
- Research on early medieval/Viking Age settlements and culture in Wales: Llangorse Crannog, Powys and Llanbedrgoch, Isle of Anglesey.
- 'Free Reins and Guiding Hands: Chariot fittings from Western and Central Britain'. An AHRC-funded PhD studentship in partnership with the University of Leicester.

- Cataloguing and publishing a hoard of medieval coins from Abergavenny, Monmouthshire, acquired through the Treasure Act.

Biodiversity & Systematic Biology

- A Leverhulme Foundation-funded project to provide an identification web site to British slugs and to investigate the phylogenetic relationships of the British fauna to that of mainland Europe.
- Taxonomy and ecology of diatom floras of the British Isles with special reference to the ecology of Welsh rivers. Includes a continuation of the European funded project on the amelioration of the acidification of the River Wye and the inception of a project to create a website for the identification of British diatoms.
- The taxonomy and systematics of rare and endangered Welsh plants, and of complex genera within the British flora, notably here the Gentians. Currently includes partnerships with Bristol University, the National Botanic Garden for Wales and the Botanical Society of the British Isles.
- Participation in British Overseas Territory biodiversity programmes on the fauna and flora of the Falkland Islands: checklists and taxonomy of the lichens; checklists and taxonomy of mosses; taxonomy and biogeography of the marine polychaetes. Supported by the Shackleton Foundation, Falkland Island Trust and partnered by the Wales Environment Hub, Bangor.
- Contributions to the taxonomy and phylogeny of Dance Flies (Empididae) and in particular their role in understanding the biogeography of post Gondwanaland continental spreading in the southern hemisphere. Partnership with the Museum d'Histoire Naturelle de Paris.
- Taxonomy and systematics of plant sap sucking insects:- handbook to the British Auchenorrhyncha and a monograph of the soft scale insects of the Palaearctic and oriental regions.
- Taxonomy and phylogeny of marine bivalved molluscs including the taxonomy of chemosymbiotic species and a review of the superfamily Tellinoidea.

Geology

- Character and significance of low-grade metamorphism in Wales and related geotectonic settings world-wide (in collaboration with the University of Bristol and Universidad de Buenos Aires, Argentina).
- Evolution and affinity of Peri-Gonwanan terranes in Anglesey and Llyn. Geochemical, petrological and isotopic study of Neoproterozoic and early Palaeozoic geology, including a revision of the British Geological Survey geological map of Anglesey (in partnership with the British Geological Survey, Dresden Natural History Museum, Germany and Cardiff University).
- Taxonomic analysis of brachiopods, trilobites and bryozoans for the international 'Treatise on Invertebrate Paleontology' project and provision of data to be used in assessing faunal distributions in Peri-Gonwanan terranes (in collaboration with Trinity College, Dublin and the Natural History Museum).
- Origin, mineralogy and low-grade metamorphism of bedded manganese deposits from the Harlech Dome and a comparison with similar deposits in the Meguma Terrain of Nova Scotia (in collaboration with Acadia University, Nova Scotia, Canada).
- Origin and significance of the rhyolitic bluestone component from Stonehenge using petrography and whole and mineral geochemistry (in collaboration with the University of Birmingham, Open University and Aberystwyth University).
- Fossil plants, their taxonomy, evolution and role in the interpretation of climate change past and present. Currently through an International Geological Correlation Project investigation eastern and western European Carboniferous floras.

Collections Services

- The preservation of biomolecules in fluid-preserved collections.
- Pesticide residues in natural history collections.

Industry

- To extend mid and north-east Wales metal mine site surveys to west and south Wales, improving understanding of this industry and establishing typology of features. Cadw-funded publication (joint authorship with Dyfed Archaeological Trust and Royal Commission on the Ancient and Historical Monuments of Wales).
- Three essays – Shipbuilding, From Sail to Steam and HMS Hamadryad – in *Reclaiming History from the Sea*, a Royal Commission on the Ancient & Historical Monuments of Wales publication.

Social & Cultural History

- The representation of communities, including under-represented ones, through co-curated displays and projects; the role of contemporary collecting in this process; and the outcomes.
- Dating and cataloguing 19th-century Welsh costume dolls held in public collections around the UK and at St Fagans: National History Museum. This work will meet the public demand for authoritative information based on thorough empirical research.
- The historical background of Taff's Well Police Station and law and order in Wales.

Fundraising and Volunteers

2012/13 was another successful financial year for Amgueddfa Cymru's fundraising, led by the Fundraising & Development Department, with donations and bequests income received of £849,000 in cash, £301,000 in heritage assets and £8,000 as other in-kind gifts. In addition to income received, new pledges of £528,000 were secured during the year.

Amgueddfa Cymru received 182 cash, in-kind and pledged donations during 2012/13. Key donations included £142,300 from the Heritage Lottery Fund towards the purchase of two paintings of Margam House. The Heritage Lottery Fund have also pledged £498,061 for future years through the Heritage Horticulture Skills Scheme towards training apprenticeships in heritage gardening skills in collaboration with a number of gardens across Wales.

Other significant gifts include £20,000 from Marcol Asset Management towards the reallocation of the Vulcan Public House to St Fagans, £35,981 from the Leverhulme Trust towards Slugspec, the production of an identification guide to slugs in the British Isles, £15,000 from the Charles Hayward Foundation towards the restoration of coalface equipment at Big Pit and £7,000 from Western Cork towards the Family Learning Activities at National Museum Cardiff. Over £300,000 was received from legacies.

The Patrons scheme welcomed an additional two joint and three life memberships and exceeded its fundraising target by 5%, raising a total of £36,838. In addition to membership fees the Patrons pledged and donated an additional £16,300 towards a range of projects and exhibitions across the museums.

Contacts were developed with several new corporate and statutory organizations alongside maintaining a robust programme of Trust and Foundation applications. The Fundraising & Development team supported funding applications for a range of projects across the museums and worked with different curatorial departments on large strategic initiatives alongside smaller projects and activities.

In December Amgueddfa Cymru welcomed the appointment of a Development Director, who has focused on producing a fundraising campaign for the St Fagans Redevelopment Project. This will be the largest campaign Amgueddfa Cymru has undertaken, at £3m. At the year end the fundraising total stood at £939,856 through cash and pledged donations including £50,000 from the Friends and £30,000 from Lafarge Aggregates Ltd Landfill Community Fund. Over the summer, £5,000 had been raised through a fun public £1 appeal at St Fagans.

The Friends of Amgueddfa Cymru – National Museum Wales continued to support work in three main avenues.

- As ambassadors for Amgueddfa Cymru's work, providing a programme of talks, trips and other activities that complement Amgueddfa Cymru's own educational activity
- By providing a volunteer group to support Amgueddfa Cymru's own activities. Friends meet and greet groups and individuals, such as Friends groups from other museums and interested casual visitors, and also assist curatorial staff across the spectrum of Amgueddfa Cymru's activities. It is important to note that such activity is regarded as valuable additionality.
- By providing financial support for a number of projects and, this year, generously contributing towards the Making History project at St Fagans and sponsorship of the organ recitals at National Museum Cardiff.

Amgueddfa Cymru's Volunteer Co-ordinator also worked with colleagues to greatly enhance the opportunities for volunteering. As a result, Amgueddfa Cymru received 3,271 hours of input from volunteers

during 2012/13. This reflected work behind the scenes in curatorial departments, students on part-time placements developing their work experience opportunities and those working front of house by offering guided tours to various exhibitions. Amgueddfa Cymru is greatly indebted to them for their commitment in this growing area of our activities.

Prompt Payment Performance

Amgueddfa Cymru subscribes to the objectives of the Better Payment practice code issued by HM Treasury and aims to pay valid invoices within 30 days of receipt. The average time taken for payment of invoices during 2012/13 was ten calendar days (seven days in 2011/12), which includes 96% (by number) of invoices settled within 30 days (98% in 2011/12). There were no payments of interest under the Late Payment of Commercial Debts (Interest) Act 1998 (£Nil in 2011/12).

Sustainability Report

From 2012/13 all public bodies in Wales are required to include a Sustainability Report in their Financial Report in accordance with guidelines laid down by HM Treasury in *Public Sector Annual Reports: Sustainability Reporting Guidance*. These guidelines are aligned to the Green Government commitments, applicable to Central Government bodies. This report has been compiled in accordance with those guidelines.

Amgueddfa Cymru aims to create sustainable museums by developing sustainable practice in the operation of the seven museums and promoting sustainable living through its exhibitions, events and learning programs, for example helping schools promote Education for Sustainable Development through its SCAN project. Amgueddfa Cymru works closely with partners such as Cynnal Cymru, Sustrans and the Carbon Trust on sustainable development issues.

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

Amgueddfa Cymru has a Sustainable Development Forum, which 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 through its Sustainability Champions.

More information on how Amgueddfa Cymru is creating a sustainable museum, including its Environmental Statement, can be found at www.museumwales.ac.uk/en/sustainability.

Performance

Conserving the nation's treasures and opening its doors to over 1.7 million visitors a year uses a lot of energy. Amgueddfa Cymru's Energy Policy has been adopted as a major step towards improving energy efficiency, and to demonstrate Amgueddfa Cymru's support for the reduction in greenhouse gas emissions. Amgueddfa Cymru participates in the CRC Energy Efficiency Scheme.

During the year the Environment Agency published the Carbon Reduction Commitment Performance League Table for the UK for 2011/12, with Amgueddfa Cymru achieving the highest ranking for cultural organizations, inside the top 20% of organizations overall. This success recognised Amgueddfa Cymru's fall in emissions and early actions taken such as installing automatic metering systems. In 2012/13, there was an increase in overall emissions by 3.0%, due to an increase in gas consumption reflecting the adverse weather conditions during the year. Electricity consumption reduced by 4.4% in 2012/13 reflecting initiatives such as the introduction of solar panels at two of our sites and the full year's operation of a combined heat and power unit at National Museum Cardiff.

Amgueddfa Cymru achieved a reduction in landfill waste of 23.2% in 2012/13, following a reduction of 12.3% in 2011/12. Overall waste increased in 2012/13 by 8.4%, mainly due to a major clear-out of old furniture, equipment and other waste at National Museum Cardiff, none of which went to landfill.

Water consumption reduced by 34.6% in 2012/13, following a decrease of 15.1% in 2011/12.

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 Amgueddfa Cymru's CRC database, scope 3 emissions data has been calculated using annual mileage figures provided by the hire car supplier, the waste data collated from the individual site waste reports, and water consumption data extracted from billing information.

Greenhouse Gas Emissions		2012/13	2011/12	2010/11
Non-financial indicators (tCO ₂)	Scope 1 (Direct) Emissions – gas	1,763	1,430	1,415
	Scope 2 (In-direct) Emissions – purchased electricity	3,732	3,903	4,203
	Scope 3 (Business travel) Emissions	36	36	36
	Total	5,531	5,369	5,654
Related Energy Consumption (kWh'000)	Gas	9,540	7,732	7,650
	Electricity	7,109	7,434	8,007
	Total	16,649	15,166	15,657
Financial indicators (£)	Gas	296,370	216,011	164,322
	Electricity	644,728	617,046	591,541
	CRC administration fee	1,290	1,290	1,290
	Official Business Travel	175,775	166,418	172,184
	Total	1,118,163	1,000,765	929,337

Targets and Performance

Amgueddfa Cymru's Environmental Statement sets a target to reduce CO₂ produced by energy and transportation usage by 2% per annum. In 2012/13 there was an increase of 3.0% following a decrease in 2011/12 of 5.1%. While electricity consumption fell in 2012/13 by 4.4%, gas consumption increased by 23.3%, mainly due to an unusually harsh and long winter season.

The reductions in electricity consumption have been achieved by various measures, including the installation of a combined heat and power unit at National Museum Cardiff in 2011/12, installation of solar panels at Big Pit and the Collections Centre in 2012/13 and at St Fagans and the National Waterfront Museum in previous years, a rolling programme of replacing old lighting with modern low energy lighting, and a range of IT initiatives implemented from 2011/12 including upgrading server equipment and implementing a Museum Printer Network resulting in a significant reduction in printers used.

For a number of years Amgueddfa Cymru has encouraged sustainable travel modes for journeys to its sites by visitors and staff. This was continued in 2012/13 with St Fagans launching a travel plan promoting sustainable travel for visitors and staff as part of its redevelopment project, and National Museum Cardiff winning the Cardiff Cycle Challenge, a competition for workplaces to get the most staff cycling. Amgueddfa Cymru also upgraded its video conferencing equipment in 2011/12, which has reduced the number of journeys between sites for meeting attendance.

Expenditure on both gas and electricity has increased in 2011/12 and 2012/13, reflecting increased energy supplier prices as well as the increase in gas consumption.

Waste		2012/13	2011/12	2010/11
Non-financial indicators (tonnes)	Hazardous waste	0.6	0.4	1.1
	Non-hazardous waste:			
	– Landfill	697.7	907.9	1,035.7
	– Reused/Recycled	1,629.1	1,239.5	1,100.0
	– Incinerated	3.2	3.2	3.2
	Total waste	2,330.6	2,151	2,140
Financial indicators (£)	Total disposal cost	29,981	25,159	22,778

Targets and Performance

The Greening Government commitments target on waste is a 25% reduction in the total overall volume of waste from 2009/10 levels by 2015.

The minimisation of waste through increased recycling, and promotion of re-use and reduction is actively encouraged across all Amgueddfa Cymru sites. Measures include paper reduction through reduced printing of emails and electronic documents, placing recycling bins in offices and visitor areas, and re-using or selling surplus equipment where possible.

Following a reduction of 12.3% in landfill waste in 2011/12, a further reduction of 23.2% was achieved in 2012/13. From 2012/13 National Museum Cardiff, which produces 40% of Amgueddfa Cymru's total waste, sends no waste to landfill. Its general waste is sent either to a Materials Recycling Facility or to Energy from Waste plants.

There was an increase of overall waste of 0.5% in 2011/12 and then an increase of 8.3% in 2012/13. The 2012/13 increase is explained by the impact of one-off clear-outs at National Museum Cardiff (150 tonnes) and other sites.

Costs of disposing of waste increased by 10.5% in 2011/12 and 19.2% in 2012/13. Supplier prices have increased overall by around 10% each year.

Finite Resource Consumption		2012/13	2011/12	2010/11
Non-financial indicators ('000m ³)	Total Water consumption	20,875	31,929	37,593
Financial indicators (£)	Total Water supply costs	71,774	93,128	110,460

Targets and Performance

Amgueddfa Cymru's Energy Policy sets a target to reduce water consumption by 5% per annum. In 2012/13 the reduction achieved was 34.6% and in 2011/12 15.1%.

The main reason for the significant reduction in 2012/13 was the infrastructure works that were carried out at St Fagans in 2011/12, eliminating leakage across the site. Water consumption fell by 45.5% at that site.

Future Strategy

In 2013/14 Amgueddfa Cymru will build on progress already achieved in reducing greenhouse gas emissions, waste and water consumption. Plans include installing a combined heat and power unit at St Fagans, investigating the feasibility of installing a combined heat and power unit at the National Waterfront Museum and completing the final phase of the Museum Printer Network roll-out. The Sustainable Development Forum will continue to champion sustainability issues and raise awareness across Amgueddfa Cymru.

Biodiversity

Amgueddfa Cymru aims to protect, conserve, enhance and restore the diverse natural flora and fauna of all sites. Biodiversity audits have been carried out at all of Amgueddfa Cymru's 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 in St Fagans: National History Museum. Travelling exhibitions offer further opportunity to explore our impact on the world.

Sustainable procurement

A Sustainable Development Procurement Policy & Action Plan has been adopted as a commitment to sustainable procurement. This addresses the whole life costs and impacts of products and services, and the evaluation of the environmental performance of our suppliers and contractors.

Governance

Amgueddfa Cymru has adopted an environmental management system, achieved through the Green Dragon Environmental Standards System, and developed a core of policies aimed at embedding sustainable development into its operations:

- Green Dragon Environmental Standard – Amgueddfa Cymru as a whole has now achieved Level 3 of this Standard
- Sustainable Procurement Policy & Action Plan
- Energy Policy

Amgueddfa Cymru also works closely with the Carbon Trust and has implemented their recommendations following a series of energy assessments.

Amgueddfa Cymru's sustainability practices, processes and achievements are subject to external assessment by Green Dragon 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.

Policy on Reserves

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

This policy remains dependent upon, and restricted by, the authority granted by the Welsh Government in Amgueddfa Cymru's Framework Agreement, which at the financial year-end 2012/13 limited cash reserves to 2% of its 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.

The limits on cash carryover are detrimental to forward budget planning at a time when public finances are considerably restricted. Amgueddfa Cymru prepared for reductions in its grant-in-aid allocation and planned to maximise its cash carryover at the end of 2012/13. It is therefore pleasing to report that the Welsh Government agreed the principle that Amgueddfa Cymru is endeavouring to mitigate the impact of the cuts to grant-in-aid by utilising cash savings as they occur in year to smooth the effect of the cuts. Evidencing their agreement with this approach, the Welsh Government agreed to the request to increase the cash carryover limit at the end of 2012/13 from 2% to 8%. Adopting such an approach enables Amgueddfa Cymru to maintain front-line delivery of its Vision priorities in the face of reductions in Government grant.

Amgueddfa Cymru's prudent retention of some of the in-year savings over the last few years, plus the impact of the voluntary redundancy offer to staff and natural wastage, has ensured that Amgueddfa Cymru has retained cash resources to continue to help meet future commitments and challenges.

Private funds are separately maintained and specified within the accounts. These are not subject to a carryover limit and Amgueddfa Cymru's policy is to maximise and hold these funds for utilisation on projects and Capital schemes for which it is unable to receive core funding or generate other grant support, while remaining within any restrictions on use contained within the Private Funds. Amgueddfa Cymru does not intend to reduce the limited Private funds it holds by utilising those funds on meeting potential shortfalls caused by reductions in revenue grant-in-aid.

Profits generated within the wholly owned trading subsidiary, NMGW Enterprises Limited, are to be utilised to provide additional funding towards the aims and objectives of Amgueddfa Cymru. 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, Amgueddfa Cymru is determined to continue its plan of capital developments and refurbishments at its locations in delivering the Vision priorities. In order to part-fund these developments and manage budgets prudently, it is essential that maximum flexibility in reserve retention is available via carry-over, private funds and retained profits from trading.

Amgueddfa Cymru's Total Funds at 31 March 2013 were £87,274,000, with an analysis provided within the notes to the Financial Accounts.

Investment Policy and Performance

Amgueddfa Cymru's private funds investments are actively managed by its advisors, Barclays. Amgueddfa Cymru's 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. The performance of those 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 £2,079,000 to £2,308,000.

Amgueddfa Cymru also held, from bequests, an equity investment in eleven blue chip companies. The value of this portfolio also increased during the year from £67,000 to £80,000.

Pension Liability

Amgueddfa Cymru operates a defined benefit Pension Scheme that is available to all permanent employees. 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 Financial Reporting Standard (FRS) 17, shows an increase in the deficit from £14.931m to £23.139m. While the value of the Scheme's assets has increased from £77.7m to £89.6m, the Scheme's obligations have also increased. The deficit remains significantly lower than the £27.2m reported in 2010. 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 FRS 17 are shown within Note 17 to the financial statements.

The most recent triennial actuarial valuation of the scheme, to 31 March 2012, was agreed by Amgueddfa Cymru and the Scheme Trustees in 2012/13, as was the associated recovery plan to remove the Scheme deficit. The plan will remove the deficit over a period which reflects the underpin to the Scheme provided by

a Crown Guarantee, with the proposals accepted by the Pensions Regulator. With Amgueddfa Cymru having increased employer contributions to 21.3% a few years ago, the recovery plan reflects a packet of measures agreed, after detailed consultation with the membership and the Scheme Trustees. These measures include an increase in employee contributions, adjustment of the normal retirement age to 65 and improved flexibility regarding cash commutation of pension rights.

Due to prudent action in advance of anticipated cuts in grant-in-aid generating cash reserves, Amgueddfa Cymru was able to pay advance employer contributions into the Scheme, amounting to £700,000 in 2011/12, following £1.382m paid in 2010/11. No further advance payments were made in 2012/13, and these advance payments will gradually reverse over future years aiding management of budgets and the continuing delivery of frontline services.

Policies Relating to Staff

Equality of Opportunity

During the year Amgueddfa Cymru worked to form equality objectives, following engagement with protected groups, and a strategic equality plan, which will be consulted upon in 2013/14. The plan outlines how Amgueddfa Cymru will meet these objectives and report on progress.

Our programme of events for LGBT History Month was well attended and attracted a more diverse audience than in previous years. Highlights included an audience with Gareth Thomas at St Fagans, screenings of *Call me Kuchu* in partnership with Chapter Arts and at the National Waterfront Museum, and a craftivists workshop at St Fagans. The date of this year's Mardi Gras has been confirmed as 31 August.

Amgueddfa Cymru continues to work in partnership with Careers Wales to offer work experience placements to school-aged students with disabilities and additional needs. During 2012/13 Amgueddfa Cymru provided five students with placements varying in length from one day to one day per week throughout the academic year.

Staff Consultation

Amgueddfa Cymru continues to comply with the 2005 Information and Consultation regulations, and consults with staff, both directly and through recognised unions, on major changes in the organization. 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. Furthermore, Amgueddfa Cymru has maintained the regular bi-monthly meetings of the Staff Forum, where it discusses issues of importance with recognised Trade Union representatives and the minutes of these meetings are formally reported to the Staff Executive Group. In addition representatives of the three recognised unions attend the monthly Staff Executive Group meetings, facilitating openness and transparency.

The major employee relations activity in 2012/13 has been the proposed new structure for the organization. The consultation document was issued to the unions and to staff in January 2013. Directors and representatives of the HR Department met staff, with separate meetings held for affected staff, in January. An email-based question and answer system was set up, with key themes being picked up in regular messages to staff from the Director General; further regular meetings with the unions took place from January through to March 2013.

Staff Training

Amgueddfa Cymru continues to invest time and resources to provide development and training opportunities (both formal and informal) for employees. Amgueddfa Cymru has identified Investors in People (IIP) status as an important external measure of this commitment. With the National Wool Museum achieving accreditation in 2012/13, IIP status has been achieved at all the museums except National Museum Cardiff.

Sickness Absence Data

Amgueddfa Cymru has policies to support the management of absence at work. Amgueddfa Cymru considers

long-term absence to be anything over 28 consecutive days. All absence is recorded and monitored by line managers and the HR Department. Absence for the year ending 31 March 2013 was unchanged from the previous year at 3.9%. Amgueddfa Cymru continues to ensure that reasonable adjustments are made which involves the HR Department, the employee, occupational health and line managers working together to enable the employee to return to work sooner or to provide particular assistance.

Remuneration Report

Amgueddfa Cymru has in place 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. There is an independent internal appeals process to consider grading issues.

Each year a working group considers Amgueddfa Cymru's remuneration package and develops a pay remit proposal, which is submitted to the Welsh Government for approval and which forms the basis of negotiations with the recognised unions. This results in a new 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. Any inflationary elements contained within the agreed pay remit are automatically awarded to all staff.

The Director General's salary consists of a basic salary with a potential annual bonus. The amount of any bonus is agreed by an Appointments & Remuneration Committee consisting of the President, Vice President, Treasurer, and Trustees Victoria Provis (from July 2012), Miriam Griffiths and Gareth Williams. The performance of the Director General is reviewed against a set of pre-determined objectives and this evaluation is then considered by the Committee, taking account of guidance issued by the Welsh Government.

Amgueddfa Cymru's directors are shown on page 19 and further details of their remuneration and pension benefits are contained within Note 7(c) to the Accounts 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 and 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 in Note 7(e) to the Accounts.

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 Directorate are:

David Anderson (Director General)	11 October 2010
Janice Lane	3 September 2012
Mark Richards	25 January 1999
Neil Wicks	27 June 2011
John Williams-Davies	1 September 1973

Provision for compensation for early termination of employment is contained within Amgueddfa Cymru's standard redundancy arrangement.

Welsh Language Policy

As a WGSB we are legally obliged to have a four-year Welsh Language Scheme. Our Scheme was reviewed and approved by the Welsh Language Board in March 2012. As part of the Scheme we also produce a Welsh Language Action Plan, whose implementation and monitoring is overseen by a group with membership drawn from across the organization. Beginning in 2012/13, an annual report on progress against the action plan will be drawn up.

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 2013 are contained in Note 6 to the Financial 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 TSB Bank PLC, Cardiff
Solicitors:	Geldards LLP, Cardiff
Internal Auditors:	RSM Tenon Ltd, Cardiff
Investment Managers:	Barclays, Cardiff
Pension Fund Managers:	BBS Consultants and Actuaries Ltd, Bristol
Taxation:	Deloitte & Touche LLP, Cardiff

David Anderson
Accounting Officer and Director General
Approved and signed on 16 July 2013

J. Peter W. Morgan
Treasurer, on behalf of the Board of Trustees
Approved and signed on 16 July 2013

BOARD OF TRUSTEES

(From 1 April 2012 onwards)

President

Elisabeth Elias, MA, DL *†

Vice President

Dr Haydn Ellis Edwards, B.Sc., MBA, Ph.D., FRSC, F.I.Mgt. *†

Treasurer

J. Peter W. Morgan, M.Sc., FCA *†

Appointed by the Welsh Government

Gareth Williams †

Carole-Anne Davies, BA (Hons), P.G. Dip. LCW Open

Miriam Hazel Griffiths, MA †

Prof. R. Gareth Wyn Jones, D.Phil., D.Sc., FSB, FRSC, FLSW †

Christina Macaulay, MA (Hons)

David Vokes LLB, MA †

Prof. Tony Atkins BSc, MA, Ph.D., Sc.D., FIMechE, FIMMM, C.Eng, FR.Eng

Appointed by the National Museum of Wales

Dr Iolo ap Gwynn, B.Sc., Ph.D., FRMS (retired 21 May 2012)

Prof. J. Last, CBE, MA, D.Litt., Hon FMA, FRSA (retired 21 May 2012)

Prof. Jonathan Osmond, MA, D.Phil (Oxon), F.R.Hist. S. *

Keshav Singhal FRCS, M.Ch.

Victoria Provis MBA

Prof. Robert Pickard BSc, Ph.D, FSB * (appointed 1 June 2012)

Dr Glenda Jones BA (Hons), Ph.D † (appointed 1 June 2012)

* Members of the Audit Committee † Members of the Performance Review Committee

Independent Members of the Audit Committee

Laurie Pavelin (Chairman)

Eurfyl ap Gwilym

Huw Williams

Adrian Piper (appointed 29 January 2013)

BOARD OF NATIONAL MUSEUMS & GALLERIES OF WALES ENTERPRISES LTD

(From 1 April 2012 onwards)

Gareth Williams (Chairman)

Christina Macaulay

Sian Llywelyn (resigned 21 March 2013)

Nerys Howell Snowsill (resigned 31 January 2013)

Richard Gloster (appointed 31 January 2013)

Chris Jackson (appointed 31 January 2013)

David Anderson

Mark Richards

Philip Smith (resigned 27 June 2013)

Neil Wicks (Company Secretary)

DIRECTORATE

(From 1 April 2012 onwards)

Director General

Director of Communications

Director of Learning, Exhibitions & New Media

Director of Operations and Deputy Director General

Director of Finance

Director of Collections & Research

David Anderson

Robin Gwyn (to 30 June 2012)

Janice Lane (from 3 September 2012)

Mark Richards

Neil Wicks

John Williams-Davies

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 the Statement of Recommended Practice (2005): Accounting and Reporting by Charities 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 and for safeguarding Amgueddfa Cymru's assets, 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.

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 National Museum of Wales policies, aims and Vision, as set by the Board of Trustees, whilst 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 Amgueddfa Cymru's 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 ending 31 March 2013, and up to the date of approval of the annual report and accounts, and accords with Treasury guidance. In support of the governance framework, Amgueddfa Cymru operates Fraud and Whistle blowing policies, which are subject to audit review.

3. The Governance Framework

Amgueddfa Cymru's governance arrangements are fully compliant with the Code of Governance for the Voluntary and Community Sector issued by the National Governance Hub and fully endorsed by the Charity Commission. 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 by Amgueddfa Cymru, as set out in its aims and objectives, is comprehensively reported on within this Financial Report.

The following paragraphs summarize the governance framework, including the system of internal control, that has been in place within Amgueddfa Cymru during the year ending 31 March 2013. 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)

Amgueddfa Cymru has a ten-year Vision of creating a 'world-class museum of learning'.

Amgueddfa Cymru's medium-term planning document, the Vision Map, has been drafted in the form of a Strategy Map. This is effectively the Corporate Plan. This outlines ten key objectives over the next three years, which are specifically targeted at enabling Amgueddfa Cymru to achieve the Vision.

The key objectives, listed below, also map onto the Welsh Government's strategies and objectives and provide a strong framework for Amgueddfa Cymru's activities:

The People of Wales

- We will develop our world-class museum spaces to inspire learning and connect people with the past, present and future
- We will deliver an international reputation.

Presenting Wales

- We will engage with defined priority audiences
- We will deliver contemporary and relevant world-class collections and research
- We will communicate collections and collective memories through relevant, meaningful and enriching storytelling.

Improving Performance

- We will expand community, strategic and financial **partnerships**
- We will maintain and develop **talent, professional skills** and **core competencies** in our staff
- We will implement virtual and **new media** solutions.

Financial Success

- We will **advocate** for public, political and financial **sustainability**
- We will ensure a **strategic** and **commercial** approach to the development and allocation of resources.

The objectives are annualised into an Operational Plan, underpinned by a suite of departmental objective plans, also structured around the Vision Map.

Amgueddfa Cymru's performance against the objectives is monitored through a series of qualitative and quantitative indicators, approved by the Joint Executive Group, utilising the *Evaluate* monitoring and reporting tool.

The Operational Plan is monitored by the Directors and progress is incorporated into the Operational Plan Monitoring Report on a quarterly basis and reported to the Joint Executive Group, Performance Review Committee and Welsh Government quarterly meetings. Similarly, the Evaluate toolkit is monitored by Directors and updated quarterly and reported to the Joint Executive Group, Performance Review Committee and Welsh Government. 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 executive authority of Amgueddfa Cymru rests with the Board of Trustees and it 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.

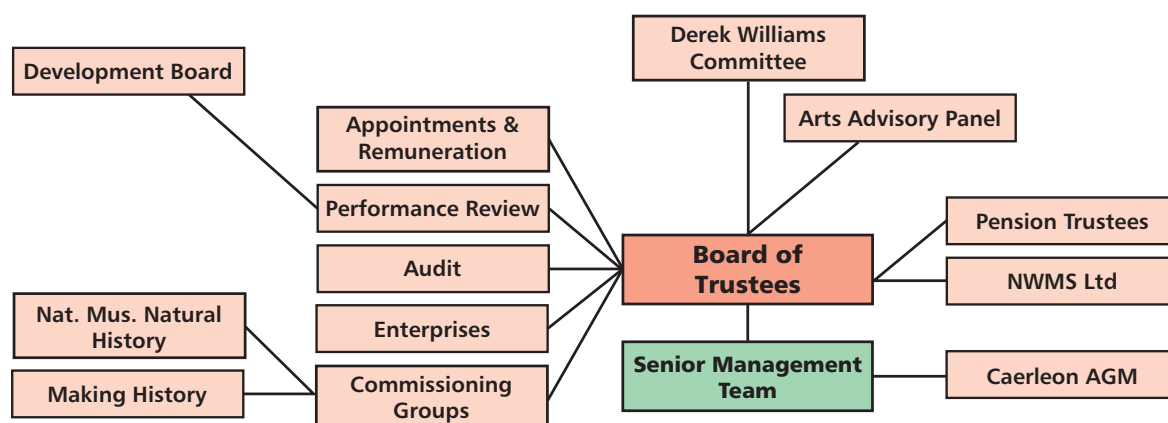
Members of the Board of Trustees of the Charity are appointed by the Welsh Government and Amgueddfa Cymru, in numbers set out within the supplemental Royal Charter and in accordance with the principles of open selection as recommended by the Nolan Review. An Appointments sub-committee has been established to assist and advise on the process. All new appointees follow an induction programme, supported by a comprehensive handbook, shortly after their appointment. No members of the Board of Trustees are remunerated by Amgueddfa Cymru. 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 within 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	Date of Board of Trustees meeting					No of meetings	Attendance %
	19/4/12	12/7/12	4/10/12	6/12/12	28/2/13		
Elisabeth Elias	✓	✓	✓	✓	✓	5	100%
J. Peter W Morgan	✓	✓	✓	✓	✓	5	100%
Dr Haydn Edwards	✓	X	✓	✓	✓	4	80%
Gareth Williams	✓	X	✓	✓	✓	4	80%
Carole-Anne Davies	✓	✓	✓	✓	X	4	80%
Christina Macaulay	✓	✓	✓	✓	✓	5	100%
Emeritus Prof. Richard Gareth Wyn Jones	✓	X	X	✓	✓	3	60%
Miriam Hazel Griffiths	✓	✓	✓	✓	✓	5	100%
Prof. Jonathan Osmond	X	✓	✓	✓	✓	4	80%
David Beresford Vokes	X	✓	✓	✓	✓	4	80%
Prof. Tony Atkins	X	✓	✓	✓	X	3	60%
Victoria Mary Provis	✓	X	✓	X	✓	3	60%
Keshav Singhal	✓	✓	✓	✓	X	4	80%
Robert Pickard	Not appointed	✓	✓	✓	✓	4	100%
Glenda Jones	Not appointed	✓	✓	✓	✓	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 operational issues, and the Audit Committee, which has an independent chairperson plus three other independent members. These committees meet on a quarterly basis and report regularly 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 Ltd, the subsidiary company directing Amgueddfa Cymru's trading activities and, in addition to Trustee Directors, other non-executive Directors with specific relevant commercial experience are appointed. A schedule of those Board Members is included within the Financial Report.

Day-to-day operational issues are led and managed by the Directorate, the details of which are also included in this report. All members of the Directorate are appointed through open competition and 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

Amgueddfa Cymru supports Lord Nolan's seven principles for public life – Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership. It endorses the Museums Association Code of Ethics and strives to ensure that all of its employees and Trustees apply to the principles contained therein. All Trustees are expected to comply fully with Amgueddfa Cymru's 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, equalities and Information Management. Additional computer-based training on policies and procedures is also in place. The Financial Regulations, policies and procedures are available to all staff via the Intranet. Amgueddfa Cymru continues to invest time and resources to provide development and training opportunities (both formal and informal) for all its employees. Amgueddfa Cymru has identified Investors in People status as an important external measure of this commitment. This accreditation has been achieved at Big Pit: National Coal Museum, the National Roman Legion Museum, the National Slate Museum, the National Waterfront Museum, St Fagans: National History Museum and the National Wool Museum. Departmental training plans are in place outlining all educational training commitments and the training needs for individual departments. Amgueddfa Cymru also has 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.

Amgueddfa Cymru encourages volunteers, work experience, placements and apprenticeships. All volunteers undergo a corporate induction delivered by the volunteering co-ordinator. This is a 'slimmed down' version of the induction all employees receive. In addition, departments provide role-specific training that includes health and safety relating both to the role and the department in which they are volunteering.

Amgueddfa Cymru requires all staff at all times to act honestly and with integrity and to safeguard the public resources for which they are responsible. Amgueddfa Cymru considers that theft or fraud of any description – no matter what the value – is totally unacceptable and has the following policies to prevent and deal with such occurrences:

- Whistleblowing Policy
- Fraud and Corruption Policy
- HR policies regarding disciplinary of staff involved in such incidents.

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

Amgueddfa Cymru has a Code of Practice on Complaints, which sets out the arrangements for handling complaints within Amgueddfa Cymru. All aspects of complaints received are fully investigated and suitable remedies identified and put into practice, including changes to procedures where appropriate. During 2012/13 the complaints procedure has been updated and this will be rolled out in 2013/14.

In 2012/13 over 1.7 million people visited the museums. Amgueddfa Cymru takes the safety of staff and visitors seriously and has a series of policies and procedures, including a policy on Child Protection, 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 the functions of Amgueddfa Cymru are 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. Minutes are published on Amgueddfa Cymru's 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 reviews and assessment of risks conducted regularly by a Risk Management Group. These reviews are scrutinised by the Performance Review Committee and the Audit Committee. By drawing on the experience of the internal auditors, who attend the Risk Management Group meetings, and by the experience of the independent members of the Audit Committee, the process is continually refreshed. Furthermore, membership of the Risk Management Group is periodically reviewed, to provide a fresh perspective on the risks faced, and supported by relevant training.

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 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 updated and re-launched with the assistance of the internal auditors in 2012/13.

Audits of the design and operation of the Risk Management process are included within the internal auditors rolling programme of work. The audit during 2011/12 focused on the framework in place to identify, assess, record and monitor risks, and also on how that information was used within the organisation. Four recommendations were made, and the 2012/13 "follow up" audit confirmed that all of these had been completed as planned.

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, including, of course, the ongoing security of the collections. A Strategic Risk Register is maintained by the Group with all risks prioritised according to the likelihood of the risk materialising and the potential impact thereof. The group engages with all directors and heads of department regarding changes in potential threats to the achievement of Amgueddfa Cymru's aims, and thereby ensure that the risks assessed cover all aspects of Amgueddfa Cymru's operations and 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 Amgueddfa Cymru's main register.

The group is also 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 any 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 internal auditor, which aids access to issues of concern in other bodies, while departmental representation is reviewed on a regular basis to ensure coverage of all potential risks. The internal auditor's programme of work specifically cross-references to the risks identified and is also informed by requests for audit review in particular areas of activity by the Directorate and Audit Committee.

Threats to the security of all Amgueddfa Cymru's assets is a fundamental risk, requiring mitigating actions. The other major risk faced by Amgueddfa Cymru is reduced income due to future reductions in grant-in-aid and the erosion of existing funding in real terms, which is being mitigated by the proposed new structure for the organization. These risks are regularly reviewed by internal audit, the Risk Management Group and the Board of Trustees.

3.4.2 Information Security

Amgueddfa Cymru has information security procedures in place to ensure the confidentiality, integrity and availability of information that it holds and processes. These include:

- directors being responsible for the authorization and control of all removable media
- an External Information Security policy

- a Data Protection policy
- 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 Committee and Audit Committee receiving reports on and reviewing data handling arrangements.

There were no information security breaches during the year. However in April 2013 there was a lapse in the information security involving pensioners' data. The lapse was investigated by Amgueddfa Cymru's Data Protection Officer, and reported to the Board, the Pension Scheme Trustees and the Welsh Government and a report sent to the Information Commissioner. Remedial and correcting actions have been taken, and procedures reviewed and updated to ensure the lapse does not re-occur.

During 2012/13 Amgueddfa Cymru has developed and approved a Knowledge & Information Management Strategy and an ICT Strategy, which are now being implemented. The Internal Auditors undertook an audit of Governance – Data Storage and Management in 2012/13, and reported that Amgueddfa Cymru has an identified framework, through various strategies and policies, to manage information, but needs to ensure that these are adopted consistently across the organization. This is a key objective of the Knowledge & Information Management Strategy for 2013/14.

As part of the three-year audit cycle, during the previous financial year the Audit Committee received and reviewed an internal report on Information Governance and Communications. No issues were identified in respect of compliance with the Data Protection Act and Freedom of Information Act.

The processes surrounding the quality of data reported to both internal and external stakeholders have also been considered in the last two years by Internal Audit. The processes were found to be adequate.

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, for example, the Audit Committee received training on the Bribery Act and Risk Management in 2012/13.

In line with best practice and the recommendations of Managing Public Money and Dear Accounting Officer (DAO) Gen 02/12, the Board of Trustees has introduced a review of Board Effectiveness during 2012/13 (see section 4 below).

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 Amgueddfa Cymru's Framework Document, best practice and Managing Public Money. It includes:

- Forecasting and monitoring budgets, with regular financial reports highlighting actual and forecast expenditure against budget
- Clearly defined capital expenditure plans and guidelines
- Formal project management disciplines
- Regular consultation and involvement of internal audit throughout the development of, or changes to systems
- Close liaison with External Audit
- Seeking specialist advice where considered appropriate
- Regular reporting to the Board of Trustees, Sub Committees and Welsh Government
- Regular management review.

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

Amgueddfa Cymru operates a programme of public engagement and consultation in accordance with its Royal Charter. Amgueddfa Cymru has also endorsed the National Principles for Public Engagement in Wales.

Amgueddfa Cymru works closely with the Welsh Government and is a member of the Steering Group taking forward the Welsh Government's Museums Strategy for Wales, which identifies three key principles:

- Museums for everyone
- A collection for the nation
- Working effectively.

These principles are reflected in Amgueddfa Cymru's Vision, Vision Map and Operational Plan and our contribution to the Welsh Government's Museums Strategy for Wales is monitored via an action plan that is updated and presented to the Board of Trustees annually.

Amgueddfa Cymru has a Communications Strategy, which is designed to promote Amgueddfa Cymru, its Vision, objectives and priorities. Social networks are increasingly used to communicate with a chosen target audience. Amgueddfa Cymru has seven Facebook pages, one for each museum. In addition to Facebook, staff at each museum also use Twitter to inform their followers of events. Frequent press releases are issued to promote Amgueddfa Cymru's activities and a monthly e-newsletter is provided to subscribers. A corporate newsletter is produced quarterly to inform key stakeholders of news and developments.

Amgueddfa Cymru recognises the importance of internal communications, and in order to build on the work already underway in this area, an Internal Communications Plan has been developed which will be implemented from 2013/14 onwards. Amgueddfa Cymru also provides electronic and face-to-face internal briefings to staff to ensure they are involved in and updated on decision-making. A staff survey is regularly undertaken, providing an opportunity for staff to express their views and experience.

Trade unions are recognised by Amgueddfa Cymru and have met with and are consulted by management during the year. Representatives have been invited to attend Staff Executive Committee for Human and Financial Resources.

Amgueddfa Cymru has a publications scheme and stakeholders are able to access a wide range of publications, policies and procedures in addition to Board minutes and financial statements on the website.

4. Review of Effectiveness

The Director General, as the Accounting Officer, has responsibility for reviewing the effectiveness of the governance framework, including system of internal control. 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 Directorate, who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. The Accounting Officer has been advised on the implications of the result of his review of the effectiveness of the governance framework by the Trustees and the Audit Committee and a plan to address issues and ensure continuous improvement of the system is in place. More information is provided in section 5 on "Governance Issues and Future Improvements" below.

In 2012/13 Amgueddfa Cymru introduced a programme of evaluation questionnaires for completion by the Board, the Performance Review Committee and the Audit Committee. Amgueddfa Cymru has compiled the evaluation questionnaires following a review of effectiveness questionnaires used by the National Audit Office, the NHS, local government bodies, and the private sector. Individual Trustee appraisals, conducted by the President, have also been introduced.

The findings from the evaluation process in 2012/13 were generally very positive. The Board scored highly in its objectives, strategy and remit, the relationship with key stakeholders, and the audit committee, internal audit and corporate reporting. Amgueddfa Cymru will continue to develop opportunities for Members to experience a greater range of committee work and to enhance Members' awareness of their delegated governance. Over 90% of questions on the Audit Committee questionnaire received a positive response. There was 'strong agreement' with over 80% of statements on the Performance Review Committee questionnaire, with a small number of actions identified including a clearer ranking of organizational priorities, provision of financial trend analysis, and more detail on knowledge and information management needs and issues. The Directorate will review and implement these actions during 2013/14.

Amgueddfa Cymru has 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
- Amgueddfa Cymru's 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 the Internal Auditors 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 ending 31 March 2013, the Internal Auditor concluded that Amgueddfa Cymru has adequate and effective risk management, control and governance processes to manage the achievement of its objectives. The Internal Auditor also confirmed that overall Amgueddfa Cymru has appropriate controls in place for each of the principles of the Code of Good Governance for the Third Sector in Wales
- The Wales Audit Office, Amgueddfa Cymru's external auditors, provides a Management Letter and an Additional Assurance 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, Green Dragon, 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 and the External Audit Management Letter.

Looking to the future, the challenge to Amgueddfa Cymru is to deliver the Vision in context of the economic climate and specifically the reductions in Grant-in-Aid from the Welsh Government. Moving forward we will:

- Challenge existing working practices
- Identify and implement more effective and innovative ways of working
- Consult stakeholders on proposals for remodelling services
- Implement the agreed new structure for the organization, following a period of consultation which ended on 20 April 2013
- Review delegation arrangements
- Complete implementation of new Human Resources system, and implement sales invoicing and automated expenses systems.

Key to success will be a robust process of monitoring and scrutiny to ensure changes and savings are made with minimal impact on the services delivered.

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 General
Approved and signed on 16 July 2013

J. Peter W. Morgan
Treasurer, on behalf of the Board of Trustees
Approved and signed on 16 July 2013

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

I certify that I have audited the financial statements of the National Museum of Wales for the year ending 31 March 2013 under section 9 (4) of the Museums & Galleries Act 1992. These comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and the related notes, which include a remuneration report. These financial statements have been prepared under the accounting policies set out within them.

Respective responsibilities of the Board of Trustees, the Accounting Officer and auditor

As explained more fully in the Statement of the Board of Trustees and Director General's Responsibilities, the Board of Trustees is responsible for preparing the Financial Report, which includes the Remuneration Report and the financial statements, in accordance with the section 9 (4) of the Museums & Galleries Act 1992 and Welsh Ministers' directions made there under and for ensuring the regularity of financial transactions.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with applicable law and with International Standards on Auditing (UK and Ireland). These standards require me to comply with the Auditing Practice Board's Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the National Museum of Wales circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the National Museum of Wales; and the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient 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 that govern them.

In addition I read all the financial and non-financial information in the Financial Report of the Board of Trustees to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on Financial Statements

In my opinion the financial statements:

- give a true and fair view of the state of the National Museum of Wales affairs as at 31 March 2013 and of its incoming resources and application of resources, 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 Museums & Galleries Act 1992.

Opinion on Regularity

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

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 and
- the information included within the Financial Report is consistent with the financial statements.

Matters on which I report by exception

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

- the Statement on Internal Control does not reflect compliance with HM Treasury guidance;
- proper accounting records have not been kept;
- information specified by HM Treasury 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.

Huw Vaughan Thomas
Auditor General for Wales
24 Cathedral Road
Cardiff
CF11 9LJ

24 July 2013

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31 MARCH 2013

	Notes	Public funds		Private Funds		2012/13	2011/12
		Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000	Total £'000	Total £'000
INCOMING RESOURCES							
Income Resources for Generating Funds:							
Voluntary Income							
Grants	2	1,138	23,299	0	0	24,437	25,056
Donations & Bequests	3	246	0	720	193	1,159	1,662
		1,384	23,299	720	193	25,596	26,718
Activities for Generating Funds							
Income from Trading Subsidiary	4	0	2,602	0	0	2,602	2,598
Investment Income		0	0	21	25	46	40
Total Income Resources for Generating Funds		1,384	25,901	741	218	28,244	29,356
Other Income	5	33	1,161	1	2	1,197	1,070
TOTAL INCOMING RESOURCES		1,417	27,062	742	220	29,441	30,426
RESOURCES EXPENDED							
Costs of Generating Funds:							
Costs of Generating Voluntary Income		0	439	4	40	483	348
Costs of Trading Subsidiary	4	0	2,187	0	0	2,187	2,107
		0	2,626	4	40	2,670	2,455
Costs of Charitable Activities:							
Learning & Programmes		127	3,153	94	71	3,445	3,235
Collections & Research		1,077	6,850	177	2	8,106	8,617
Museum Operations		632	13,625	65	2	14,324	13,327
		1,836	23,628	336	75	25,875	25,179
Governance Costs		0	523	0	0	523	601
Pension Finance Costs	17e	0	589	0	0	589	275
TOTAL RESOURCES EXPENDED		1,836	27,366	340	115	29,657	28,510
SHARE OF JOINT VENTURE	8	(79)	0	0	0	(79)	(80)
NET (OUTGOING)/INCOMING RESOURCES FOR THE FINANCIAL YEAR		(498)	(304)	402	105	(295)	1,836
Unrealised Gains/(Losses) on revaluation of fixed assets intended for Charity Use	9	(1,967)	(5)	(26)	(8)	(2,006)	673
Realised/Unrealised Gains on market valuation of investments	11	0	0	35	185	220	(12)
Actuarial (Losses) on defined benefit pension scheme	17d	0	(8,033)	0	0	(8,033)	(2,105)
NET MOVEMENT IN FUNDS DURING THE FINANCIAL YEAR		(2,465)	(8,342)	411	282	(10,114)	392
FUND BALANCES B/FWD AT 1 APRIL 2012	18	101,774	(10,167)	4,811	970	97,388	96,996
FUND BALANCES C/FWD AT 31 MARCH 2013	18	99,309	(18,509)	5,222	1,252	87,274	97,388

The above SOFA includes all recognised gains and losses.

All activities are continuing.

The non-consolidated net decrease in funds recorded in Amgueddfa Cymru's own Statement of Financial Activities during 2012/13 was £10,117,000 (an increase of £388,000 in 2011/12).

The notes on pages 34 to 52 form part of these accounts.

The SOFA headings under Voluntary Income have been updated in 2012/13 in line with the Charities Statement of Recommended Practice.

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2013

	Notes	Amgueddfa Cymru		Consolidated	
		2013 £'000	2012 £'000	2013 £'000	2012 £'000
FIXED ASSETS					
Tangible Assets	9	75,140	77,528	75,146	77,533
Heritage Assets	10	17,681	17,041	17,681	17,041
Share of Joint Venture:	8				
Share of gross assets		9,677	9,756	9,677	9,756
Share of gross liabilities		(1)	(2)	(1)	(2)
		<u>9,676</u>	<u>9,754</u>	<u>9,676</u>	<u>9,754</u>
Investments	11	2,388	2,146	2,388	2,146
		<u>104,885</u>	<u>106,469</u>	<u>104,891</u>	<u>106,474</u>
CURRENT ASSETS					
Stock	12	59	60	422	398
Debtors due within one year	13	4,049	4,230	3,056	3,435
Investments		503	0	503	0
Cash at bank and in hand		3,179	2,961	4,003	3,549
		<u>7,790</u>	<u>7,251</u>	<u>7,984</u>	<u>7,382</u>
CURRENT LIABILITIES					
Creditors due within one year	14	(2,167)	(1,260)	(2,310)	(1,342)
NET CURRENT ASSETS		<u>5,623</u>	<u>5,991</u>	<u>5,674</u>	<u>6,040</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>110,508</u>	<u>112,460</u>	<u>110,565</u>	<u>112,514</u>
CREDITORS					
Amounts falling due after one year	15	(152)	(195)	(152)	(195)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY		<u>110,356</u>	<u>112,265</u>	<u>110,413</u>	<u>112,319</u>
Defined benefit pension scheme deficit	17a	(23,139)	(14,931)	(23,139)	(14,931)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY		<u>87,217</u>	<u>97,334</u>	<u>87,274</u>	<u>97,388</u>
FUNDS	18				
Public Funds Restricted		99,309	101,774	99,309	101,774
Public Funds Unrestricted		4,573	4,710	4,630	4,764
Pension Reserve		(23,139)	(14,931)	(23,139)	(14,931)
Total Public Funds Unrestricted		<u>(18,566)</u>	<u>(10,221)</u>	<u>(18,509)</u>	<u>(10,167)</u>
Private Funds Restricted		5,222	4,811	5,222	4,811
Private Funds Unrestricted		1,252	970	1,252	970
		<u>87,217</u>	<u>97,334</u>	<u>87,274</u>	<u>97,388</u>

Signed on behalf of the Trustees by

David Anderson
Accounting Officer and Director General
Approved and signed on 16 July 2013

J. Peter W. Morgan
Treasurer, on behalf of the Board of Trustees
Approved and signed on 16 July 2013

The notes on pages 34 to 52 form part of these accounts.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

	Notes	Amgueddfa Cymru		Consolidated	
		2012/13 £'000	2011/12 £'000	2012/13 £'000	2011/12 £'000
Net Cash Inflow from Operating Activities	19	1,764	1,341	2,004	1,224
Capital Expenditure and Financial Investment	20	(1,000)	(2,313)	(1,004)	(2,319)
Management of Liquid Resources	21	(503)	10	(503)	10
Financing	22	(43)	238	(43)	238
Increase/(Decrease) in Cash	23	218	(724)	454	(847)

The notes on pages 34 to 52 form part of these accounts.

Notes to the Accounts for the Year Ended 31 March 2013

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 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 Statement of Recommended Practice (SORP 2005), Accounting and Reporting by Charities, 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 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 gross equity method of accounting. The accounts of NWMS Ltd for the year to 31 March 2013 were signed on 21 June 2013 and received an unqualified audit opinion. A copy of the accounts can be obtained from Amgueddfa Cymru's Principal Office at National Museum Cardiff, Cathays Park, Cardiff CF10 3NP.

1.3 Subsidiary Undertakings

Amgueddfa Cymru operates a wholly owned trading subsidiary, NMGW Enterprises Ltd. 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 2013 were approved on 27 June 2013 and received an unqualified audit opinion. A copy of the accounts can be obtained from Amgueddfa Cymru's Principal Office at National Museum Cardiff, Cathays Park, Cardiff CF10 3NP.

1.4 Incoming Resources

All income is recognised in the Statement of Financial Activities when the conditions for receipt have been met. Grants are credited to the Statement of Financial Activities on a receivable basis. Income for services performed is credited when the service is provided. Donations and bequests are accounted for when conditions for their receipt have been met.

1.5 Resources Expended

Expenditure is allocated across expenditure heads on the basis of direct allocation and indirect apportionment in the case of support costs as appropriate. The cost of generating funds includes all expenditure associated with the trading subsidiary and fundraising. The cost of charitable activities includes all expenditure associated with learning and programmes, collections and research, and museum operations. 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 £5,000 are capitalised. Items of a capital nature costing less than £5,000 are not capitalised and are written off in-year.

Land and buildings assets are professionally valued every five years on the basis of their existing use value or depreciated replacement cost value as appropriate and are revalued using an index in the intervening period. 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 the aims of Amgueddfa Cymru and include land, buildings, exhibits and artefacts. With effect from 1 April 2001 heritage assets purchased by or donated to Amgueddfa Cymru with an individual value of £5,000 or greater 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 (c. 5.1 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 2005, 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 the general objectives of Amgueddfa Cymru.

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.

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

Amgueddfa Cymru maintains a stock of publications and other items for sale in its shops. These are valued at the lower of cost and net realisable value.

1.11 Investments

Investments are shown at market value. It is Amgueddfa Cymru's 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

Amgueddfa Cymru has voluntarily adopted an accounting policy recognising 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

Amgueddfa Cymru has 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 Derivatives

Amgueddfa Cymru has no borrowings and relies primarily on government grants for its cash requirements and is therefore not exposed to liquidity risks. All material assets and liabilities are denominated in sterling, and are not exposed to interest rate risk or currency risk.

1.17 Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the net incoming resources.

1.18 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.

2. Grants Receivable

	Public Restricted £'000	Public Unrestricted £'000	2012/13 £'000	2011/12 £'000
Revenue Grant in Aid	0	22,447	22,447	23,027
Specimen Purchase Grant in Aid	538	0	538	538
Capital Grant in Aid	600	0	600	600
Other government grant	0	852	852	891
	1,138	23,299	24,437	25,056

Amgueddfa Cymru received total Grant-in-Aid from the Welsh Government of £23,585,000 (£24,165,000 in 2011/12) which comprises the Revenue, Specimen Purchase and Capital Grant-in-Aid.

Other government grant included: Heritage Lottery Fund grant of £248,000 (£425,000 in 2011/12), European Union grant of £10,000 (£10,000 in 2011/12), Welsh Government grant of £594,000 (£452,000 in 2011/12) and other grant of £nil (£4,000 in 2011/12).

3. Donations & Bequests

	Public Funds		Private Funds		2012/13 £'000	2011/12 £'000
	Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000		
Donated Assets	0	0	310	0	310	344
Other donations	246	0	410	193	849	1,256
	246	0	720	193	1,159	1,600

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

Previously Amgueddfa Cymru has included separate headings for Donations & Bequests and Fundraising income under Voluntary Income on the SOFA. In 2012/13 this has been reviewed and the Fundraising income heading is no longer used, in line with the Charities Statement of Recommended Practice. The prior year comparator for 2011/12 has been restated accordingly, increasing Donations & Bequests income by £62,000.

4. Trading Subsidiary

Amgueddfa Cymru has one wholly owned trading subsidiary, which is incorporated in the UK. The principal activities of NMGW Enterprises Ltd are sales at all Amgueddfa Cymru's 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 Amgueddfa Cymru by means of gift aid. A summary of the Company's results is shown below.

	2012/13 £'000	2011/12 £'000
Turnover	2,438	2,469
Cost of sales	(1,867)	(1,784)
Gross Profit	571	685
Administrative expenses	(312)	(315)
Other operating income	164	125
Profit on ordinary activities before interest	423	495
Interest receivable	0	4
(Loss)/Gain on currency movements	0	0
Interest payable	(8)	(8)
Profit on ordinary activities before taxation	415	491
Tax on profit on ordinary activities	0	0
Profit for the financial year	415	491
Gift aid payable to the Museum	(412)	(487)
Retained profit/(loss) for the financial year	3	4

The consolidated Statement of Financial Activities includes the subsidiary's turnover and other operating income as income from trading subsidiary, and cost of sales, administrative expenses and interest payable as costs of trading subsidiary.

5. Other Income

	Public Funds		Private Funds		2012/13 £'000	2011/12 £'000
	Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000		
Learning and Programmes	2	84	0	0	86	131
Collections and Research	22	132	0	0	154	180
Museum Operations	9	920	0	0	929	732
Support	0	25	1	2	28	27
	33	1,161	1	2	1,197	1,070

6. Total Resources Expended

(a) Amgueddfa Cymru

	Direct Costs	Depre- ciation	Marketing, Press & PR	Support Costs Finance	ICT	Human Resources	2012/13 £'000	2011/12 £'000
	£'000	£'000	£'000	£'000	£'000	£'000		
Costs of Generating Funds								
Cost of Generating Voluntary Income	404	0	24	12	24	19	483	348
	404	0	24	12	24	19	483	348
Costs of Charitable Activities								
Learning & Programmes	3,094	107	72	38	74	60	3,445	3,235
Collections & Research	7,047	503	163	87	170	136	8,106	8,617
Museum Operations	13,015	531	275	146	287	229	14,483	13,486
	23,156	1,141	510	271	531	425	26,034	25,338
Governance Costs								
External and Internal Audit	57	0	0	0	0	0	57	108
Strategic & Corporate Planning	124	0	0	0	0	0	124	115
Finance & Other costs	171	0	0	0	0	0	171	187
Support	0	0	50	27	52	42	171	191
	352	0	50	27	52	42	523	601
Pension Finance Costs	589	0	0	0	0	0	589	275
Total Resources Expended	24,501	1,141	584	310	607	486	27,629	26,562

(b) Consolidated

	Direct Costs	Depre- ciation	Marketing, Press & PR	Support Costs Finance	ICT	Human Resources	2012/13 £'000	2011/12 £'000
	£'000	£'000	£'000	£'000	£'000	£'000		
Costs of Generating Funds								
Cost of Generating Voluntary Income	404	0	24	12	24	19	483	348
Cost of Trading Subsidiary	2,184	3	0	0	0	0	2,187	2,107
	2,588	3	24	12	24	19	2,670	2,455
Costs of Charitable Activities								
Learning & Programmes	3,094	107	72	38	74	60	3,445	3,235
Collections & Research	7,047	503	163	87	170	136	8,106	8,617
Museum Operations	12,856	531	275	146	287	229	14,324	13,327
	22,997	1,141	510	271	531	425	25,875	25,179
Governance Costs								
External and Internal Audit	57	0	0	0	0	0	57	108
Strategic & Corporate Planning	124	0	0	0	0	0	124	115
Finance & Other costs	171	0	0	0	0	0	171	187
Support	0	0	50	27	52	42	171	191
	352	0	50	27	52	42	523	601
Pension Finance Costs	589	0	0	0	0	0	589	275
Total Resources Expended	26,526	1,144	584	310	607	486	29,657	28,510

The amount of £42,945 (£42,945 in 2011/12) is included in resources expended for external auditors' remuneration, £37,950 (£37,950 in 2011/12) for the audit fee and £4,995 (£4,995 in 2011/12) for other work. This includes £4,000 (£4,000 in 2011/12) for the trading subsidiary audit fee and £575 (£575 in 2011/12) for other work for the trading subsidiary.

The amount of £6,000 (£10,000 in 2011/12) is included in resources expended in respect of EU grant related expenditure.

69% of total resources expended during the year were on staff costs (67% in 2011/12).

7. Staff Costs

(a) Staff Costs during the year:

	Consolidated	
	2012/13 £ '000	2011/12 £ '000
Salaries & Wages	15,944	15,452
Social Security Costs	1,166	1,109
FRS17 Pension Service Costs (note 17e)	2,586	2,179
Severance Costs	199	126
	<u>19,895</u>	<u>18,866</u>
FRS17 Pension Finance Costs (note 17e)	589	275
	<u>20,484</u>	<u>19,141</u>

Included within the staff costs are £1,033,000 (£992,000 in 2011/12) relating to the trading subsidiary.

Amgueddfa Cymru undertook a Voluntary Redundancy Scheme, enhancing statutory payments by a factor of 4, which was taken up by 4 employees in 2012/13, incurring costs of £199,000 (£126,000 in 2011/12). Strain costs to Amgueddfa Cymru's Pension Fund amounted to £332,000 (£43,000 in 2011/12) and have been factored into the actuarial valuation disclosed in Note 17.

Included within operating costs is an amount of £31,000 (£6,000 in 2011/12) for agency staff.

(b) The average monthly number of full time equivalent employees comprised:

	Permanent Staff	Other Staff	2012/13 Number	2011/12 Number
Trading Subsidiary	31	2	33	34
Fundraising	7	0	7	5
Learning & Programmes	39	11	50	48
Collections & Research	109	14	123	123
Museum Operations	277	26	303	303
Support	51	9	60	58
	<u>514</u>	<u>62</u>	<u>576</u>	<u>571</u>

(c) The remuneration and pension benefits of the directors were as follows:

	Salary 2012/13 (2011/12)	Real increase/ (decrease) in pension and related lump sum at age 60	Accrued pension at age 60 at 31 March 13 and related lump sum	CETV at 31 March 13	CETV at 31 March 12	Real increase/ (decrease) in CETV in excess of members contributions
	£	£	£	£'000	£'000	£'000
David Anderson Director General	95,001-100,000 (95,001-100,000)	0-2,500 plus 2,500-5,000 lump sum	0-5,000 plus 5,000-10,000 lump sum	64	35	20
Mark Richards Director of Operations & Deputy Director General	80,001-85,000 (70,001-75,000)	0-2,500 plus 2,500-5,000 lump sum	10,000-15,000 plus 40,000-45,000 lump sum	323	257	50
John Williams-Davies Director of Collections and Research	70,001-75,000 (70,001-75,000)	(0-2,500) plus (0-2,500) lump sum	35,000-40,000 plus 105,000-110,000 lump sum	996	957	2
Robin Gwyn Director of Communications	15,000-20,000 (70,001-75,000)	2,500-5,000 plus 10,000-12,500 lump sum	10,000-15,000 plus 40,000-45,000 lump sum	317	205	51
Neil Wicks Director of Finance	70,001-75,000 55,001-60,000	22,500-25,000 plus 70,000-72,500 lump sum	20,000-25,000 plus 70,000-75,000 lump sum	349	9	33
Janice Lane Director of Learning, Exhibitions & New Media	35,001-40,000 (0)	17,500-20,000 plus 52,500-55,000 lump sum	15,000-20,000 plus 50,000-55,000 lump sum	249	0	61

Robin Gwyn left office on 30 June 2012. His emoluments as Director of Communications consisted of a basic salary as shown above. His annualised salary for 2012/13 was between £70,001 and £75,000. He also received £93,331 under Amgueddfa Cymru's Voluntary Redundancy Scheme.

Janice Lane took up office on 3 September 2012. Her emoluments as Director of Learning, Exhibitions & New Media consisted of a basic salary as shown above. Her annualised salary for 2012/13 was between £65,000 and £70,000. She also received assistance with relocation costs amounting to £3,000.

Neil Wicks took up office on 27 June 2011. His annualised salary for 2011/12 was between £70,001 and £75,000.

The other directors were employed for the whole of 2011/12 and 2012/13.

The emoluments of the Director General consisted of a basic salary of £100,000 (£100,000 in 2011/12) plus a non-consolidated bonus based on performance of £8,500 (£7,500 in 2011/12). The bonus for 2012/13 will be paid over in 2013/14 and the Director General will then gift aid it back to Amgueddfa Cymru. The bonus for 2011/12 was also gift aided back to Amgueddfa Cymru.

Mark Richards's salary includes an allowance for his role as Deputy Director General, which was increased from £1,000 per annum to 10% of his salary as Director of Operations, effective from 1 February 2012. This change reflected additional responsibilities allocated to him following the restructuring of the senior management team by the Director General. His salary for 2012/13 includes £1,046 which is the backdated increase relating to 2011/12.

Amgueddfa Cymru's directors are all ordinary members of Amgueddfa Cymru's pension scheme.

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 effectively funded by Amgueddfa Cymru. It takes account of the increase in accrued pension due to inflation,

contributions paid by the employee (including the value of any benefits transferred from another pension scheme) and uses common market valuation factors for the start and end of the period.

No directors received any benefits-in-kind other than those stated above.

(d) Employees (excluding directors) whose emoluments exceeded £60,000

There were seven employees (seven in 2011/12) whose emoluments for the year were between £60,001 and £69,999. All of these employees are ordinary members of Amgueddfa Cymru's pension scheme. There were no employees who earned over £69,999 except for the Directors whose emoluments are disclosed in note 7(c) above.

(e) 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 highest-paid director in 2012/13 was £105,000-£110,000 (2011/12 £105,000-£110,000). This was 5.0 times (2011/12 5.1 times) the median remuneration of the workforce, which was £21,510 (2011/12, £21,088). No employees received remuneration in excess of the highest-paid director in 2012/13 or 2011/12. 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.

	2012/13	2011/12
Band of Highest Paid Individual's Remuneration	105,000- 110,000	105,000- 110,000
Median Total Ratio	£21,510 5.0	20,088 5.1

(f) Members of the Board of Trustees

Trustees do not receive any emoluments. The total amount of travel, subsistence and accommodation expenses reimbursed by Amgueddfa Cymru for its Board and committee members was £10,000 (£9,000 in 2011/12). A total of 17 trustees were reimbursed expenses during the year.

8. Share of Joint Venture

Amgueddfa Cymru is 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.

Amgueddfa Cymru's 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	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Voluntary Income: Contributions	5	6	3	3
Investment income	0	0	0	0
Other incoming resources	0	0	0	0
Total incoming resources	5	6	3	3
Charitable activity expenditure	157	160	79	80
Governance costs	5	6	3	3
Total resources expended	162	166	82	83
Revaluation of Fixed Assets	0	0	0	0
Net Movement in Funds	(157)	(160)	(79)	(80)

8. Share of Joint Venture continued

	Total Assets and Liabilities		Share of Assets and Liabilities	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Fixed Assets	19,334	19,484	9,667	9,742
Current Assets	20	28	10	14
Liabilities due within one year	(2)	(4)	(1)	(2)
Liabilities due after more than one year	(47)	(47)	0	0
Net Assets	19,305	19,461	9,676	9,754
Funds				
General Fund (unrestricted)	19,285	19,438	9,666	9,742
Restricted Fund	20	23	10	12
	19,305	19,461	9,676	9,754

9. Tangible Fixed Assets

(a) Amgueddfa Cymru

	Freehold Land £'000	Freehold Buildings £'000	Leasehold Properties £'000	Plant & Vehicles £'000	Fixtures, Fittings & Equipment £'000	Total £'000
Cost or Valuation						
At 1 April 2012	16,525	3,392	56,922	770	2,069	79,678
Additions in Year	0	306	0	271	183	760
Disposals	0	0	0	(6)	0	(6)
Revaluation	(47)	(490)	(1,510)	0	0	(2,047)
At 31 March 2013	16,478	3,208	55,412	1,035	2,252	78,385
Depreciation						
At 1 April 2012	0	321	444	352	1,033	2,150
Charge for the Year	0	326	442	134	239	1,141
Disposals	0	0	0	(5)	0	(5)
Revaluation	0	(17)	(24)	0	0	(41)
At 31 March 2013	0	630	862	481	1,272	3,245
Net Book Value						
At 1 April 2012	16,525	3,071	56,478	418	1,036	77,528
At 31 March 2013	16,478	2,578	54,550	554	980	75,140

(b) Consolidated

	Freehold Land £'000	Freehold Buildings £'000	Leasehold Properties £'000	Plant & Vehicles £'000	Fixtures, Fittings & Equipment £'000	Total £'000
Cost or Valuation						
At 1 April 2012	16,525	3,392	56,922	770	2,107	79,716
Additions in Year	0	306	0	271	187	764
Disposals	0	0	0	(6)	0	(6)
Revaluation	(47)	(490)	(1,510)	0	0	(2,047)
At 31 March 2013	16,478	3,208	55,412	1,035	2,294	78,427
Depreciation						
At 1 April 2012	0	321	444	352	1,066	2,183
Charge for the Year	0	326	442	134	242	1,144
Disposals	0	0	0	(5)	0	(5)
Revaluation	0	(17)	(24)	0	0	(41)
At 31 March 2013	0	630	862	481	1,308	3,281
Net Book Value						
At 1 April 2012	16,525	3,071	56,478	418	1,041	77,533
At 31 March 2013	16,478	2,578	54,550	554	986	75,146

Amgueddfa Cymru's land and buildings were professionally valued on 31 March 2011 by M. A. Lawley of Cooke and Arkwright Chartered Surveyors. The valuations were in accordance with the requirements of the Royal Institute of Chartered Surveyors Valuation Standards and FRS15. The valuation of each property was on the bases and assumptions for owner occupied properties: being valued to Existing Use Value assuming that the properties would be sold as part of continuing business or by using the depreciated replacement cost method. 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. The index value was 220 in March 2013 (226 in March 2012).

10. 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. Amgueddfa Cymru is 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 5.1m 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.

Amgueddfa Cymru maintains and reviews its policies on acquisitions, disposals, care and conservation, documentation and access to the highest international standards. Full details of these policies can be obtained on request from the Director of Collections & Research at Amgueddfa Cymru's Principal Office at National Museum Cardiff, Cathays Park, Cardiff CF10 3NP.

(b) Collection Management Costs

	2012/13 £'000	2011/12 £'000
Collection management costs		
Conservation	416	338
Documentation	157	141
Collection Services	155	139
Collection Centre	148	202
	<u>876</u>	<u>820</u>

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	3,928	160	119	4,207
Purchased Assets	6,871	5,619	984	13,474
Total at 31 March 2013	<u>10,799</u>	<u>5,779</u>	<u>1,103</u>	<u>17,681</u>

(i) Heritage Assets donated during the year

	Art £'000	Historic Buildings £'000	Other £'000	Total £'000
<i>Fossil Panel</i> – Steffen Dam (Part donated)	1	-	-	1
Raglan Railway Station	-	20	-	20
Vulcan Hotel, Cardiff	-	20	-	20
Robes from Enthronement of Dr Rowan Williams as Archbishop of Canterbury	-	-	10	10
Herbarium Trevor Evans, 1899 specimens	-	-	19	19
Herbarium Mark Coode, 630 specimens	-	-	6	6
<i>The City</i> – Karel Appel	120	-	-	120
<i>Private Waltz</i> – John Hoyland	20	-	-	20
<i>Oda a Joan Miro</i> – Joan Miro	5	-	-	5
<i>John Llewellyn, Foreman Smith, Forest</i> – W J Chapman	5	-	-	5
<i>John Davies, Tin Mills Manager</i> – W J Chapman	5	-	-	5
<i>David Lewis, Storekeeper, Hirwaun</i> – W J Chapman	5	-	-	5
<i>Rees Davies, Mechanic, Hirwaun</i> – W J Chapman	5	-	-	5
<i>David Williams, Carpenter, Forest</i> – W J Chapman	5	-	-	5
<i>David Davies, Cinder Filler, Hirwaun</i> – W J Chapman	5	-	-	5
<i>John Richards (John Cwmbbran)</i> – W J Chapman	5	-	-	5
<i>William James, Roller, Forest</i> – W J Chapman	5	-	-	5
<i>Thos Euston, Lodge Keeper, Hirwaun</i> – W J Chapman	5	-	-	5
<i>Llewellyn Jenkins, Foreman Carpenter</i> – W J Chapman	5	-	-	5
<i>John Bryant, Mine Manager, Hirwaun</i> – W J Chapman	5	-	-	5
<i>David Davies, Fineries, Hirwaun</i> – W J Chapman	5	-	-	5
<i>Evan Bryant, Agent, Hirwaun</i> – W J Chapman	5	-	-	5
<i>Thomas Kirkhouse, Hirwaun</i> – W J Chapman	5	-	-	5
<i>Thos: Francis, Quarryman, Forest</i> – W J Chapman	5	-	-	5
<i>Unknown</i> by W J Chapman	5	-	-	5
Total Additions in Year	226	40	35	301
Total at 1 April 2012	3,702	120	84	3,906
Total at 31 March 2013	3,928	160	119	4,207

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 £'000	Historic Buildings £'000	Other £'000	Total £'000
<i>Fossil Panel</i> – Steffen Dam (Part donated)	10	-	-	10
Italian marble bust of Edward, 1st Viscount Cardwell – Gibson	4	-	-	4
Milk Jug, Nantgarw China Works – Thomas Pardoe	5	-	-	5
<i>White Abstract (Royal Family at Windsor)</i> – Keith Coventry	9	-	-	9
<i>North & South view of Margam House</i> – Thomas Smith	219	-	-	219
Four George II silver casters – George Wickes	25	-	-	25
<i>Still Life with Three Chinese Vases II</i> – Felicity Aylieff	25	-	-	25
Gold noble coin of Henry IV	-	-	10	10
Skull of Ichthyosaurus Communis	-	-	7	7
Gold and silver ingots for Mold Cape display	-	-	25	25
Total Additions in Year	297	0	42	339
Total at 1 April 2012	6,574	5,619	942	13,135
Total at 31 March 2013	6,871	5,619	984	13,474

There have been no disposals of assets contained in the Balance Sheet in the last 5 years.

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

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

	2012/13 £'000	2011/12 £'000	2010/11 £'000	2009/10 £'000	2008/09 £'000
Archaeology & Numismatics	69	28	28	29	28
Art	43	47	105	121	63
Biodiversity	73	66	53	68	92
Industry	0	8	5	8	15
Conservation	14	9	10	7	2
Geology	20	13	15	22	17
Library	103	131	142	145	131
Social & Cultural History	102	116	127	105	148
	424	418	485	505	496

Expenditure includes acquisitions valued at less than £5,000, fieldwork, collections refurbishment and renovation.

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

Number of items held:

There are c. 5.1 million items in Amgueddfa Cymru's collections

Archaeology & Numismatics	1,240,040
Art	44,000
Biodiversity	2,396,890
Geology	459,920
Industry	275,510
National Wool Museum	12,000
Library	257,310
Social and Cultural History	394,550
Total	5,080,220

(i) Archaeology & Numismatics: the Department holds a collection of 755,490 items at National Museum Cardiff, as well as 484,550 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 & Systematic Biology (BioSyb): the Department, an amalgamation of the former Botany and Zoology departments, holds a collection of 2,396,890 items 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: the Department holds 459,920 items 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: the Department has 275,510 objects in its collections. These are in 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 collection includes 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.

(vii) Library: the main Library, housed at National Museum Cardiff, contains 257,310 books and periodicals, and approximately 3,000 volumes are added annually. It houses a collection of rare and special edition books, particularly in natural history. It 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 394,550 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. Amgueddfa Cymru illustrates and interprets these aspects with over forty re-constructed buildings spread across one hundred acres of land. It also has extensive photographic, film and sound archives.

11. Fixed Asset Investments

	Amgueddfa Cymru		Consolidated	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
At 1 April 2012	2,146	2,158	2,146	2,158
Additions to investments at cost	598	415	598	415
Disposals at market value	(576)	(415)	(576)	(415)
Net Gain/(Loss) on Revaluation	220	(12)	220	(12)
Market Value at 31 March 2013	2,388	2,146	2,388	2,146

Of total investments of £2,388,000, £1,896,000 (£1,839,000 at 31 March 2012) was held in Restricted Private Funds and £492,000 (£307,000 at 31 March 2012) in Unrestricted Private Funds.

The historic cost of investments at 31 March 2013 was £1,913,000 (£1,848,000 at 31 March 2012). The portfolio consists of Collective Investments (Unit Trusts) authorised by the Securities and Investments Board (these were professionally valued by Amgueddfa Cymru’s investment managers, Barclays) and shareholdings (bequested to Amgueddfa Cymru) listed on the London Stock Exchange.

The investments were held in the following asset classes:

	Amgueddfa Cymru		Consolidated	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
UK Listed Investments	1,557	1,385	1,557	1,385
Non UK Listed Investments	803	688	803	688
Cash & Cash Deposits	28	73	28	73
	2,388	2,146	2,388	2,146

12. Stock

	Amgueddfa Cymru		Consolidated	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Shop Goods for Sale	0	0	363	338
Publications stock held separately	59	72	59	72
Less Provision for Stock Write Off	0	(12)	0	(12)
	59	60	422	398

13. Debtors

	Amgueddfa Cymru		Consolidated	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Trade Debtors	70	170	191	219
Amount due from trading subsidiary	758	487	0	0
Loan due from trading subsidiary	301	301	0	0
Other Debtors	685	1,006	617	936
Prepayments	2,235	2,266	2,248	2,280
	<u>4,049</u>	<u>4,230</u>	<u>3,056</u>	<u>3,435</u>
Balances with:				
Central government bodies	676	1,022	609	952
Local authorities	1	26	7	32
Sub total intra government balances	<u>677</u>	<u>1,048</u>	<u>616</u>	<u>984</u>
Bodies external to government	3,372	3,182	2,440	2,451
Total	<u>4,049</u>	<u>4,230</u>	<u>3,056</u>	<u>3,435</u>

Included within Prepayments is a payment of advance contributions to the Pension Fund of £2,082,000 at 31 March 2013 (£2,082,000 at 31 March 2012).

14. Creditors: Amounts falling due within one year

	Amgueddfa Cymru		Consolidated	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Loans	43	43	43	43
Trade Creditors	459	242	539	270
Accruals	1,665	975	1,728	1,029
	<u>2,167</u>	<u>1,260</u>	<u>2,310</u>	<u>1,342</u>
Balances with:				
Central government bodies	382	42	382	42
Local authorities	9	4	9	4
Sub total intra government balances	<u>391</u>	<u>46</u>	<u>391</u>	<u>46</u>
Bodies external to government	1,776	1,214	1,919	1,296
Total	<u>2,167</u>	<u>1,260</u>	<u>2,310</u>	<u>1,342</u>

15. Creditors: Amounts falling due within one year

	Amgueddfa Cymru		Consolidated	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Loans	<u>152</u>	<u>195</u>	<u>152</u>	<u>195</u>

A total loan of £195,000 is outstanding from the Carbon Trust, repayable at £43,000 a year. £43,000 is due within 1 year, and the remaining £152,000 is due within 5 years.

16. Operating Lease Commitments

	Amgueddfa Cymru		Consolidated	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Expiring:				
Between one and five years	<u>0</u>	<u>0</u>	<u>7</u>	<u>7</u>

17. Pensions

Amgueddfa Cymru operates 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 2012. This was updated at 31 March 2013 by a qualified independent actuary using guidelines issued by HM Treasury.

The actuarial valuation at 31 March 2013 showed an increase in the deficit from £14,931,000 to £23,139,000. Amgueddfa Cymru's contribution to the Scheme in the year to 31 March 2013 amounted to £3,000,000 (£2,954,000 to 31 March 2012) at a rate of 21.3% of Pensionable Remuneration.

Amgueddfa Cymru expects to contribute £3,312,000 to the Scheme in 2013/14, including £330,000 towards redundancy strain costs incurred in 2012/13.

(a) Amounts in the balance sheet:

	2013 £'000	2012 £'000
Fair value of assets	89,594	77,660
Defined benefit obligation	(112,733)	(92,591)
Surplus/(Deficit)	(23,139)	(14,931)

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

	2013 £'000	2012 £'000
Opening fair value of assets	77,660	74,549
Expected return	3,920	4,643
Employer's contributions	3,000	2,954
Members' contributions	1,141	984
Actuarial experience gain/(losses)	6,515	(2,208)
Benefits paid	(2,642)	(3,262)
Closing fair value of assets	89,594	77,660

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

	2013 £'000	2012 £'000
Opening defined benefit obligation	92,591	87,875
Current service cost	2,254	2,136
Curtailment	332	43
Members' contributions	1,141	984
Interest cost	4,509	4,918
Actuarial (gain)/loss	14,548	(103)
Benefits paid	(2,642)	(3,262)
Closing defined benefit obligation	112,733	92,591

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

	2013 £'000	2012 £'000
Actuarial experience gains/(losses) – fair value of assets (note 17b)	6,515	(2,208)
Actuarial gains/(losses) – present value of obligations (note 17c)	(14,548)	103
Actuarial gains/(losses)	(8,033)	(2,105)

(e) Amounts charged to resources expended:

	2013		2012	
	£'000	£'000	£'000	£'000
Current service cost	2,254		2,136	
Past service cost/(credit)	0		0	
Curtailment	332		43	
		2,586		2,179
Expected return on assets	(3,920)		(4,643)	
Interest cost	4,509		4,918	
Total charge to resources expended		589		275
		3,175		2,454

The above amounts charged to resources expended are included in staff costs, shown in note 7a to these accounts.

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

	2013	2012
Equities	54.10%	57.60%
Index Linked Gilts	15.80%	15.40%
Corporate bonds	11.50%	12.10%
Others	18.60%	14.90%

(g) Principal actuarial assumptions:

	2013	2012
Discount rate	4.10%	4.85%
Inflation – RPI	2.70%	3.00%
Inflation – CPI	1.70%	2.00%
Salary growth	3.70%	4.50%
Pension increases in payment – pre 2000	2.70%	3.00%
Pension increases in payment – post 2000	1.70%	2.00%
Pension increases in deferment	1.70%	2.00%
Expected return on assets	4.60%	5.00%
Assumes life expectancy currently age 65		
Male	87.0	86.4
Female	89.3	88.1
Assumes life expectancy currently age 45		
Male	88.3	87.8
Female	90.9	89.6

The expected rate of return utilised on assets of 4.6% is derived from the weighted expected return on each of the major categories of asset. In particular:

- The expected annual return on fixed interest and index linked gilts has been taken to be 2.8%, which is equal to the annualized yield on the FTSE 20 year gilts index at 31 March 2013.
- The expected annual return on corporate bonds has been taken to be 4.1%, which is equal to the discount rate.
- The expected return on equities has been taken to be 5.05% pa. This has been derived as 2.25% above the expected return on gilts, as in previous years.
- The expected return on property has been taken to be 5.05%, the same as the expected return on equities.

(h) Amounts for the current and previous four years:

	2013 £'000	2012 £'000	2011 £'000	2010 £'000	2009 £'000
Fair value of assets	89,594	77,660	74,549	68,578	48,718
Defined benefit obligation	(112,733)	(92,591)	(87,875)	(95,760)	(72,192)
Deficit	(23,139)	(14,931)	(13,326)	(27,182)	(23,474)
Experience adjustments on assets	6,515	(2,208)	1,224	16,386	(21,258)
Experience adjustments on obligations	0	0	0	3,071	(121)

18. Statement of Funds**(a) Movement in Funds**

	1 April 2012 £'000	Incoming Resources £'000	Resources Expended £'000	Other Movements in Year £'000	31 March 2013 £'000
Public Funds					
Restricted – Capital	89,885	620	(1,302)	(2,040)	87,163
Restricted – Specimens	11,889	797	(534)	(6)	12,146
Total Restricted	101,774	1,417	(1,836)	(2,046)	99,309
Unrestricted	4,764	27,062	(27,191)	(5)	4,630
Pension Reserve	(14,931)	0	(175)	(8,033)	(23,139)
Total Unrestricted	(10,167)	27,062	(27,366)	(8,038)	(18,509)
Total Public Funds	91,607	28,479	(29,202)	(10,084)	80,800
Private Funds					
Restricted	4,811	742	(340)	9	5,222
Unrestricted	970	220	(115)	177	1,252
Total Private Funds	5,781	962	(455)	186	6,474
Total	97,388	29,441	(29,657)	(9,898)	87,274

Unrestricted Public Funds recorded in Amgueddfa Cymru's own non-consolidated accounts at 31 March 2013 was £4,573,000 with £57,000 attributable to NMGW Enterprises Ltd.

Restricted Private Funds includes three major fund balances, being: the St Fagans: National History Museum Fund, the Art Department Fund and the Esmée Fairbairn: Digital Access Fund.

(b) Analysis of Net Assets Between Funds

	Public Funds		Private Funds		2013 £'000
	Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000	
Fixed Assets	98,785	622	4,716	768	104,891
Current Assets	997	5,997	506	484	7,984
Current Liabilities	(473)	(1,837)	0	0	(2,310)
Long term Liabilities	0	(152)	0	0	(152)
Net Assets (before pension liabilities)	99,309	4,630	5,222	1,252	110,413
Pension Liabilities	0	(23,139)	0	0	(23,139)
Net Assets (after pension liabilities)	99,309	(18,509)	5,222	1,252	87,274

19. Reconciliation of Changes in Resources to Net Cash Flow from Operating Activities

	Amgueddfa Cymru		Consolidated	
	2012/13 £'000	2011/12 £'000	2012/13 £'000	2011/12 £'000
Net (outgoing)/incoming resources for the financial year	(292)	1,832	(295)	1,836
Share of Joint Venture	79	80	79	80
Donated Assets	(310)	(344)	(310)	(344)
Depreciation	1,141	1,074	1,144	1,077
(Increase)/Decrease in Stocks	1	(5)	(24)	(35)
(Increase)/Decrease in Debtors	177	(995)	381	(1,068)
Increase in Creditors	792	195	853	174
Disposal of Fixed Asset	1	4	1	4
FRS17 current year pension costs	175	(500)	175	(500)
Net Cash Inflow from Operating Activities	1,764	1,341	2,004	1,224

20. Capital Expenditure and Financial Investment

	Amgueddfa Cymru		Consolidated	
	2012/13 £'000	2011/12 £'000	2012/13 £'000	2011/12 £'000
Payments to Acquire Tangible Fixed Assets	(978)	(2,313)	(982)	(2,319)
Proceeds from Sale of Tangible Fixed Assets	0	0	0	0
Payments to Acquire Investments	(22)	0	(22)	0
	(1,000)	(2,313)	(1,004)	(2,319)

21. Management of Liquid Resources

	Amgueddfa Cymru		Consolidated	
	2012/13 £'000	2011/12 £'000	2012/13 £'000	2011/12 £'000
Investments at 1 April 2012	0	10	0	10
Increase/(Decrease) in short term investments	503	(10)	503	(10)
Investments at 31 March 2013	503	0	503	0

22. Financing

	Amgueddfa Cymru		Consolidated	
	2012/13 £'000	2011/12 £'000	2012/13 £'000	2011/12 £'000
Loans outstanding at 1 April 2012	238	0	238	0
New loan	0	260	0	260
Loan repayments	(43)	(22)	(43)	(22)
Loans outstanding at 31 March 2013	195	238	195	238

23. Movements in Cash

	Amgueddfa Cymru		Consolidated	
	2012/13 £'000	2011/12 £'000	2012/13 £'000	2010/12 £'000
Net Cash at 1 April 2012	2,961	3,685	3,549	4,396
Net Cash (Outflow)/ Inflow	218	(724)	454	(847)
Net Cash at 31 March 2013	3,179	2,961	4,003	3,549

24. Capital Commitments

	2013 £'000	2012 £'000
At the balance sheet date there were capital commitments of	1,190	99

Major commitments as at 31 March 2013 and 31 March 2012 related to the St Fagans redevelopment project.

25. Contingent Liabilities and Guarantees

As at 31 March 2013 there existed three claims against Amgueddfa Cymru for which there is no insurance cover. The claims are in respect of personal injury occurring at museums. The maximum liability in respect of the three claims is estimated to be £24,000. Amgueddfa Cymru is resisting liability in two of the three cases.

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.

26. Related Party Transactions

The National Museum of Wales is a Welsh Government Sponsored Body. The Welsh Government is therefore regarded as a related party. During the year Amgueddfa Cymru received funding from the Welsh Government in the form of Revenue, Capital and Specimen Purchase Grant-in-Aid and other grant referred to in Note 3. It also incurred expenditure of £6,823.

During the year Amgueddfa Cymru has had material transactions in relation to service activities with other entities for which the Welsh Government is the sponsor, namely the Countryside Council for Wales (income of £3,000).

Elisabeth Elias, President, J. Peter W. Morgan, Treasurer and Gareth Williams, Trustee, are three of the seven directors of NWMS Ltd referred to in Note 8 of the Accounts. None of the directors receive remuneration from this company.

Amgueddfa Cymru made payments of £1,888 to the Museums Association in 2012/13. David Anderson, Director General, is a member of the Association.

There were no further outstanding balances at year-end and all orders placed were in line with Amgueddfa Cymru's procurement procedures.

27. Prior Year Adjustments

Previously Amgueddfa Cymru has included separate headings for Donations & Bequests and Fundraising income under Voluntary Income on the SOFA. In 2012/13 this has been reviewed and the Fundraising income heading is no longer used, in line with the Charities Statement of Recommended Practice. The prior year comparator for 2011/12 has been restated accordingly. This has increased Donations & Bequests income by £62,000, with no Fundraising income now being shown, leaving Voluntary Income for 2011/12 unchanged.

In notes 9a and 9b to the financial statements, the cost or valuation balances and net book value balances for Freehold Land and Freehold Buildings, brought forward from 2011/12, have been amended to reflect correctly additions to Freehold Land in 2011/12. The brought forward balances for total fixed assets are unchanged.

28. Post Balance Sheet Events

The Accounting Officer authorised these financial statements for issue on 16 July 2013. There were no other post balance sheet events.