

Financial Report 2013/14

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
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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. Amgueddfa Cymru continued to implement the Consultation Scheme and Policy which set out the values, principles and key participatory techniques in relation to our main consultative activities for 2013/14. During this period the key focus remained on stakeholder engagement to inform the major redevelopment of St Fagans National History Museum. Here, for example, the Our Museum programme, funded by the Paul Hamlyn Foundation, has worked collaboratively with partner organizations to create and sustain a community of volunteers for St Fagans based on the needs of the volunteer. The aim is to achieve a culture change in skills development and working practices that will broaden the volunteer base and embed opportunities for volunteers in all aspects of our work.

Aims and Objectives

Our current priorities, set out in the 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 2013/14 we directly operated seven museums across Wales:

National Museum Cardiff, Cathays Park, Cardiff

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

St Fagans National 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 can descend over 90 metres to the very depths of the mine and experience the darkness that the miners worked in day after day.

The National Roman Legion Museum, Caerleon, Newport

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

The National Slate Museum, Llanberis, Gwynedd

Here, the story of slate unfolds in the original Dinorwig quarry workshops. As well as the foundry, forges, sheds and the largest working waterwheel on mainland Britain, visitors can see skilled craftsmen give live displays of splitting and dressing slate by hand.

The National Wool Museum, Dre-fach Felindre, Carmarthenshire

Located in the heart of the west Wales countryside, this museum tells the story of the forty mills once clustered around Dre-fach Felindre. Cambrian Mills – the only mill that has remained in continuous operation since it was built – now houses the Museum.

The National Waterfront Museum, Maritime Quarter, Swansea

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

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

Achievements during the year

The seven national museums in Wales welcomed 1.63 million visits in 2013/14. It is recognised that this is lower than the previous record-breaking year due to the financial year not including Easter, when visitor numbers tend to be buoyant, and also to the start of the St Fagans redevelopment project which resulted in a reduction in visitor numbers as expected. It was particularly pleasing to note that despite these factors the National Wool Museum achieved its greatest number of visits ever.

2008/9	2009/10	2010/11	2011/12	2012/13	2013/14
1,524,806	1,641,053	1,656,340	1,690,026	1,745,315	1,629,196

We introduced the free entry policy in 2001/02 – 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.

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 groups.

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 448,288 visitors in 2013/14.

Overall press coverage achieved across the seven national museums in 2013/14 was over 3,000 pieces of coverage, which equates to an Advertising Value Equivalent of around £16m. A new monitoring system has been set up, which captures more coverage than the previous year.

Other highlights of the year included:

- The start of the delivery of the major redevelopment of St Fagans National History Museum, a £25.5m project supported by Heritage Lottery Fund (HLF) funding of £12m – the largest grant ever awarded by the HLF in Wales – and Welsh Government funding of £6.9m. 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, our 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 we have had a commitment to creating pathways through which the children of Wales can participate in cultural activities and enrichment.

Financial Results for the Year

Amgueddfa Cymru's consolidated net incoming resources for the financial year were £5,031,000 (net outgoing resources of £295,000 in 2012/13). Total incoming resources were £35,356,000 (£29,441,000 in 2012/13), total resources expended were £30,246,000 (£29,657,000 in 2012/13), and the share of joint venture net expenditure was £79,000 (£79,000 in 2012/13). The net increase in funds for the year after taking account of all realised and unrealised gains and losses was £3,691,000 (a net decrease of £10,114,000 in 2012/13). Fund balances at 31 March 2014 stood at £90,965,000 (£87,274,000 at 31 March 2013).

The principal activities of NMGW Enterprises Ltd for the year were sales at our 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 £545,000 for the 2013/14 financial year (£415,000 in 2012/13). This increase reflects a successful year particularly for the company's retail, catering, car parking and corporate hire activities, following challenging trading conditions in the previous year. Costs were well controlled.

Performance Indicators

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

During 2013/14 we continued to employ an evaluation framework that embraced both of these approaches. This toolkit and the targets we set for 2014/15 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.

The out-turns for our key performance indicators during 2013/14 are shown in the following table:

Vision Map Key Objective (Perspective)	Quantitative Indicator	Previous year out-turn	Annual Target	2013/2014 out-turn
World-class museum spaces (The People of Wales)	Number of visits	1,745,315	1,600,000	1,629,196
International reputation (The People of Wales)	Number of venues to which loans made across the world	312	310	305
	Number of international collaborations	93	100	102
Priority audiences (Presenting Wales)	Number of events targeted at priority audiences	770	700	892
Collections and research (Presenting Wales)	Number of research projects	230	228	237
	% Collections computerised to inventory standard	49.8%	50.5%	50.7%
Communicating collections (Presenting Wales)	Number of formal education visits	218,077	220,000	210,543
	Number of informal education visits	273,734	215,000	260,021
Digital Media (Improving performance)	Number of website visits	1,895,877	1,700,000	1,962,026
Advocating for sustainability (Financial success)	Number of people at targeted advocacy events	880	1,000	1,158

As reported earlier, the total number of visits made to our museums during 2013/14 was 1,629,196 (1,745,315 in 2012/13), against a target of 1,600,000. The number of visits to our website during the same period was 1,962,026 (1,895,877 in 2012/13), illustrating the extent to which visitors increasingly choose to access information about our work online.

Our work on serving the formal education sector continues to attract significant numbers of visits with 210,543 formal education visits (218,077 in 2012/13) although this was below the target of 220,000 and reflects a decrease in educational visits to St Fagans National History Museum while the site is undergoing redevelopment and a trend of decreasing formal education visits among other providers of learning outside the classroom in Wales.

The number of informal education visits, which now encompasses the number of 'added-value' learning visits to our sites and the number of participants on off-site learning activities, was 260,021 (273,734 in 2012/13), well exceeding a target of 215,000.

While all of the collections are documented according to the Collections Trust guidelines, we have continued with a programme of computerising collections records. During 2013/14, and based on a total collection size of 5.1m, we achieved 50.7% of the collections computerised to inventory standard (49.8% in 2012/13).

The number of venues to which loans were made was 305 (312 in 2012/13), just below the target of 310.

Prioritising Resources

Since the Vision priorities were established we have been continuously reviewing our budget allocations to deliver against the priorities, with capacity for change being aided through naturally occurring staff turnover and prioritising recruitment together with the use 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.

In response to both the need to refocus our work to meet the changing expectations of visitors and reductions in Welsh Government grant funding for the three years commencing 2011/12, in May 2013, following consultation with staff and partners, we started implementing a new structure for the organization. Implementation is due to be completed in 2014/15.

Capital Investment

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

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

- The majority of the capital investment during 2013/14 has been focused on St Fagans. This will be redeveloped 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. To facilitate this, the Origins Gallery at National Museum Cardiff has been closed in order that the objects can be conserved before they are moved to St Fagans.
- Undertaking the five-year testing of electrical circuits and fire precaution works.

Working in Partnership

In 2013/14 we worked with partners throughout Wales and beyond with the aim of showing the national collections in a variety of venues including museums, galleries, visitor centres and heritage sites.

Our relationship with Pembrokeshire Coast National Park Authority continues to develop. In 2013/14 we organized three exhibitions at Oriel y Parc, two of which were developed specifically for the gallery. The first exhibition was *Picturing Castles / The Tregwynt Hoard* which ran until 5 May 2014. It included images of castles from the eighteenth and nineteenth century golden age of British landscape art. The exhibition was selected by our former Librarian Dr John Kenyon, a leading authority on castles. Other projects include *Llareggub: Peter Blake illustrates Dylan Thomas's Under Milk Wood*, which opened on 16 May 2014. Sir Peter Blake agreed to Oriel y Parc showing this exhibition following its very successful run at National Museum Cardiff. The exhibition provided many opportunities for partnership working, including with Carmarthenshire County Council and Theatr Gwaun in Fishguard. The exhibition is part of DT100, the year-long celebration of Dylan Thomas's birth.

The partnership with Wrexham County Borough Council continues to flourish. The Sharing Treasures exhibition *A Holiday of a Lifetime* attracted over 6,000 visitors. A highlight of the year was the visit of the Mold Cape to Cardiff and Wrexham; the Cape was the centre-piece of the exhibition *Capes, Beads & Burials* developed by staff from Amgueddfa Cymru and Wrexham Museum with assistance from the British Museum. Another highlight was the exhibition *Absolute Gem: Nature's Works of Art*, based around the mineral collections of Lady Henrietta Antonia Herbert, Countess of Powys. Originally shown at National Museum Cardiff and at Powysland Museum, Amgueddfa Cymru helped resize and adapt this exhibition for display at Wrexham.

The partnership with the Cardiff Story remains positive. Amgueddfa Cymru staff worked with colleagues from the Cardiff Story to display the figurehead from Captain Scott's ship the *Terra Nova* to commemorate its return to Cardiff after Captain Scott's death. The figurehead was displayed next to a painting of the ship leaving Cardiff in 1910.

We continue to work with Abergavenny, Chepstow and Llangollen museums on their Sharing Treasures projects. Llangollen Museum's project centres around a prehistoric burial mound and, above it, a ninth-century monument called the Eliseg Pillar, as well as neighbouring Valle Crucis Abbey. An exhibition based on finds from recent archaeological excavations opens in June 2014. Abergavenny and Chepstow museums are undertaking a joint three-year project to explore the cultural impact of Tintern and Llanthony abbeys culminating with concurrent exhibitions open from May 2014.

CyMAL, our sponsor at the Welsh Government, has invited applications for the next phase of the Sharing Treasures scheme and these are currently being assessed.

In May 2013 the Art Fund agreed to assess a possible renewal of the Celf Cymru Gyfan – Artshare Wales scheme. This was funded by the Esmée Fairbairn Foundation between 2005 and 2011. A questionnaire to gauge interest is about to be circulated throughout Wales, which will result in a small pilot project at a single venue. We hope that if successful we can pursue further opportunities with the Art Fund in the future.

We have supported the bid by Snowdonia National Park Authority (SNPA) to the HLF for a second round delivery grant for the development of Yr Ysgwrn, the former home of poet Hedd Wyn, by attending several meetings of SNPA's technical group.

Linking Natural Science Collections in Wales is a three-year project led by the Federation of Museums and Art Galleries in Wales and funded by the Esmée Fairbairn Collections Fund. Amgueddfa Cymru and CyMAL are major project partners, with the Project Manager based at National Museum Cardiff. The aims are to implement the concept of a Distributed National Collection and to increase the profile and use of natural science collections in Welsh museums.

We continue to work with the American Federation of Arts on the forthcoming touring exhibition on British landscapes. Three venues are signed up and a fourth will be announced shortly. The exhibition is due to open at the first venue in January 2015. Our collaboration with the Chongqing Culture Bureau in China continues as we progress the proposal to take an exhibition of traditional paintings of birds and flowers from the Three Gorges Museum. This is provisionally scheduled to open at National Museum Cardiff in early 2016.

Partnership working remains a key component of our work and we continue to develop partnerships that allow the national collections to be presented in a variety of contexts and to share skills and expertise across the sector.

Specimen Acquisition

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

The year's principal art purchase was a group of twenty-nine pictures of Welsh subjects by John Piper (1903-1992), acquired by private treaty for £974,000 with the assistance of £430,000 from the HLF, £350,000 from the Derek Williams Trust, £80,000 from the Art Fund and a gift from the vendor. The pictures, already shown in a popular exhibition, make an important contribution to our representation of art made in Wales in the twentieth century.

We also received gifts of a number of other high-value works, most notably a bronze by Edgar Degas, Tania Bruguera's performance piece *Displacement* and a painting by Peter Doig. Smaller art purchases included a large photographic work by Richard Billingham, a video by Tim Davies commissioned for the Wales in Venice presentation at the Venice Biennale and an earthenware jug by the Cambrian Pottery, Swansea, painted by Thomas Pardoe with a view of the hall at Caerphilly Castle.

The principal archaeological acquisition was the Presteigne Hoard, a group of gold and silver coins lost or hidden early in the fifteenth century, perhaps towards the end of Owain Glyn Dŵr's revolt. This will form a significant element in the new displays at St Fagans National History Museum. Acquisitions for the natural sciences collections included gold nuggets collected from well-documented locations in the Dolgellau area and two Welsh gold ore samples. These will be used for research into the fingerprinting of Welsh gold and for the Mold Cape reconstruction project and the Partnership Programme.

Research Activity

Our research plays a pivotal role in the understanding of the heritage, culture and natural environment of Wales and underpins all our public services and the work of government, universities and independent researchers. Some smaller research projects deliver results quickly while others extend over several years. We continue to be recognised as an Independent Research Organization by the Arts and Humanities Research Council and the Natural Environment Research Council and we work with partners in all relevant sectors, in Wales and beyond.

Research into our users has enabled us to strengthen the quality of our delivery to the public. We have conducted a major exercise to develop our understanding of our visitors at all seven museums; this is the first time we have undertaken such a detailed and comprehensive study. The results will lead to practical changes to our services.

Other research into public attitudes provided valuable findings for both ourselves and partner bodies in heritage, culture and public engagement. We commissioned research into existing sources for evaluating the public's understanding of the history of Wales on behalf of the History of Wales Public Engagement Group, whose members also include the National Library of Wales, Cadw, the Royal Commission on the Ancient and Historical Monuments of Wales, Swansea University, the National Trust and CyMAL. The group is building on the report's findings as it seeks to enable other organizations who have a responsibility for engaging the public with history to do so in response to users' needs.

Alongside this, Our Museum, a three-year initiative developed with support from the Paul Hamlyn Foundation, focused on practical research into how collaboration with other agencies can improve engagement with the people and communities most in need of inspiration and support.

At the heart of our priorities are the needs of major exhibitions and redisplay of the collections, with the permanent value of this research secured in many cases by authoritative publications. Significant examples this year included work towards exhibitions about the great naturalist and explorer Alfred Russel Wallace, the father of British landscape painting Richard Wilson, the pioneering Post-Impressionist James Dickson Innes, the French glass artist Maurice Marinot, First World War prints and redisplay of the Welsh ceramics galleries to coincide with the bicentenary of Welsh porcelain.

Display needs also guided our research into the representation or under-representation of communities in Wales through co-curation projects, methods of engaging new audiences with Constable's *Salisbury Cathedral from the Meadow* (1831) and the use of 3D scanning and printing technologies to foster engagement with collections. Other research focused on being able to answer public enquiries as effectively

as possible, for example studying nineteenth-century Welsh-costume dolls in St Fagans and other public collections around the UK to meet the demand for authoritative information, and digitising our world-class collections of mollusc shells to make them available online. Outcomes in the better conservation of our collections drove technical research into analysis of fluid-preserved specimens and pesticide residues in natural history objects.

We continued to play a unique role in undertaking basic research that generates and enhances knowledge of Wales, its culture and environment and provides support to learning internationally. For example, we continued post-excavation archaeological research into Palaeolithic remains at cave sites in south-west Wales, the early Mesolithic settlement at Burry Holms, the Late Bronze Age settlement at Llanmaes and the Roman town at Caerwent.

In the natural sciences, work on diatom floras of Welsh rivers allowed us to develop an online identification tool for freshwater diatoms, characterisation work on Lower Palaeozoic-hosted manganese deposits increased basic knowledge of Welsh minerals, and studies of terranes in Anglesey and Llŷn developed understanding of Wales's position in patterns of continental drift.

Research within our collections also made significant contributions to knowledge, for example undertaking petrological analysis of Neolithic implements to establish where they were produced, cataloguing a hoard of medieval coins from Abergavenny, documenting ornamental stone used in architectural and decorative contexts in the British Isles and contributing to world taxonomies of flora and fauna, including those affected by climate change and human pressures.

Many of our projects involved wide-ranging collaborations in which our capabilities to reach wide audiences, maintain permanent collections and sustain expertise have major value. Examples included hosting a Collaborative Doctoral Award with Aberystwyth University on Ivor Davies and the Destruction in Art movement in the 1960s, our quarterly research seminars on photography with the University of South Wales and the Esmée Fairbairn-funded Historic Photography Project, support for the major project on archaeology, linguistics and genetics funded by the Arts and Humanities Research Council at the Centre for Advanced Welsh and Celtic Studies and collaboration with University College London, the Open University and Aberystwyth University on exciting new work to identify the origins of bluestone elements of Stonehenge.

In the natural sciences in particular our research partnerships extended worldwide, including universities in Ireland, Canada, Iran, South Africa and Thailand and museums in Belgium, France, Germany, Italy, the Netherlands, Kenya and Brazil. We supported government research needs in many of these countries and our work has been funded by the Leverhulme Trust, the Shackleton Foundation and the Falkland Island Trust among others.

Learning and Participation

We are the leading provider of learning outside the classroom in Wales. We welcome over 210,000 school children and students annually to our museums. We received over 200,000 informal learners to our sites in 2013/14, and also engaged 59,000 people in off-site learning opportunities.

Our learning provision is developed and delivered in partnership with key agencies and covers early years, family, community and adult learning as well as formal education. We are the biggest provider of learning outside the classroom in Wales. Nearly one million of our 1.6m visitors come in family groups – making us also one of the biggest providers of informal family learning and experiences.

We continue to develop our reputation for being the centre of expertise in Wales in cultural participation and inclusion in the field of culture and heritage. The participatory and co-productive approach we are taking in developing St Fagans is recognised across the UK as an exemplar of this.

Examples of work to develop this includes:

- Working with Youth Forums at St Fagans over the last two years in partnership with various organizations and agencies, for example Children in Wales, Local Authority Youth Services, Prince's Trust Wales and the Urdd. They have been engaged in building design development and exhibition content development. The impact on self-esteem and confidence among the forum members has been recorded and feedback indicates a change in perception of museums
- We are developing our expertise and capacity in volunteering and skills development by working in partnership with local, regional and national providers and agencies, for example through the Our Museum programme. This model has been recognised by the Paul Hamlyn Foundation as a beacon in the UK of good practice. We also have extensive partnerships and local networks across Wales.

We are leading research into the value and role of cultural organizations in tackling the consequences of poverty and promoting inclusion and equality of access to cultural participation.

- Following the UK-wide conference on child poverty we held in 2012, in October 2013 we held a research seminar on the cultural participation of children and young people experiencing poverty, bringing together funders, policy makers, researchers and practitioners from the cultural and other sectors.
- We have established a Cultural Participation and Poverty steering group, including representatives from Literature Wales, the City & County of Swansea and the Welsh Government.
- We are working closely with the higher education sector and funders in this area and are beginning to develop an ethics framework in equality of cultural participation, which we will be developing co-productively with stakeholders (including families and young people), policy makers, researchers and practitioners.

Our leadership in this area of learning and engagement is recognised in the recent report carried out by Baroness Kay Andrews, which was commissioned by the Welsh Government, entitled *Culture and Poverty: Harnessing the Power of Arts, Culture and Heritage to promote social justice in Wales*. The Government launched this report in March 2014 and we continue to work with national partners and the Welsh Government to respond to the recommendations.

Exhibitions

We are the leading producer of cultural, heritage and natural science exhibitions in Wales. We work with our communities, partners and stakeholders across our museums to generate exhibitions and displays that appeal to all our visitors. In 2013/14 we delivered forty-one exhibitions, including our partnership venue Oriel y Parc, and touring exhibitions focusing on our target audiences of tourists, families and young people. At National Museum Cardiff alone we had over 400,000 visits to our temporary exhibitions in this financial year.

A major initiative has been to coordinate and develop a major five-year programme to commemorate the First World War. This will form part of the pan-Wales commemoration programme, and will incorporate exhibitions and a range of public programmes, many of which are being developed with young people, communities and other partners. We are working with a range of different partners on a national, regional and local level as part of this project, including the BBC, the National Library of Wales, the Armed Forces, the Welsh Centre for International Affairs and the National Portrait Gallery. We have been successful in gaining funding for four years from the Welsh Government in support of this programme.

Highlights from the 2013/14 temporary exhibitions programme include:
National Museum Cardiff (art)

- *Quietus* (10,045 visits)
- *Visions of Mughal India: The Collection of Howard Hodgkin* (28,945 visits)
- *Llareggub: Peter Blake illustrates Dylan Thomas's Under Milk Wood* (24,616 visits). This exhibition also attracted sales of £65,000. The exhibition then toured to Oriel Y Parc, where it opened in April 2014. We would like to thank Peter Blake for his invaluable support for this exhibition.
- *Landscapes by J. D. Innes: Beauty most Wild* (19,645 visits)
- *Pop and Abstract*

This exhibition incorporated the smaller exhibitions *Dan Rees: Kelp* and *Holly Davey: Nothing Is What It Is Because Everything Is What It Isn't* (83,128 visits)

- *Uncommon Ground: Land Art in Britain 1966-1979* (30,953 visits)
- *Wales: A Visitation* and *Andrea Buettner: Hidden Marriage* (30,155 to date)

We have also hosted touring displays of Manet and Constable with support from Tate, Aspire, the Art Fund and the Heritage Lottery fund.

National Museum Cardiff (natural sciences)

- *Wildlife Photographer of the Year 2013* (19,719 visits)
- *Beans on Toast* (37,792 visits)
- *Wallace: The Forgotten Evolutionist* (25,831 visits)
- *Wildlife Photographer of the Year 2014* (13,758 visits)

Our other museums:

- *Changing Isca* and *Roman Colour* (the National Roman Legion Museum)
- *Worktown: the drawings of Falcon Hildred* (the National Slate Museum)
- *Antique Trinkets* (Big Pit)
- *Water Under the Bridge – Welsh Canals* and *Power to the People – Generating Electricity in Wales* (the National Waterfront Museum).

We are continuing to work on improving infrastructure. We have installed new hanging systems for displays at Big Pit and the National Wool Museum, and put in a new lighting control system in the central and east wing art galleries at National Museum Cardiff.

Fundraising and Volunteers

2013/14 was another successful year for fundraising, with donations and bequests income received of £1,621,000 and a further £1,120,000 pledges made. Donations of £1,264,000 in the form of heritage assets were also received.

The focus has been on producing and implementing the fundraising campaign for the redevelopment of St Fagans, which was launched at a major event in October. At £2.828m this is the largest such campaign we have undertaken. At the start of the financial year £1m had already been raised and a further £1.1m has been raised in 2013/14.

Major donations were received from Garfield Weston Foundation (£300,000), Armed Forces Community Covenant Fund (£249,000), Foyle Foundation (£100,000), Moondance Foundation (£100,000), Dyfrig and Heather John Foundation (£35,000), Arts Council Wales (£20,000) and the Simon Gibson Charitable Trust (£10,000). The St Fagans Gift Circle is a new initiative to encourage major donors to join in supporting the redevelopment with gifts of between £1,000 and £25,000. Members of the Gift Circle contributed £73,000 excluding Gift Aid.

In addition the People's Postcode Trust gave £100,000 as the start of a new long-term relationship to support two new apprenticeships at St Fagans and programmes at National Museum Cardiff. The Pilgrim Trust gave £10,000 to support the Stradling Memorial Panels.

Support for other projects included grants of £473,000 from the HLF for the John Piper acquisition and related activities, £61,000 from the Welsh Government for Maths in Museums, £9,000 from the Cemex Community Fund towards the Wildflower Meadow, £10,000 from WCVA towards the Youth Forums, £7,000 from Cadw towards the Cathole Cave project and £7,000 from the Welsh Government towards the St Fagans Food Festival.

Generous support continues from the Colwinston Trust towards the National Museum of Art's contemporary art programme, the Derek Williams Trust towards art purchases and exhibitions, the Paul Hamlyn Foundation for the Our Museum programme and the Edina Trust towards the Spring Bulbs project.

The Patrons Membership Scheme welcomed six new memberships in 2013/14, including three Life memberships, raising £40,000 in total through subscription income. In addition to subscriptions, donations totalling £7,000 were received to support the Wallace exhibition learning programme at National Museum Cardiff and two projects forming part of the First World War programme at the National Wool Museum.

The Friends of Amgueddfa Cymru continued to support work in three main areas.

- As ambassadors for our work, providing a programme of talks, trips and other activities that complement our own educational activity.
- By providing a volunteer group to support our 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 our work. It is important to note that such activity is regarded as valuable additionality.
- By providing financial support for a number of projects, sponsorship of the organ recitals at National Museum Cardiff, and, this year, generously contributing towards the redevelopment of St Fagans by providing match funding to enable the Celtic Village to be demolished and a new version, Bryn Eryr, to be built elsewhere on site.

Our Volunteer Co-ordinator also worked with colleagues to greatly enhance the opportunities for volunteering. As a result, we received 4,113 hours of input from volunteers during 2013/14. This includes work volunteers have contributed towards: Archaeology Field-Walking, behind the scenes curatorial and conservation work, Art Tours, learning activities for the public and helping to maintain our gardens and farm. We are greatly indebted to them for their commitment in growing this area of our activities.

Sustainability Report

From 2012/13 all public bodies in Wales have been 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.

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

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

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

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

Performance

Conserving the nation's treasures and opening our doors to over 1.6 million visitors a year uses a lot of energy. Our Energy Policy has been adopted as a major step towards improving energy efficiency, and to demonstrate our support for a reduction in greenhouse gas emissions. We participate in the CRC Energy Efficiency Scheme.

In 2013/14, there was a decrease in overall emissions by 7.6%, with both gas and electricity consumption being reduced.

Overall waste increased in 2013/14 by 24.7%, due to building works at St Fagans National History Museum. We have however achieved a reduction in landfill waste of 24.4% in the three years since 2010/11.

Water consumption increased by 26.6% in 2013/14 due to leaks and other issues. However water consumption has fallen overall by 29.7% over the three years since 2010/11.

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

Greenhouse Gas Emissions		2013/14	2012/13	2011/12	2010/11
Non-financial indicators (tCO ₂)	Scope 1 (Direct) Emissions - gas	1,600	1,763	1,430	1,415
	Scope 2 (In-direct) Emissions – purchased electricity	3,464	3,732	3,903	4,203
	Scope 3 (Business travel) Emissions	45	36	36	36
	Total	5,109	5,531	5,369	5,654
Related Energy Consumption (kWh'000)	Gas	8,673	9,540	7,732	7,650
	Electricity	6,404	7,109	7,434	8,007
	Total	15,077	16,649	15,166	15,657
Financial indicators (£)	Gas	268,211	296,370	216,011	164,322
	Electricity	587,226	644,728	617,046	591,541
	CRC administration fee	1,290	1,290	1,290	1,290
	Official Business Travel	198,233	175,775	166,418	172,184
	Total	1,054,960	1,118,163	1,000,765	929,337

Targets and Performance

Our Environmental Statement sets a target to reduce CO₂ produced by energy and transportation usage by 2% per annum. In 2013/14 there was a decrease of 7.6% following an increase in 2012/13 of 3.0% which had been due to the unusually harsh and long winter season. The decrease over the 3 years since 2010/11 is 9.6%.

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 National Collections Centre in 2012/13, and a range of IT initiatives implemented from 2011/12.

For a number of years we have encouraged sustainable travel modes for journeys to our sites by visitors and staff in various ways; for example the St Fagans redevelopment project includes a travel plan promoting sustainable travel for visitors and staff, and upgraded video conferencing equipment in 2011/12 has reduced the number of journeys between sites for meetings.

Waste		2013/14	2012/13	2011/12	2010/11
Non-financial indicators (tonnes)	Hazardous waste	0.0	0.6	0.4	1.1
	Non-hazardous waste:				
	- Landfill	783.0	697.7	907.9	1,035.7
	- Reused/Recycled	2099.2	1,629.1	1,239.5	1,100.0
	- Incinerated	24.7	3.2	3.2	3.2
	Total waste	2,906.9	2,330.6	2,151	2,140
Financial indicators (£)	Total disposal cost	37,268	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.

We actively encourage the minimisation of waste through increased recycling and promotion of re-use and reduction across all our sites.

The increase of 24.7% in total waste in 2013/14 is due to building works at St Fagans. Total waste fell by 21.1% at the National Collections Centre and 9.9% at National Museum Cardiff, and also fell slightly at two other sites. The reduction in landfill waste in the 3 years since 2010/11 is 24.4%.

Finite Resource Consumption		2013/14	2012/13	2011/12	2010/11
Non-financial indicators ('000m ³)	Total Water consumption	26,434	20,875	31,929	37,593
Financial indicators (£)	Total Water supply costs	74,915	71,774	93,128	110,460

Targets and Performance

Our Energy Policy sets a target to reduce water consumption by 5% per annum. In 2013/14 there has been an increase in water consumption by 26.6%, due to leaks at St Fagans and Big Pit (some of which have been rectified, with the others being investigated), and problems encountered with the rainwater harvesting system at the National Waterfront Museum.

Water consumption has fallen overall by 29.7% over the 3 years since 2010/11.

Future Strategy

In 2014/15 we will build on progress already achieved in reducing greenhouse gas emissions, waste and water consumption. Plans include completing the installation of a new lighting and control system the art, east wing and centre block galleries at National Museum Cardiff, 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. We are also considering an option to link to the proposed District Heating Scheme, currently under development in Cardiff, and to a similar scheme in Swansea, which may provide an opportunity to reduce energy costs in the longer term.

Biodiversity

We aim to protect, conserve, enhance and restore the diverse natural flora and fauna of all sites. Biodiversity audits have been carried out at all sites, providing information to assist decision making and effective conservation effort.

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

Sustainable Procurement

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

Governance

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

- The SEREN Environmental Standard BS8555 – we have achieved Phase 3 of this Standard across the organization
- A Sustainable Procurement Policy & Action Plan
- An Energy Policy

We also work closely with the Carbon Trust and have implemented their recommendations following a series of energy assessments.

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

The Format of the Accounts

The accounts are prepared under Section 9(4) of the Museums & Galleries Act 1992 in a form directed by the Welsh Government with the approval of the Treasury. A copy of the Accounts Direction is available on application to the Director of Finance & Corporate Resources. The accounts are compliant with the requirements of the 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 our trading and related activities. Also contained within the consolidated figures is our 50% share of National Waterfront Museum Swansea Limited (NWMS Ltd), a joint venture company, limited by guarantee, with the City & County of Swansea, whose prime function was the development of the National Waterfront Museum in Swansea.

Valuation of Fixed Assets

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

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

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

Prompt Payment Performance

We subscribe to the objectives of the Better Payment practice code issued by HM Treasury and aim to pay valid invoices within 30 days of receipt. The average time taken for payment of invoices during 2013/14 was nine calendar days (ten days in 2012/13), which includes 96% (by number) of invoices settled within 30 days (96% in 2012/13). There were no payments of interest under the Late Payment of Commercial Debts (Interest) Act 1998 (£Nil in 2012/13).

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 our Framework Agreement, which at the financial year-end 2013/14 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. At the end of 2013/14 the Welsh Government agreed to increase our cash carryover limit with respect to capital funding.

Private funds are separately maintained and specified within the accounts. These are not subject to a carryover limit and our policy is to maximise and hold these funds for utilisation on projects and capital schemes for which we are unable to receive core funding or generate other grant support, while remaining within any restrictions on use contained within the Private Funds.

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

Despite the current difficulties surrounding public finances and the challenging economic environment for fundraising from private sources, we are determined to continue our plan of capital developments and refurbishments to deliver 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.

Total Funds at 31 March 2014 were £90,965,000, with an analysis provided within the notes to the Financial Accounts.

Investment Policy and Performance

Our Private Funds investments are actively managed by our advisors, Barclays. Our investment policy accepts short-term volatility in the pursuit of positive investment returns after the effects of inflation and acknowledges that the capital value may fluctuate significantly from time to time. In addition, a substantial element is retained in cash based deposits to be readily available for investment in the capital programme.

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 £2,308,000 to £2,453,000.

We also held, from bequests, an equity investment in eleven blue chip companies. The value of this portfolio was £80,000, the same as at the start of the year.

The total value of investments held at 31 March 2014 was therefore £2,533,000.

Pension Liability

We operate 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 £23.139m to £30.786m. While the value of the Scheme's assets has increased from £89.6m to £97.9m, the Scheme's obligations have also increased. 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 that reflects the underpin to the Scheme provided by a Crown Guarantee, with the proposals accepted by the Pensions Regulator. Having increased employer contributions to 21.3% a few years ago, the recovery plan reflects the 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.

The next triennial actuarial valuation is due as at 31 March 2015 and the recovery plan will be reviewed and agreed once those results are available.

Due to prudent action in advance of anticipated cuts in grant-in-aid generating cash reserves, we were 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 or 2013/14, 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

Consultation on our equality objectives and strategic equality plan will continue in 2014. We ran refresher courses during 2013/14 on our Equality & Diversity and Dignity at Work policies for staff in Visitor Services at National Museum Cardiff. These workshops will continue to be rolled out to all staff in the forthcoming year.

We continue to work in partnership with Careers Wales to offer work experience placements to school-aged students with disabilities and additional needs. During 2013/14 we provided four students with placements.

Staff Consultation

We continue to comply with the 2005 Information and Consultation regulations, and consult with staff, both directly and through recognised unions, on major changes in the organization. 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, we have 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. During 2013/14 we consulted with Trade Unions and staff on the Change Programme which outlined a revised structure for the organization. The consultation document was issued to the unions and to staff in January 2013 and the 90-day consultation ended on 20 April 2013. Staff and trade unions were encouraged to submit feedback and alternative proposals in many different ways. These included a dedicated email account, more regular Staff Forum meetings, attendance at departmental meetings and site meetings by the Director General and Senior Management Team, opportunities for staff to meet with their Directors individually and discussions with HR representatives. Hundreds of questions and a large number of proposals were received which informed the discussions and resulted in changes to the original proposals.

On 24 March 2014 we entered into consultation with staff and trade unions about proposed changes to premium payments and the severance scheme. Briefings were held at all seven museums and the Change Programme email address was relaunched for staff to submit questions and alternative proposals. Directors and HR staff visited the sites to answer questions from staff. The 45-day consultation ended on 15 May 2014.

Staff Training

We continue to invest time and resources to provide development and training opportunities (both formal and informal) for employees. We have identified Investors in People (IIP) status as an important external measure of this commitment. With the exception of National Museum Cardiff, all the museums have achieved IIP status. In 2013, the National Slate Museum retained their IIP accreditation and the National Roman Legion Museum retained IIP Gold accreditation. We will undergo the IIP diagnostic at National Museum Cardiff during 2014/15.

Over the last year training has been offered to staff to support them through the changes taking place in the organization. We have offered courses and workshops around Career Transition, the Competency Framework, Stress and Mental Health Awareness and Managing Change Successfully.

Sickness Absence Data

We have policies to support the management of absence at work. We consider 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 to 31 March 2014 was 4.9% (3.9% in 2012/13). We continue 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 for disabled staff.

To support our absence management processes and encourage staff wellbeing we offer an Employee Assistance Programme (EAP), which is a free, independent and confidential service available to all staff. The EAP is provided by an external provider who offers advice, information, specialist counselling and support. Its services include telephone counselling, resources for managers, information and advice on a wide range of issues, face-to-face counselling and an online information service.

Remuneration Report

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

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

The 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 and Miriam Griffiths. 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.

The 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 & 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
Peter Wakelin	1 January 2014

Provision for compensation for early termination of employment is contained within our standard redundancy arrangement.

Welsh Language Policy

As a WGSB we are legally obliged to have a four-year Welsh Language Scheme and associated Welsh Language Action Plan, whose implementation and monitoring is overseen by the Performance Review Committee and a group with membership drawn from across the organization. The Action Plan includes ways of improving our Welsh-language provision as well as ways of supporting staff in improving their Welsh language skills. At the end of 2012/13 we produced an Annual Monitoring Report, which was approved by the Welsh Language Commissioner.

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 2014 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 Bank PLC, Cardiff
Solicitors:	Geldards LLP, Cardiff
Internal Auditors:	Baker Tilly, Cardiff
Investment Managers:	Barclays, Cardiff
Taxation:	Deloitte & Touche LLP, Cardiff
Pension Fund Administrators:	BBS Consultants and Actuaries Ltd, Bristol

David Anderson
Accounting Officer and Director General
Approved and signed on 15 July 2014

J. Peter W. Morgan
Treasurer, on behalf of the Board of Trustees
Approved and signed on 15 July 2014

BOARD OF TRUSTEES

(From 1 April 2013 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 # (resigned 31 May 2014)

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

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

Dr Carol Bell (appointed 1 June 2014)

Appointed by the National Museum of Wales

Prof. Jonathan Osmond, MA, D.Phil (Oxon), F.R.Hist. S. * (deceased 21 June 2014)

Keshav Singhal FRCS, M.Ch.

Victoria Provis MBA

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

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

Laurie Pavelin, CBE, FCA (appointed 1 June 2014)

* Members of the Audit Committee

Members of the Performance Review Committee

Independent Members of the Audit Committee

Laurie Pavelin (Chairman) (resigned 31 May 2014)

Eurfyl ap Gwilym (Chairman from 1 June 2014)

Huw Williams

Adrian Piper

BOARD OF NMGW ENTERPRISES LTD.

(From 1 April 2013 onwards)

Gareth Williams (Chairman) (resigned 31 May 2014)

Christina Macaulay

Richard Gloster

Chris Jackson (Chairman from 1 June 2014)

David Anderson

Mark Richards

Philip Smith (resigned 28 June 2013)

Karen James-Watkins (appointed 1 July 2013)

Neil Wicks (Company Secretary)

DIRECTORATE

(From 1 April 2013 onwards)

Director General

Director of Learning, Exhibitions & Digital Media

Director of Operations and Deputy Director General

Director of Collections & Research

Director of Finance & Corporate Resources

Director of Collections & Research

David Anderson

Janice Lane

Mark Richards

Peter Wakelin (from 1 January 2014)

Neil Wicks

John Williams-Davies (to 31 December 2013)

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 Amgueddfa Cymru 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 our policies, aims and objectives, to evaluate the likelihood of those risks being realized and the impact should they be realized, and to manage them efficiently, effectively and economically. The governance framework has been in place for the year ended 31 March 2014, and up to the date of approval of the annual report and accounts, and accords with Treasury guidance. In support of the governance framework, we operate Fraud and Whistle blowing policies, which are subject to audit review.

3. The Governance Framework

Our governance arrangements are fully compliant with the Code of Governance for the Voluntary and Community Sector issued by the National Governance Hub and 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, as set out in our 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 during the year ended 31 March 2014. 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)

We have a ten-year Vision of creating a 'world-class museum of learning'. Our 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 to enable us 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 our 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 digital 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 plans, also structured around the Vision Map.

Our performance against the objectives is monitored through a series of qualitative and quantitative indicators, using 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 Board of Trustees is responsible for governance, financial management and the assets of the organization. The Board of Trustees meets on a regular basis, in public, to conduct its business.

Members of the Board of Trustees of the Charity are appointed by the Welsh Government and Amgueddfa Cymru, in numbers set out within the supplemental Royal Charter and in accordance with the principles of open selection as recommended by the Nolan Review. An Appointments sub-committee assists and advises on the process. All new appointees follow an induction programme, supported by a comprehensive handbook, shortly after their appointment. No members of the Board of Trustees are remunerated. 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.

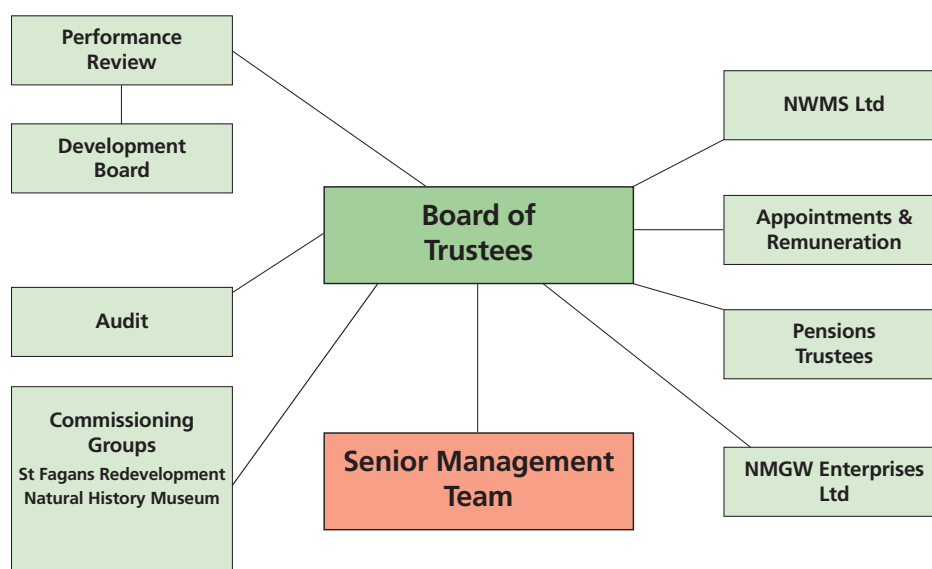
A schedule of Board of Trustee members throughout the year and up until the date of this report, including retirements and new appointments, is included within the Financial Report. The schedule also indicates which Trustees are members of the Performance Review Committee and Audit Committee. The record of attendance at Board of Trustees meetings is shown on the next page. Satisfactory explanations of all absences were received.

It is with great sadness that we report the death of Professor Jonathan Osmond in June 2014. Jonathan had been a Trustee since 2007 and was also Chair of the St Fagans Redevelopment Project Commissioning Group, a member of the Audit Committee and a member of the Art Advisory Group. His contribution to Amgueddfa Cymru will be greatly missed.

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 chair plus three other independent members. These committees meet on a quarterly basis and report to the Board of Trustees. Terms of Reference clearly define the remit and responsibilities of each committee.

Trustee	Date of Board of Trustees meeting					No of meetings	Attendance %
	23/5/13	18/7/13	18/10/13	28/11/13	13/3/14		
Elisabeth Elias	✓	✓	✓	✓	✓	5	100%
J. Peter W Morgan	✓	✓	✓	✓	✓	5	100%
Dr Haydn Edwards	✓	✓	✓	✓	✓	5	100%
Gareth Williams	x	✓	✓	✓	✓	4	80%
Carole-Anne Davies	✓	✓	✓	x	✓	4	80%
Christina Macaulay	x	✓	✓	✓	✓	4	80%
Emeritus Prof. Richard Gareth Wyn Jones	x	✓	✓	✓	✓	4	80%
Miriam Hazel Griffiths	✓	✓	✓	✓	✓	5	100%
Prof. Jonathan Osmond	x	✓	✓	✓	x	3	60%
David Beresford Vokes	x	✓	✓	x	✓	3	60%
Prof. Tony Atkins	x	✓	✓	✓	✓	4	80%
Victoria Mary Provis	✓	x	✓	✓	✓	4	80%
Keshav Singhal	✓	✓	✓	x	x	3	60%
Robert Pickard	✓	✓	✓	✓	✓	5	100%
Glenda Jones	½	✓	✓	✓	x	3.5	70%

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 our trading activities and, in addition to Trustee Directors, other non-executive Directors with specific relevant 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, and endorses the Museums Association Code of Ethics and strives to ensure that all employees and Trustees apply to these principles. All Trustees are expected to comply fully with our Code of Conduct, approved by the Board of Trustees.

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

We encourage volunteers, work experience, placements and apprenticeships. All volunteers undergo a 'slimmed down' corporate induction. 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.

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

- Whistleblowing
- Fraud and Corruption
- 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.

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

In 2013/14 over 1.6 million people visited the museums. We take the safety of staff and visitors seriously and have 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 our functions is clearly set out in the Royal Charter. This describes the roles and relationship of the Board of Trustees with the Committees of the Trustees and the delegation of functions to other executives.

All decisions taken by the Board of Trustees are on the basis of reports and consideration of the legal and financial implications and key risks involved with the decision. Board meeting minutes are published on our website to ensure transparency.

3.4.1 Risk Management

Risk Management on a day-to-day basis is the responsibility of directors and heads of department, with formal review and assessment of risks conducted regularly by the Risk Management Group. These reviews are scrutinised by the Performance Review Committee and the Audit Committee. By drawing on the experience of 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.

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.

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

The group 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 the Strategic Risk Register amendments and issues discussed at the Group's quarterly meetings, together with mitigating actions undertaken against the highest rated risks.

Membership of the Risk Management Group includes the internal auditor, which aids access to issues of concern in other bodies. The internal auditor's programme of work specifically cross-references to the risks identified and is also informed by the Directorate and Audit Committee.

Threats to the security of all our assets is a fundamental risk, requiring mitigating actions. The other major risk 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 Change Programme. These risks are regularly reviewed by internal audit, the Risk Management Group and the Board of Trustees.

Audits of the design and operation of the Risk Management process are included within the internal auditors rolling programme of work. The audit during 2013/14 focused on the development and embedding of divisional risk registers throughout the organization, and reported that we 'demonstrated good progress in developing and implementing the divisional risk registers which feed into the Strategic Risk Register'.

3.4.2 Information Security

We have information security procedures in place to ensure the confidentiality, integrity and availability of information that it holds and processes, and to ensure compliance with the Data Protection Act and Freedom of Information Act. These include:

- directors being responsible for the authorization and control of all removable media
- an 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.

As reported in last year's Governance Statement, in April 2013 there was a lapse in the information security involving pensioners' data. The lapse was investigated by our 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. The Information Commissioner has confirmed that the actions taken are satisfactory and no further response is required. There were no other information security breaches during the year.

During 2012/13 we developed and approved a Knowledge & Information Management Strategy and an ICT Strategy, which are being implemented.

As part of the three-year audit cycle, during 2012/13 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 three 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 Trustee training event for the year focused on our participatory approaches to public engagement, highlighting the Our Museum programme at St Fagans National History Museum.

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 again completed a review of Board Effectiveness during 2013/14 (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 our 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
- formal project management disciplines
- regular consultation and involvement of internal audit throughout the development of, or changes to systems
- close liaison with External Auditors
- seeking specialist advice where considered appropriate
- regular reporting to the Board of Trustees, Sub Committees and Welsh Government
- regular management review.

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

We operate a programme of public engagement and consultation in accordance with the Royal Charter. We have also endorsed the National Principles for Public Engagement in Wales.

We work closely with the Welsh Government and are 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 our 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.

We have a Communications Strategy, which is designed to promote the organization, our Vision, objectives and priorities. Social networks, including Twitter and Facebook, are increasingly used to communicate with a chosen target audience. Frequent press releases are issued to promote activities and a monthly e-newsletter is provided to subscribers. A corporate newsletter is produced quarterly to inform key stakeholders of news and developments.

We recognise the importance of internal communications and have continued to implement the Internal Communications Plan. We also provide electronic and face-to-face internal briefings to staff to ensure they are involved in and updated on decision-making.

We recognise trade unions and management have met and consulted with them during the year. Union representatives have been invited to attend Staff Executive Committee for Human and Financial Resources.

We have 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 our website.

4. Review of Effectiveness

The Director General, as the Accounting Officer, has responsibility for reviewing the effectiveness of the governance framework, including the system of internal control. 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 effectiveness of the governance framework by the Trustees and the Audit Committee and plans 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 we introduced a programme of evaluation questionnaires for completion by the Board, the Performance Review Committee and the Audit Committee. Individual Trustee appraisals, conducted by the President on a biannual basis, have also been introduced.

The findings from the evaluation process in 2012/13 were generally very positive. Issues raised included opportunities for Trustees to experience a greater range of committee work, enhancement of their awareness of delegated governance, and more detail on knowledge and information management needs and challenges. Steps have been taken to address these issues in 2013/14.

The findings from the evaluation process conducted at the end of 2013/14 were again very positive overall. All respondents to the Board questionnaire strongly or partly agreed with 79% of the statements. Areas of concern included the Museum's resource capacity to implement its strategy and objectives in the current economic climate, and to ensure that significant programmes and projects are clearly aligned to the strategy and fall within the organization's remit. As last year, over 90% of questions on the Audit Committee questionnaire received a positive response, with induction and training for new Audit Committee members identified as an area for improvement. There was also a positive response on over 90% of questions on the Performance Review Committee questionnaire.

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

- Detailed financial regulations, policies and administrative procedures including segregation of duties and various levels of delegated authority; comprehensive budgeting systems; and clearly defined capital investment control guidelines and monitoring thereof.
- Internal management processes such as performance monitoring and reporting, departmental meetings and directors' briefings
- The Audit Committee considers the coverage of the internal audit programme and receives reports from internal and external auditors. The Committee meets quarterly, with the minutes of the meeting and also a report from the Independent 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 ended 31 March 2014, the Internal Auditor concluded that we have adequate and effective risk management, control and governance processes to manage the achievement of its objectives.
- The Internal Auditor conducts a review of compliance the principles of the Code of Good Governance for the Third Sector in Wales on a 3 yearly basis; the review carried out in 2012/13 confirmed that overall we have appropriate controls in place for each of the principles.
- The Wales Audit Office, our external auditor, provides a Management Letter report summarising the work undertaken in respect of the financial statements. This is reviewed by the Audit Committee and reported to the Board of Trustees.
- Other sources of assurance are considered including reports from the Charities Commission, Landfill Tax Inspectors, Mine Safety Inspectorate and Investors in People.

5. Governance Issues and Future Improvements

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

During 2014/15, the process of reviewing and renewing our Vision, initiated by the Directors towards the end of 2013/14, will be continued. Staff will be engaged with this process. The new Vision will be published in its final form in 2015/16.

The challenge is to deliver our Vision in context of the economic climate and specifically the reductions in Grant-in-Aid from the Welsh Government. Moving forward we will:

- challenge and change existing working practices
- identify and implement more effective and innovative ways of working
- complete implementation of the agreed new structure for the organization, which started in 2013/14
- review delegation arrangements
- complete implementation of new Human Resources system and automated expenses system, and complete the pilot phase of the new Electronic Document Management System
- review Pension Scheme arrangements
- review Front-of-House operations.

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 15 July 2014

J. Peter W. Morgan

Treasurer, on behalf of the Board of Trustees
Approved and signed on 15 July 2014

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 ended 31 March 2014 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 2014 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
- 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 2014

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31 MARCH 2014

		Public funds		Private funds		2013/14	2012/13
		Restricted	Unrestricted	Restricted	Unrestricted	Total	Total
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
INCOMING RESOURCES							
Income Resources from Generating Funds:							
Voluntary Income							
Grants	2	3,973	24,138	0	0	28,111	24,437
Donations & Bequests	3	501	0	2,295	89	2,885	1,159
		4,474	24,138	2,295	89	30,996	25,596
Activities for Generating Funds							
Income from Trading Subsidiary	4	0	2,857	0	0	2,857	2,602
Investment Income		0	0	41	14	55	46
Total Income Resources from Generating Funds		4,474	26,995	2,336	103	33,908	28,244
Other Income	5	83	1,361	3	1	1,448	1,197
TOTAL INCOMING RESOURCES		4,557	28,356	2,339	104	35,356	29,441
RESOURCES EXPENDED							
Costs of Generating Funds:							
Costs of Generating Voluntary Income	6&7	0	483	12	56	551	483
Costs of Trading Subsidiary	4	0	2,312	0	0	2,312	2,187
		0	2,795	12	56	2,863	2,670
Costs of Charitable Activities:							
Learning, Exhibitions & Digital Media		168	3,051	10	1	3,230	3,445
Collections & Research		1,142	7,938	150	2	9,232	8,106
Museum Operations		835	13,102	7	2	13,946	14,324
		2,145	24,091	167	5	26,408	25,875
Governance Costs		0	475	0	0	475	523
Pension Finance Costs	17e	0	500	0	0	500	589
TOTAL RESOURCES EXPENDED		2,145	27,861	179	61	30,246	29,657
SHARE OF JOINT VENTURE	8	(79)	0	0	0	(79)	(79)
NET INCOMING/ (OUTGOING) RESOURCES FOR THE FINANCIAL YEAR		2,333	495	2,160	43	5,031	(295)
Unrealised Gains/(Losses) on revaluation of fixed assets intended for Charity Use	9	6,568	16	86	25	6,695	(2,006)
Realised/Unrealised Gains/(Losses) on market valuation of investments	11	0	0	214	(86)	128	220
Actuarial (Losses) on defined benefit pensions scheme	17d	0	(8,163)	0	0	(8,163)	(8,033)
NET MOVEMENT IN FUNDS DURING THE FINANCIAL YEAR		8,901	(7,652)	2,460	(18)	3,691	(10,114)
FUND BALANCES B/FWD AT 1 APRIL 2013	18	99,309	(18,509)	5,222	1,252	87,274	97,388
FUND BALANCES C/FWD AT 31 MARCH 2014	18	108,210	(26,161)	7,682	1,234	90,965	87,274

The above SOFA includes all recognised gains and losses

All activities are continuing.

The non-consolidated net increase in funds recorded in Amgueddfa Cymru's own Statement of Financial Activities during 2013/14 was £3,685,000 (a decrease of £10,117,000 in 2012/13).

The notes on pages 34 to 54 form part of these accounts.

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2014

	Notes	Amgueddfa Cymru		Consolidated	
		2014 £'000	2013 £'000	2014 £'000	2013 £'000
FIXED ASSETS					
Tangible Assets	9	81,591	75,140	81,600	75,146
Heritage Assets	10	20,145	17,681	20,145	17,681
Share of Joint Venture:	8				
Share of gross assets		9,599	9,677	9,599	9,677
Share of gross liabilities		(2)	(1)	(2)	(1)
		9,597	9,676	9,597	9,676
Investments	11	2,533	2,388	2,533	2,388
		113,866	104,885	113,875	104,891
CURRENT ASSETS					
Stock	12	37	59	416	422
Debtors due within one year	13	4,939	4,049	4,151	3,056
Investments		506	503	506	503
Cash at bank and in hand		4,136	3,179	4,793	4,003
		9,618	7,790	9,866	7,984
CURRENT LIABILITIES					
Creditors due within one year	14	(1,688)	(2,167)	(1,882)	(2,310)
NET CURRENT ASSETS		7,930	5,623	7,984	5,674
TOTAL ASSETS LESS CURRENT LIABILITIES		121,796	110,508	121,859	110,565
CREDITORS					
Amounts falling due after one year	15	(108)	(152)	(108)	(152)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY		121,688	110,356	121,751	110,413
Defined benefit pension scheme deficit	17a	(30,786)	(23,139)	(30,786)	(23,139)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY		90,902	87,217	90,965	87,274
FUNDS	18	108,210	99,309	108,210	99,309
Public Funds Restricted					
Public Funds Unrestricted		4,562	4,573	4,625	4,630
Pension Reserve		(30,786)	(23,139)	(30,786)	(23,139)
Total Public Funds Unrestricted		(26,224)	(18,566)	(26,161)	(18,509)
Private Funds Restricted		7,682	5,222	7,682	5,222
Private Funds Unrestricted		1,234	1,252	1,234	1,252
		90,902	87,217	90,965	87,274

Signed on behalf of the Trustees by

David Anderson
Accounting Officer and Director General
Approved and signed on 15 July 2014

J. Peter W. Morgan
Treasurer, on behalf of the Board of Trustees
Approved and signed on 15 July 2014

The notes on pages 34 to 54 form part of these accounts.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

	Notes	Amgueddfa Cymru		Consolidated	
		2013/14 £'000	2012/13 £'000	2013/14 £'000	2012/13 £'000
Net Cash Inflow from Operating Activities	19	3,182	1,764	3,021	2,004
Capital Expenditure and Financial Investment	20	(2,178)	(1,000)	(2,184)	(1,004)
Management of Liquid Resources	21	(3)	(503)	(3)	(503)
Financing	22	(44)	(43)	(44)	(43)
Increase in Cash	23	<u>957</u>	<u>218</u>	<u>790</u>	<u>454</u>

The notes on pages 34 to 54 form part of these accounts.

Notes to the Accounts for the Year Ended 31 March 2014

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 2014 were signed on 18 June 2014 and received an unqualified audit opinion. A copy of the accounts can be obtained from our Principal Office at National Museum Cardiff, Cathays Park, Cardiff CF10 3NP.

1.3 Subsidiary Undertakings

We operate a wholly owned trading subsidiary, NMGW Enterprises Ltd. 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 2014 were approved on 24 June 2014 and received an unqualified audit opinion. A copy of the accounts can be obtained from our Principal Office at National Museum Cardiff, Cathays Park, Cardiff CF10 3NP.

1.4 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, with any un-spent grant income being deferred to the following year. Income for services performed is credited when the service is provided. Donations and bequests are accounted for when 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, Exhibitions and Digital Media; 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 our aims and include land, buildings, exhibits and artefacts. With effect from 1 April 2001 heritage assets purchased by or donated to us with an individual value of £5,000 or greater 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 our general objectives.

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

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

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

1.10 Stock

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

1.11 Investments

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

1.12 Staff Holiday Accrual

We have 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

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

1.15 Pensions

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

1.16 Derivatives

We have no borrowings and rely primarily on government grants for our cash requirements and are 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.

1.19 Leasing Commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

2. Grant Receivable

	Public Restricted £'000	Public Unrestricted £'000	2013/14 £'000	2012/13 £'000
Revenue Grant-in-Aid	0	22,436	22,436	22,447
Specimen Purchase Grant-in-Aid	538	0	538	538
Capital Grant-in-Aid	3,005	0	3,005	600
Other government grant	430	1,702	2,132	852
	3,973	24,138	28,111	24,437

We received total Grant-in-Aid from the Welsh Government of £25,979,000 (£23,585,000 in 2012/13) which comprises the Revenue, Specimen Purchase and Capital Grant-in-Aid.

Other government grant included: Heritage Lottery Fund grant of £1,350,000 (£248,000 in 2012/13), European Union grant of £8,000 (£10,000 in 2012/13), and Welsh Government grant of £774,000 (£594,000 in 2012/13).

3. Donations & Bequests

	Public Funds		Private Funds		2013/14 £'000	2012/13 £'000
	Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000		
Donated Assets	0	0	1,264	0	1,264	310
Other donations	501	0	1,031	89	1,621	849
	501	0	2,295	89	2,885	1,159

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

4. Trading Subsidiary

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

	2013/14 £'000	2012/13 £'000
Turnover	2,647	2,438
Cost of sales	(2,013)	(1,867)
Gross Profit	634	571
Administrative expenses	(291)	(312)
Other operating income	210	164
Profit on ordinary activities before interest	553	423
Interest payable	(8)	(8)
Profit on ordinary activities before taxation	545	415
Tax on profit on ordinary activities	0	0
Profit for the financial year	545	415
Gift aid payable to the Museum	(540)	(412)
Retained profit for the financial year	5	3

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		2013/14 £'000	2012/13 £'000
	Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000		
Learning, Exhibitions & Digital	0	141	0	0	141	86
Media	83	304	0	0	387	154
Collections & Research	0	834	0	0	834	929
Museum Operations	0	82	3	1	86	28
Support	83	1,361	3	1	1,448	1,197

6. Total Resources Expended

(a) Amgueddfa Cymru

	Direct Costs	Depre- ciation	Marketing Press & PR	Support Costs Finance	ICT	Human Resources	2013/14 £'000	2012/13 £'000
	£'000	£'000	£'000	£'000	£'000	£'000		
Costs of Generating Funds								
Cost of Generating Voluntary Income	482	0	16	10	26	17	551	483
	482	0	16	10	26	17	551	483
Costs of Charitable Activities								
Learning & Programmes	2,879	109	57	35	90	60	3,230	3,445
Collections & Research	8,128	511	140	85	221	147	9,232	8,106
Museum Operations	12,657	538	216	130	339	226	14,106	14,483
	23,664	1,158	413	250	650	433	26,568	26,034
Governance Costs								
External and Internal Audit	54	0	0	0	0	0	54	57
Strategic & Corporate Planning	167	0	0	0	0	0	167	124
Finance & Other costs	114	0	0	0	0	0	114	171
Support	0	0	33	20	52	35	140	171
	335	0	33	20	52	35	475	523
Pension Finance Costs	500	0	0	0	0	0	500	589
Total Resources Expended	24,981	1,158	462	280	728	485	28,094	27,629

(b) Consolidated

	Direct Costs	Depre- ciation	Marketing Press & PR	Support Costs Finance	ICT	Human Resources	2013/14 £'000	2012/13 £'000
	£'000	£'000	£'000	£'000	£'000	£'000		
Costs of Generating Funds								
Cost of Generating Voluntary Income	482	0	16	10	26	17	551	483
Cost of Trading Subsidiary	2,308	4	0	0	0	0	2,312	2,187
	2,790	4	16	10	26	17	2,863	2,670
Costs of Charitable Activities								
Learning & Programmes	2,879	109	57	35	90	60	3,230	3,445
Collections & Research	8,128	511	140	85	221	147	9,232	8,106
Museum Operations	12,497	538	216	130	339	226	13,946	14,324
	23,504	1,158	413	250	650	433	26,408	25,875
Governance Costs								
External and Internal Audit	54	0	0	0	0	0	54	57
Strategic & Corporate Planning	167	0	0	0	0	0	167	124
Finance & Other costs	114	0	0	0	0	0	114	171
Support	0	0	33	20	52	35	140	171
	335	0	33	20	52	35	475	523
Pension Finance Costs	500	0	0	0	0	0	500	589
Total Resources Expended	27,129	1,162	462	280	728	485	30,246	29,657

The amount of £40,165 (£42,945 in 2012/13) is included in resources expended for external auditors' remuneration, £39,565 (£37,950 in 2012/13) for the audit fee and £600 (£4,995 in 2012/13) for other work. This includes £4,325 (£4,000 in 2012/13) for the trading subsidiary audit fee and £600 (£575 in 2012/13) for other work for the trading subsidiary.

The amount of £13,000 (£6,000 in 2012/13) is included in resources expended in respect of EU grant related expenditure.

70.4% of total resources expended during the year were on staff costs (69% in 2012/13).

7. Staff Costs

(a) Staff Costs during the year:

	2013/14 £'000	2012/13 £'000
Salaries & Wages	15,624	15,944
Social Security Costs	1,134	1,166
FRS17 Pension Service Costs (note 17e)	3,108	2,586
Severance Costs	939	199
	20,805	19,895
FRS17 Pension Finance Costs (note 17e)	500	589
	21,305	20,484

Included within the staff costs are £1,070,000 (£1,033,000 in 2012/13) relating to the trading subsidiary.

We undertook a Voluntary Redundancy Scheme, enhancing statutory payments by a factor of 4, which was taken up by 13 employees in 2013/14, incurring costs of £939,000 (£199,000 in 2012/13). Strain costs to our pension scheme amounted to £838,000 (£332,000 in 2012/13) and have been factored into the actuarial valuation disclosed in Note 17.

Included within operating costs is an amount of £29,000 (£31,000 in 2012/13) for agency staff.

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

	Permanent Staff	Other Staff	2013/14 Number	2012/13 Number
Trading Subsidiary	36	2	38	33
Fundraising	6	0	6	7
Learning, Exhibitions & Digital Media	43	8	51	50
Collections & Research	107	9	116	123
Museum Operations	267	26	293	303
Support	55	8	63	60
	514	53	567	576

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

Single Total Figure of Remuneration	Salary band 2013/14 (2012/13) £'000	Bonus band 2013/14 (2012/13) £'000	Benefits in kind 2013/14 (2012/13) £'000	Pension benefits 2013/14 (2012/13) £'000	Total band 2013/14 (2012/13) £'000
David Anderson Director General	95-100 (95-100)	5-10 (5-10)	- -	19 (19)	125-130 (125-130)
Mark Richards Director of Operations & Deputy Director General	(80-85) (80-85)	- -	- -	6 (28)	85-90 (110-115)
John Williams-Davies Director of Collections & Research	55-60 (70-75)	- -	- -	-5 (-12)	50-55 (60-65)
Neil Wicks Director of Finance	70-75 (70-75)	- -	- -	6 (242)	75-80 (315-320)
Janice Lane Director of Learning, Exhibitions & Digital Media	70-75 (35-40)	- -	- 3	25 (218)	95-100 (255-260)
Peter Wakelin Director of Collections & Research	15-20 -	- -	- -	3 -	20-25 -

The directors were employed for the whole of 2012/13 and 2013/14, except as follows:

- Janice Lane took up office on 3 September 2012. Her annualised salary for 2012/13 was between £65,000 and £70,000. She also received assistance with relocation costs in 2012/13 amounting to £3,000.
- John Williams-Davies left office on 31 December 2013. His emoluments as Director of Collections & Research consisted of a basic salary as shown above. His annualised salary for 2013/14 was between £70,000 and £75,000.
- Peter Wakelin took up office on 1 January 2014. His emoluments as Director of Collections & Research consisted of a basic salary as shown above. His annualised salary for 2013/14 was between £70,000 and £75,000.

The emoluments of the Director General consisted of a basic salary of £100,000 (£100,000 in 2012/13) plus a non-consolidated bonus based on performance of £8,500 (£8,500 in 2012/13). The bonus for 2013/14 will be paid over in 2014/15 and the Director General will then gift aid it back to Amgueddfa Cymru. The bonus for 2012/13 was also gift aided back to us.

The directors are all ordinary members of the pension scheme. The value of pension benefits accrued during the year in the above table has been calculated following the guidance in the Cabinet Office's Employer Pension Notice 380, as the real increase in pension multiplied by 20 plus the real increase in any lump sum, excluding inflation, contributions made by the individual, and any transfer of pension rights.

Pension Benefits	Real increase/ (decrease) in pension and related lump sum at age 60 £	Accrued pension at age 60 at 31 March 14 and related lump sum £	CETV 31 March 14 £'000	CETV 31 March 13 £'000	Real increase/ (decrease) in CETV in excess of members contributions £'000
David Anderson Director General	0-2,500 plus 2,500-5,000 lump sum	0-5,000 plus 10,000-15,000 lump sum	89	64	15
Mark Richards Director of Operations & Deputy Director General	0-2,500 plus 0-2,500 lump sum	15,000-20,000 plus 45,000-50,000 lump sum	328	323	(7)
John Williams-Davies Director of Collections & Research	0-2,500 plus 0-2,500 lump sum	35,000-40,000 plus 110,000-115,000 lump sum	946	996	(72)
Neil Wicks Director of Finance	0-2,500 plus 0-2,500 lump sum	25,000-30,000 plus 75,000-80,000 lump sum	343	349	(18)
Janice Lane Director of Learning, Exhibitions & Digital Media	0-2,500 plus 2,500-5,000 lump sum	15,000-20,000 plus 55,000-60,000 lump sum	258	249	(1)
Peter Wakelin Director of Collections & Research	0-2,500 plus 0-2,500 lump sum	0-5,000 plus 0-2,500 lump sum	3	0	1

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 us. 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.

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

There was one employee (none in 2012/13) whose emoluments were between £70,001 and £79,999. There were seven employees (seven in 2012/13) whose emoluments for the year were between £60,001 and £69,999. All of these employees are ordinary members of our pension scheme. There were no other employees who earned over £60,000 except for the directors whose emoluments are disclosed 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 2013/14 was £105,000-£110,000 (2012/13, £105,000-£110,000). This was 4.5 times (2012/13, 5.0 times) the median remuneration of the workforce, which was £23,699 (2012/13, £21,510). No employees received remuneration in excess of the highest-paid director in 2013/14 or 2012/13. 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.

	2013/14	2012/13
Band of Highest Paid Individual's Remuneration	105,000- 110,000-	105,000- 110,000-
Median Total	23,669	21,510
Ratio	4.5	5.0

(f) Members of the Board of Trustees

Trustees do not receive any emoluments. The total amount of travel, subsistence and accommodation expenses reimbursed by us for our Board and committee members was £9,000 (£10,000 in 2012/13). A total of 17 trustees were reimbursed expenses during the year.

8. Share of Joint Venture

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

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

	Total Net Movement in Funds		Share of Net Movement in Funds	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Voluntary Income: Contributions	5	5	2	3
Investment Income	0	0	0	0
Other incoming resources	0	0	0	0
Total incoming resources	5	5	2	3
Charitable activity expenditure	157	157	79	79
Governance costs	5	5	2	3
Total resources expended	162	162	81	82
Revaluation of Fixed Assets	0	0	0	0
Net Movement in Funds	(157)	(157)	(79)	(79)

	Total Assets and Liabilities		Share of Assets and Liabilities	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Fixed Assets	19,194	19,334	9,597	9,667
Current Assets	3	20	2	10
Liabilities due within one year	(3)	(2)	(2)	(1)
Liabilities due after more than one year	(47)	(47)	0	0
Net Assets	19,147	19,305	9,597	9,676
Funds				
General Fund (unrestricted)	19,144	19,285	9,595	9,666
Restricted Fund	3	20	2	10
	19,147	19,305	9,597	9,676

9. Tangible Fixed Assets

(a) Amgueddfa Cymru

	Freehold Land	Freehold Buildings	Leasehold Properties	Plant & Vehicles	Fixtures, Fittings & Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation						
At 1 April 2013	1,726	17,960	55,412	1,035	2,252	78,385
Additions in Year	0	795	19	37	63	914
Disposals	0	0	0	(7)	0	(7)
Revaluation	157	1,705	5,037	0	0	6,899
At 31 March 2014	1,883	20,460	60,468	1,065	2,315	86,191
Depreciation						
At 1 April 2013	0	630	862	481	1,272	3,245
Charge for the Year	0	334	431	139	254	1,158
Disposals	0	0	0	(7)	0	(7)
Revaluation	0	87	117	0	0	204
At 31 March 2014	0	1,051	1,410	613	1,526	4,600
Net Book Value						
At 1 April 2013	1,726	17,330	54,550	554	980	75,140
At 31 March 2014	1,883	19,409	59,058	452	789	81,591

(b) Consolidated

	Freehold Land	Freehold Buildings	Leasehold Properties	Plant & Vehicles	Fixtures, Fittings & Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation						
At 1 April 2013	1,726	17,960	55,412	1,035	2,294	78,427
Additions in Year	0	795	19	37	70	921
Disposals	0	0	0	(7)	0	(7)
Revaluation	157	1,705	5,037	0	0	6,899
At 31 March 2014	1,883	20,460	60,468	1,065	2,364	86,240
Depreciation						
At 1 April 2013	0	630	862	481	1,308	3,281
Charge for the Year	0	334	431	139	258	1,162
Disposals	0	0	0	(7)	0	(7)
Revaluation	0	87	117	0	0	204
At 31 March 2014	0	1,051	1,410	613	1,566	4,640
Net Book Value						
At 1 April 2013	1,726	17,330	54,550	554	986	75,146
At 31 March 2014	1,883	19,409	59,058	452	798	81,600

Our 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 240 in March 2014 (220 in March 2013).

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. We are the national repository of material relating to Wales's natural and created heritage and international material that helps define Wales's place in the world. Our collections number approximately 5.1m 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.

We maintain and review our 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 our Principal Office at National Museum Cardiff, Cathays Park, Cardiff CF10 3NP.

(b) Collection Management Costs

	2013/14 £'000	2012/13 £'000
Collection management costs		
Conservation	368	416
Documentation	121	157
Collection Services	171	155
Collection Centre	130	148
	790	876

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	5,167	160	144	5,471
Purchased Assets	7,991	5,619	1,064	14,674
Total at 31 March 2014	13,158	5,779	1,208	20,145

(i) Heritage Assets donated during the year

	Art £'000	Historic Buildings £'000	Other £'000	Total £'000
Glamorgan Barge & Weighing Machine	-	-	25	25
<i>Horse Galloping on Right Foot</i> – Edgar Degas	1,050	-	-	1,050
<i>Three Cliffs</i> – Richard Billingham (Part donated)	2	-	-	2
<i>Riding in Water</i> – Peter Doig (Part donated)	96	-	-	96
<i>Cwm Idwal</i> – John Piper	16	-	-	16
<i>Fynnon Lloer from Bryn Mawr</i> – John Piper	15	-	-	15
<i>Cader Idris</i> – John Piper	13	-	-	13
<i>Llyn Dinas, Gwynedd</i> – John Piper	8	-	-	8
<i>Stone Wall in Snowdonia</i> – John Piper	8	-	-	8
<i>Y Garn from Llymllwyd</i> – John Piper	9	-	-	9
<i>Bethesda</i> – John Piper	8	-	-	8
<i>Crooked Anvil Pyrdin</i> – John Piper	7	-	-	7
<i>Stones and Bones</i> – John Piper	7	-	-	7
Total Additions in Year	1,239	0	25	1,264
Total at 1 April 2013	3,928	160	119	4,207
Total at 31 March 2014	5,167	160	144	5,471

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>Three Cliffs – Richard Billingham</i> (Part donated)	8	-	-	8
A rare Swansea Pottery jug, by Thomas Pardoe	5	-	-	5
<i>Reflection – Radovan Kraguly</i>	6	-	-	6
<i>Displacement – Tania Bruguera</i>	30	-	-	30
<i>Riding in Water – Peter Doig</i> (Part donated)	97	-	-	97
A Collection of 20 works by John Piper	974	-	-	974
Medieval coins from Presteigne area, Wales	-	-	24	24
Mike & Colleen Jones Welsh Gold Collection	-	-	22	22
Glamorganshire Barge & Weighing Machine	-	-	34	34
Total Additions in Year	1,120	0	80	1,200
Total at 1 April 2013	6,871	5,619	984	13,474
Total at 31 March 2014	7,991	5,619	1,064	14,674

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:

	2013/14 £'000	2012/13 £'000	2011/12 £'000	2010/11 £'000	2009/10 £'000
Archaeology & Numismatics	5	69	28	28	29
Art	25	43	47	105	121
Biodiversity	39	73	66	53	68
Industry	2	0	8	5	8
Conservation	7	14	9	10	7
Geology	32	20	13	15	22
Library	78	103	131	142	145
Social & Cultural History	107	102	116	127	105
	295	424	418	485	505

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	1,228,335
Art	44,069
Biodiversity	2,442,159
Industry	434,573
Conservation	277,705
Geology	12,000
Library	260,267
Social & Cultural History	394,803
Total	5,093,911

(i) Archaeology & Numismatics: the Department holds a collection of 743,782 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 2,442,159 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 434,573 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 277,705 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 260,267 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 394,803 items, housed at St Fagans National History Museum. It covers the domestic, cultural, agricultural and commercial aspects of the people of Wales from the Middle Ages to the present day. We illustrate and interpret these aspects with over forty re-constructed buildings spread across one hundred acres of land. The collection also has extensive photographic, film and sound archives.

11. Fixed Asset Investments

	Amgueddfa Cymru		Consolidated	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
At 1 April 2013	2,388	2,146	2,388	2,146
Additions to investments at cost	495	598	495	598
Disposals at market value	(478)	(576)	(478)	(576)
Net Gain on Revaluation	128	220	128	220
Market Value at 31 March 2014	2,533	2,388	2,533	2,388

Of total investments of £2,533,000, £2,110,000 (£1,896,000 at 31 March 2013) was held in Restricted Private Funds and £423,000 (£492,000 at 31 March 2013) in Unrestricted Private Funds.

The historic cost of investments at 31 March 2014 was £1,933,000 (£1,913,000 at 31 March 2013). The portfolio consists of Collective Investments (Unit Trusts) authorised by the Securities and Investments Board (these were professionally valued by our investment managers, Barclays) and shareholdings (bequested to us) listed on the London Stock Exchange.

The investments were held in the following asset classes:

	Amgueddfa Cymru		Consolidated	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
UK Listed Investments	1,547	1,557	1,547	1,557
Non UK Listed Investments	895	803	895	803
Cash & Cash Deposits	91	28	91	28
	2,533	2,388	2,533	2,388

12. Stock

	Amgueddfa Cymru		Consolidated	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Shop Goods for Sale	0	0	379	363
Publications stock held separately	37	59	37	59
	37	59	416	422

13. Debtors

	Amgueddfa Cymru		Consolidated	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Trade Debtors	270	70	378	191
Amount due from trading subsidiary	546	758	0	0
Loan due from trading subsidiary	301	301	0	
Other Debtors	1,579	685	1,489	617
Prepayments	2,243	2,235	2,284	2,248
	4,939	4,049	4,151	3,056
Balances with:				
Central government bodies	1,554	676	1,464	609
NHS bodies	0	0	4	0
Local authorities	160	1	162	7
Sub total intra government balances	1,714	677	1,630	616
Bodies external to government	3,225	3,372	2,521	2,440
Total	4,939	4,049	4,151	3,056

Included within Prepayments is a payment of advance contributions to our pension scheme of £2,082,000 at 31 March 2014 (£2,082,000 at 31 March 2013).

14. Creditors: Amounts falling due within one year

	Amgueddfa Cymru		Consolidated	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Loans	43	43	43	43
Trade Creditors	367	459	480	539
Accruals	1,278	1,665	1,359	1,728
	1,688	2,167	1,882	2,310
Balances with:				
Central government bodies	295	382	295	382
Local authorities	2	9	2	9
Sub total intra government balances	297	391	297	391
Bodies external to government	1,391	1,776	1,585	1,919
Total	1,688	2,167	1,882	2,310

15. Creditors: Amounts falling due after one year

	Amgueddfa Cymru		Consolidated	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Loans	108	152	108	152

A total loan of £151,000 is outstanding from the Carbon Trust, repayable at £43,000 a year. £43,000 is due within 1 year, and the remaining £108,000 is due within 5 years.

16. Operating Lease Commitments

	Amgueddfa Cymru		Consolidated	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Expiring: Between one and five years	0	0	10	7

17. Pensions

We operate a defined benefit pension scheme in the UK, which is underwritten by a Crown Guarantee issued by the National Assembly for Wales. A full actuarial valuation was carried out at 31 March 2012. This was updated at 31 March 2014 by a qualified independent actuary using guidelines issued by HM Treasury.

The actuarial valuation at 31 March 2014 showed an increase in the deficit from £23,139,000 to £30,786,000. Our contribution to the scheme in the year to 31 March 2014 amounted to £3,005,000 (£3,000,000 to 31 March 2013) at a rate of 21.3% of Pensionable Remuneration. We also made additional payments to the scheme to meet the strain of early retirements on enhanced terms, amounting to £1,119,000 (£nil in 2012/13).

We expect to contribute £3,041,000 to the Scheme in 2014/15, including £57,000 towards strain costs anticipated in 2014/15.

(a) Amounts in the balance sheet:

	2014 £'000	2013 £'000
Fair value of assets	97,850	89,594
Defined benefit obligation	(128,636)	(112,733)
(Deficit)	(30,786)	(23,139)

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

	2014 £'000	2013 £'000
Opening fair value of assets	89,594	77,660
Expected return	4,117	3,920
Employer's contributions	4,124	3,000
Member's contributions	1,288	1,141
Actuarial experience gains	3,206	6,515
Benefits paid	(4,479)	(2,642)
Closing fair value of assets	97,850	89,594

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

	2014 £'000	2013 £'000
Opening defined benefits obligation	112,733	92,591
Current service cost	2,270	2,254
Curtailment	838	332
Members' contributions	1,288	1,141
Interest cost	4,617	4,509
Actuarial losses	(4,479)	(2,642)
Benefits paid	128,636	112,733
Closing defined benefit obligation		

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

	2014 £'000	2013 £'000
Actuarial experience gains/(losses) - fair value of assets (note 17b)	3,206	6,515
Actuarial gains/(losses) - present value of obligations (note 17c)	(11,369)	(14,548)
Actuarial gains/(losses)	(8,163)	(8,033)

(e) Amounts charged to resources expended:

	2014 £'000 £'000		2013 £'000 £'000	
Current service cost	2,270		2,254	
Curtailment	838		332	
		3,108		2,586
Expected return on assets	(4,117)		(3,920)	
Interest cost	4,617		4,509	
		500		589
Total charge to resources expended		3,608		3,175

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:

	2014	2013
Equities	61.00%	54.10%
Index Linked Gilts	14.50%	15.80%
Corporate bonds	10.80%	11.50%
Others	13.70%	18.60%

(g) Principal actuarial assumptions:

	2014	2013
Discount rate	4.35%	4.10%
Inflation – RPI	3.50%	2.70%
Inflation – CPI	2.50%	1.70%
Salary growth	4.50%	3.70%
Pension increases in payment – pre 2000	3.50%	2.70%
Pension increases in payment – post 2000	2.50%	1.70%
Pension increases in deferment	2.50%	1.70%
Expected return on assets	5.20%	4.60%
Assumes life expectancy currently age 65		
Male	87.1	87.0
Female	89.4	89.3
Assumes life expectancy currently age 45		
Male	88.4	88.3
Female	90.9	90.9

The expected rate of return utilised on assets of 5.2% 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 3.4%, which is equal to the annualized yield on the FTSE 20 year gilts index at 31 March 2014;
- The expected annual return on corporate bonds has been taken to be 4.35%, which is equal to the discount rate;
- The expected return on equities has been taken to be 5.65% pa. This has been derived as 2.25% above the expected return on gilts;
- The expected return on property has been taken to be 5.65%, the same as the expected return on equities.

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

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Fair value of assets	97,850	89,594	77,660	74,599	68,578
Defined benefit obligation	(128,636)	(112,733)	(92,591)	(87,875)	(95,760)
Deficit	(30,786)	(23,139)	(14,931)	(13,326)	(27,182)
Experience adjustments on assets	3,206	6,515	(2,208)	1,224	16,386
Experience adjustments on obligations	0	0	0	0	3,071

18. Statement of Funds

(a) Movement in Funds

	1 April 2013	Incoming Resources	Resources Expended	Other Movements in Year	31 March 2014
	£'000	£'000	£'000	£'000	£'000
Public Funds					
Restricted – Capital	87,163	3,005	(1,737)	6,469	94,900
Restricted – Specimens	12,146	1,552	(408)	20	13,310
Total Restricted	99,309	4,557	(2,145)	6,489	108,210
UnRestricted	4,630	28,356	(28,377)	16	4,625
Pension Reserve	(23,139)	0	516	(8,163)	(30,786)
Total Unrestricted	(18,509)	28,356	(27,861)	(8,147)	(26,161)
Total Public Funds	(80,800)	32,913	(30,006)	(1,658)	(82,049)
Private funds					
Restricted	5,222	2,339	(179)	300	7,682
Unrestricted	1,252	104	(61)	(61)	1,234
Total Private Funds	6,474	2,443	(240)	239	8,916
Total	87,274	35,356	(30,246)	(1,419)	90,965

Unrestricted Public Funds recorded in our own non-consolidated accounts at 31 March 2014 were £4,562,000 with £63,000 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		2014
	Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000	£'000
Fixed Assets	106,250	634	6,271	720	113,875
Current Assets	2,131	5,810	1,411	514	9,866
Current Liabilities	(171)	(1,711)	0	0	(1,882)
Long term Liabilities	0	(108)	0	0	(108)
Net Assets (before pension liabilities)	108,210	4,625	7,682	1,234	121,751
Pension Liabilities	0	(30,786)	0	0	(30,786)
Net Assets (after pension liabilities)	108,210	(26,161)	7,682	1,234	90,965

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

	Amgueddfa Cymru		Consolidated	
	2013/14 £'000	2012/13 £'000	2013/14 £'000	2012/13 £'000
Net incoming/(outgoing) resources for the financial year	5,026	(292)	5,031	(295)
Share of Joint Venture	79	79	79	79
Donation Assets	(1,264)	(310)	(1,264)	(310)
Depreciation	1,158	1,141	1,162	1,144
Decrease/(Increase) in Stocks	22	1	6	(24)
(Increase)/Decrease in Debtors	(890)	177	(1,095)	381
(Decrease)/Increase in Creditors	(433)	792	(382)	853
Disposal of Fixed Asset	0	1	0	1
FRS17 current year pension costs	(516)	175	(516)	175
Net Cash Inflow from Operating Activities	3,182	1,764	3,021	2,004

20. Capital Expenditure and Financial Investment

	Amgueddfa Cymru		Consolidated	
	2013/14 £'000	2012/13 £'000	2013/14 £'000	2012/13 £'000
Payments to Acquire Tangible Fixed Assets	(2,161)	(978)	(2,167)	(982)
Payments to Acquire Investments	(17)	(22)	(17)	(22)
	(2,178)	(1,000)	(2,184)	(1,004)

21. Management of Liquid Resources

	Amgueddfa Cymru		Consolidated	
	2013/14 £'000	2012/13 £'000	2013/14 £'000	2012/13 £'000
Investments at 1 April 2013	503	0	503	0
Increase in short term investments	3	503	3	503
Investments at 31 March 2014	506	503	506	503

22. Financing

	Amgueddfa Cymru		Consolidated	
	2013/14 £'000	2012/13 £'000	2013/14 £'000	2012/13 £'000
Loans outstanding at 31 March 2014	195	238	195	238
Loan repayments	(44)	(43)	(44)	(43)
Loans Outstanding at 31 March 2014	151	195	151	195

23. Movements in Cash

	Amgueddfa Cymru		Consolidated	
	2013/14 £'000	2012/13 £'000	2013/14 £'000	2012/13 £'000
Net Cash at 1 April 2013	3,179	2,961	4,003	3,549
Net Cash Inflow	957	218	790	454
Net Cash at 31 April 2013	4,136	3,179	4,793	4,003

24. Capital Commitments

	2013/14 £'000	2012/13 £'000
At the balance sheet date there were capital commitments of	1,363	1,190

Major commitments as at 31 March 2014 and 31 March 2013 related to the St Fagans redevelopment project.

25. Contingent Liabilities and Guarantees

As at 31 March 2014 there existed one claim against us for which there is no insurance cover, in respect of personal injury occurring at museums. The maximum potential liability in respect of this claim is unknown. We are resisting liability in this case.

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

We are a Welsh Government Sponsored Body. The Welsh Government is therefore regarded as a related party. During the year we received funding from the Welsh Government in the form of Revenue, Capital and Specimen Purchase Grant-in-Aid and other grant referred to in Note 3. We incurred expenditure with the Welsh Government of £6,005. We also received £8,555 income in relation to service activities from the National Assembly of Wales, and £1,000 from the Welsh Government.

We made the following payments to other related parties in 2013/14:

- £50,980 to our solicitors, Geldards LLP. Huw Williams, an Independent Member of the Audit Committee, is a member and Vice-Chairman of Geldards LLP.
- £1,110 to Prysg Cyf. for translation services. Prysg Cyf.'s Managing Director is the sister of Glenda Jones, Trustee.
- £2,729 to the Museums Association. David Anderson, Director General, is a Board member of the Association.

We also received income of £1,000 from Creative & Cultural Skills in 2013/14. David Anderson, Director General, is a Board member of Creative & Cultural Skills.

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

During the year Elisabeth Elias, President, J. Peter W. Morgan, Treasurer and Gareth Williams, Trustee, were 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.

27. Prior Year Adjustments

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 2012/13, have been amended to correct a transposition error in a previous year. 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 15 July 2014. There were no other post balance sheet events.