

national
museum
Cardiff
amgueddfa
genedlaethol
caerdydd

big pit
national
coal
museum
amgueddfa
lofaol
cymru

national
slate
museum
amgueddfa
lechi
cymru

st fagans
national
history
museum
amgueddfa
sain ffragan
werin
cymru

national
roman legion
museum
amgueddfa
lleng rufeinig
cymru

national
wool
museum
amgueddfa
wlan
cymru

national
museum
wales
amgueddfa
cymru

Financial Report 2014/15

National
Waterfront
Museum

WALES' STORY OF
INDUSTRY & INNOVATION



Noddir gan
Lywodraeth Cymru
Sponsored by
Welsh Government

National Museum Cardiff
Cathays Park, Cardiff CF10 3NP
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Big Pit National Coal Museum
Blaenafon, Torfaen NP4 9XP
0300 1112333

The National Slate Museum
Llanberis, Gwynedd LL55 4TY
0300 1112333

The National Waterfront Museum
Oystermouth Road, Maritime Quarter, Swansea SA1 3RD
0300 1112333

St Fagans National History Museum
Cardiff CF5 6XB
+ 44 (0) 29 2057 3500

The National Roman Legion Museum
High Street, Caerleon NP18 1AE
0300 1112333

The National Wool Museum
Dre-fach Felindre, Llandysul, Carmarthenshire SA44 5UP
0300 1112333

The National 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).

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

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

In 2014/15 we continued to implement our Consultation Scheme & Policy which set out the values, principles and key participatory techniques in relation to our main consultative activities. 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, completed its third year and 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 be rolled out across the organization, will broaden the volunteer base and embed opportunities for volunteers in all aspects of our work.

Aims and Objectives

During 2014/15 we engaged in extensive work to develop a new Vision for the future – ‘inspiring people, changing lives’. While this work was undertaken, our current priorities remained as set out in the Vision launched in 2005/6 ‘to be a world-class museum of learning’, and were 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 2014/15 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 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, 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 over 1.68 million visits in 2014/15. This was an improvement on the previous year, despite reducing budgets and the ongoing St Fagans National History Museum redevelopment project.

2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
1,641,053	1,656,340	1,690,026	1,745,315	1,629,196	1,685,954

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 446,635 visitors in 2014/15.

Our highest profile development is reflected in the progress on 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.

Financial Results for the Year

Amgueddfa Cymru's consolidated net incoming resources for the financial year were £432,000 (£5,031,000 in 2013/14). Total incoming resources were £35,291,000 (£35,356,000 in 2013/14), total resources expended were £34,780,000 (£30,246,000 in 2013/14) and the share of joint venture net expenditure was £79,000 (£79,000 in 2013/14). The net increase in funds for the year after taking account of all realised and unrealised gains and losses was £6,046,000 (a net increase of £3,691,000 in 2013/14). Fund balances at 31 March 2015 stood at £97,011,000 (£90,956,000 at 31 March 2014).

The principal activities of NMGW Enterprises Ltd for the year were sales at our retail shops, contract and in-house catering, car parking, image licensing, corporate hire, lettings and filming rights. The company reported a profit before gift aid to Amgueddfa Cymru of £521,000 for the 2014/15 financial year (£545,000 in 2013/14).

Performance Indicators

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

During 2014/15 we continued to employ an evaluation framework that embraced both of these approaches. This toolkit and the targets we set for 2015/16 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 new long-term Vision.

The out-turns for our key performance indicators during 2014/15 are shown in the following table:

Vision Map Key Objective (Perspective)	Quantitative Indicator	2013/2014 out-turn	Annual Target	2014/2015 out-turn
World-class museum spaces (The People of Wales)	Number of visits	1,629,196	1,590,000	1,685,954
International reputation (The People of Wales)	Number of venues to which loans made across the world	305	310	324
Priority audiences (Presenting Wales)	Number of events targeted at priority audiences	892	700	1,371
Collections and research (Presenting Wales)	Number of research projects	237	200	215
	% Collections computerised to inventory standard	50.7%	50.7%	50.9%
Communicating collections (Presenting Wales)	Number of formal education visits	210,543	205,000	205,055
	Number of informal education visits	260,021	230,000	305,187
Digital Media (Improving performance)	Number of website visits	1,962,026	1,400,000*	1,380,122
Advocating for sustainability (Financial success)	Number of people at targeted advocacy events	1,158	1,000	1,655

* new method of reporting introduced to eliminate automated hits

As reported earlier, the total number of visits made to our museums during 2014/15 was 1,685,954 (1,629,196 in 2013/14), against a target of 1,590,000. The number of visits to our website during the same period was 1,380,122 (1,962,026 in 2013/14). The decrease compared with the previous year was due to a new measurement method being introduced for 2014/15 which eliminates automated hits. The figure performed well against the target for the year of 1,400,000.

Our work on serving the formal education sector continues to attract significant numbers of visits with 205,055 formal education visits (210,543 in 2013/14) just above the target of 205,000. The slight year-on-year fall is due to a decrease in educational visits to St Fagans National History Museum while the museum is undergoing redevelopment.

The number of informal education visits, which now encompasses the number of 'added-value' learning visits and the number of participants on off-site learning activities, was 305,187 (260,021 in 2013/14), well exceeding the target of 230,000.

While all of the collections are documented according to the Collections Trust guidelines, we have continued with a programme of computerising collections records. During 2014/15, and based on a total collection size of 5.1m, we achieved 50.9% of the collections computerised to inventory standard (50.7% in 2013/14).

The number of venues to which loans were made was 324 (305 in 2013/14), just above the target of 310.

Capital Investment

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

Projects within the Capital Plan progressed during the year have included the works to redevelop St Fagans, upgrades of our ICT infrastructure and electrical rewiring at National Museum Cardiff and St Fagans and maintenance improvements at Big Pit. The work to redevelop St Fagans incorporated the demolition of part of the main building, which is reflected in resources expended as an impairment to fixed assets, and the start of construction of the replacement building, which is included as additions to fixed assets.

Working in Partnership

In 2014/15 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.

The exhibitions for the Sharing Treasures programme at Chepstow, Abergavenny, Llangollen and Pontypool were delivered on schedule and were well received.

In May 2014 a £2.8 million HLF grant was awarded to the Snowdonia National Park Authority for the Yr Ysgwrn project, with match funding provided by the Welsh Government and by the Park Authority itself. Our staff continue to provide expert curatorial, conservation and interpretation support to the project team, and participate in meetings of the project Technical Group.

Our relationship with Pembrokeshire Coast National Park Authority at Oriol y Parc has continued to develop. Two successful exhibitions were shown during the year. The first of these – *Llareggub: Peter Blake illustrates Dylan Thomas's Under Milk Wood* (May-September 2014) provided useful opportunities for partnership working including with Carmarthenshire County Council and Theatre Gwaun in Fishguard. The second exhibition was *Natural Images: Historic Photography and the Landscape* (October 2014-March 2015). Part of our Esmée Fairbairn-funded Historic Photography project, the exhibition looked at historic photography from across our collections and launched a semi-permanent display of Sutherland's work, aspects of which will respond to each new exhibition.

We have continued to work closely with Wrexham County Borough Museum in the delivery of their exhibition programme. Our natural science exhibition *Absolute Gem: Nature's Works of Art*, previously shown at National Museum Cardiff and Powysland Museum, was on display for six months until June 2014. *Real and Imagined: Castles in the Welsh Landscape* was on display from January 2015 until July 2015. We continue to hold regular meetings with staff from Wrexham County Borough Museum and the National Library of Wales.

International partnership work remains a priority and our strong relationship with the American Federation of Arts (AFA) continues to flourish. The touring exhibition *Pastures Green & Dark Satanic Mills: The British Passion for Landscape* opened in December 2014 and will visit four venues in total before closing in January 2016. An accompanying catalogue is being sold at all the venues. We are in the early stages of discussion with the AFA about a possible further tour and are also investigating the feasibility of an art tour to Japan and Australia.

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 should continue to develop so as to safeguard our heritage and reflect the changing needs of Wales. The amount of our Welsh

Government Specimen Acquisition Grant has declined significantly in recent years but we continue to use it to lever in additional funding and have received generous help from long-term supporters, especially the Derek Williams Trust, the Art Fund, the Colwinston Charitable Trust and private donors.

Significant purchases in 2014/15 included several art works, archaeological finds, items relating to the social and industrial history of Wales and many natural science specimens.

More information and examples of our work can be found in our separately published Annual Review, which will be available later in the year.

Research Activity

Our research plays a pivotal role in the understanding of the heritage, culture and natural environment of Wales and underpins our public services and the work of universities and independent researchers. 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.

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. 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.

More information and examples of our work can be found in our separately published Annual Review, which will be available later in the year.

Learning and Participation

We are the leading provider of learning outside the classroom in Wales. We welcome over 205,000 school children and students annually to our museums. We received over 275,000 informal learners to our sites in 2014/15, and also engaged 28,000 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. Nearly one million of our 1.68m visitors come in family groups – making us 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 for participation and inclusion in the field of arts, culture and heritage. In January 2015 all eight of our sites received the Investing in Volunteers Award.

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. We continue to work closely with the Welsh Government to take forward recommendations from the Baroness Andrews report.

During 2014/15 we redesigned our website to address design issues and reflect changes in the organization, as well as bring the technology up-to-date, for example by creating tablet and smart-phone friendly websites. We also began work on the development of a Digital Strategy, with the goal of digital technology being embedded into every part of our work, delivering open, accessible and flexible services that connect our user communities to our collections.

More information and examples of our work can be found in our separately published Annual Review, which will be available later in the year.

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 2014/15 we delivered forty-five exhibitions at all our museums and our partnership venue Oriol y Parc, and three touring exhibitions.

We are delivering a major programme of exhibitions, publications and events to commemorate the First World War between 2014 and 2018. Details of other highlights from the 2014/15 temporary exhibition programme can be found in our separately published Annual Review, which will be available later in the year.

Fundraising and Volunteers

2014/15 was another successful year for fundraising, with donations and bequests income of £1,821,000 received, and a further £490,000 pledged. Donations of £1,240,000 in the form of heritage assets were also received.

The focus has been on continuing the fundraising campaign for the redevelopment of St Fagans, launched last year. At £2.8m this is the largest such campaign we have undertaken. By the start of the financial year £1m had already been raised and a further £1.1m has been raised in 2014/15.

New fundraising for St Fagans included a pilot crowd-sourcing project in conjunction with The Art Fund to solicit funds for Bryn Eryr, the reconstructed Iron Age farmstead, an additional £10,000 from the Simon Gibson Charitable Trust, making their total contribution £20,000 and £5,000 in-kind support from local stone company RP Williams-Jones Stone Merchants. Grant payments pledged in the previous year from the Armed Forces Community Covenant Grant Scheme, Lafarge Aggregates Ltd Landfill Communities Fund, the Moondance Foundation and the Dyfrig and Heather John Charitable Trust were drawn down, plus pledge payments from individual members of the St Fagans Gift Circle and the second of three instalments from Elior.

A major legacy of £750,000 was received in support of St Fagans National History Museum and the National Waterfront Museum.

We undertook a review of the Patrons membership scheme that will help to inform future strategy and development of the scheme. At 31 March 2015 memberships stood at 153, the largest ever, contributing £30,000.

The People's Postcode Trust continued their significant support with a grant of £200,000, part of which will continue to support two apprenticeships at St Fagans.

Support for other projects and programmes included grants of £349,000 from the Heritage Lottery Fund Wales Collecting Cultures, in support of a new portable antiquities project, a grant of £9,000 from Arts and Business Cymru in support of an intern in the Development Department and sponsorship from SRK Consulting and NME for exhibitions. The Welsh Government supported the Food Festival at St Fagans for the second year running with a grant of £9,000. The Royal Mail, the Armed Forces Community Covenant Grant Scheme and Geldards LLP supported special events.

Generous support continues from the Colwinston Charitable Trust towards the National Museum of Art's contemporary art programme, the Derek Williams Trust towards National Museum of Art purchases and exhibitions, the Heritage Lottery Fund Wales through the Heritage Horticultural Skills Scheme, the Paul Hamlyn Foundation for the Our Museum programme and the Pilgrim Trust, the Edina Trust, the Henry Moore Foundation, the Dr Dewi Davies Endowment Fund and Cadw for the Cathole Cave project.

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 Bryn Eryr to be constructed. They also made a further significant financial gift to Amgueddfa Cymru during the year, and are discussing with us how this incredibly generous donation may be used.

Many other individuals and organizations gave their support over the year and we are extremely grateful to them all.

Our Volunteer Co-ordinator also worked with colleagues to enhance opportunities for volunteering. As a result, we received 9,238 hours of input from volunteers during 2014/15. 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

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

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

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

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

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

Performance

Conserving the nation's treasures and opening our doors to over 1.6 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 2014/15, there was a decrease in overall emissions by 10.3%, with both gas and electricity consumption being reduced.

Overall waste decreased in 2014/15 by 3.4%. There was a small increase of 4.5% in landfill waste in the year, however we have achieved a reduction in landfill waste of 21% compared with 2010/11.

Water consumption decreased by 21.4% in 2014/15, as leaks that impacted on consumption in 2013/14 were rectified. Water consumption has fallen overall by 44.8% since 2010/11.

The following tables 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		2014/15	2013/14	2012/13	2011/12	2010/11
Non-financial indicators (tCO ₂)	Scope 1 (Direct) Emissions – gas	1,500	1,600	1,763	1,430	1,415
	Scope 2 (In-direct) Emissions – purchased electricity	3,047	3,464	3,732	3,903	4,203
	Scope 3 (Business travel) Emissions	37	45	36	36	36
	Total	4,584	5,109	5,531	5,369	5,654
Related Energy Consumption (kWh'000)	Gas	8,086	8,673	9,540	7,732	7,650
	Electricity	5,716	6,404	7,109	7,434	8,007
	Total	13,802	15,077	16,649	15,166	15,657
Financial indicators (£)	Gas	192,203	268,211	296,370	216,011	164,322
	Electricity	571,349	587,226	644,728	617,046	591,541
	CRC administration fee	1,290	1,290	1,290	1,290	1,290
	Official Business Travel	200,089	198,233	175,775	166,418	172,184
	Total	964,931	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 2014/15 there was a decrease of 10.3%. The decrease since 2010/11 is 19.6%.

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 Collections Centre in 2012/13, a range of IT initiatives implemented from 2011/12 and the installation of a new lighting and control system in the art galleries at National Museum Cardiff in 2014/15.

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. In 2014/15 car hire CO₂ fell by 17.7%, due to a combination of fewer miles and more cars using diesel rather than petrol.

Waste		2014/15	2013/14	2012/13	2011/12	2010/11
Non-financial indicators (tonnes)	Hazardous waste	1.2	0.0	0.6	0.4	1.1
	Non-hazardous waste:					
	– Landfill	818.2	783.0	697.7	907.9	1,035.7
	– Reused/Recycled	1,968.8	2,099.2	1,629.1	1,239.5	1,100.0
	– Incinerated	19.7	24.7	3.2	3.2	3.2
	Total waste	2,807.8	2,906.9	2,330.6	2,151	2,140
Financial indicators (£)	Total disposal cost	28,943	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 decrease of 3.4% in total waste in 2014/15 follows an increase of 24.7% which was due to building works at St Fagans. The building works remain a significant cause of waste, and explain the increase in landfill waste of 4.5%. Landfill waste remains significantly lower (21%) than in 2010/11. Total waste fell at 5 of the 8 sites in 2014/15, compared with the previous year.

Finite Resource Consumption		2014/15	2013/14	2012/13	2011/12	2010/11
Non-financial indicators ('000m ³)	Total Water consumption	20,768	26,434	20,875	31,929	37,593
Financial indicators (£)	Total Water supply costs	79,437	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 2014/15 there has been a significant reduction of 21.4% in water consumption, as leaks at St Fagans and Big Pit, which resulted in a large increase in 2013/14, have been rectified.

Water consumption has fallen overall by 44.8% since 2010/11.

Future Strategy

In 2015/16 we will build on progress already achieved in reducing greenhouse gas emissions, waste and water consumption. Plans include completing further upgrades of lighting systems in galleries at National Museum Cardiff, funded by an Invest-to-Save loan from the Welsh Government. 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 the 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.

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

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 2014/15 was seven calendar days (nine days in 2013/14), which includes 97% (by number) of invoices settled within 30 days (96% in 2013/14). There were no payments of interest under the Late Payment of Commercial Debts (Interest) Act 1998 (£Nil in 2013/14).

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 2014/15 limited cash reserves to 2% of grant-in-aid, with exemptions from any limit in respect of the Specimen Purchase Grant and self-generated income. Further general and specific exemptions may be available upon application in respect of the National Waterfront Museum (to reflect the joint funding arrangement with the City & County of Swansea) and capital projects that straddle the financial year-end. At the end of 2014/15 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 used 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 2015 were £97,011,000, 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 £2,453,000 to £2,569,000.

We also held, from bequests, an equity investment in eleven blue chip companies. The value of this portfolio increased during the year from £80,000 to £92,000.

The total value of investments held at 31 March 2015 was therefore £2,661,000.

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 a relatively small increase in the deficit from £30.786m to £30.861m. While the value of the Scheme's assets has increased from £97.9m to £111.5m, 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, 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. £119,000 of the advance contributions were reversed in 2014/15, and the remaining advance payments will reverse over 2015/16, aiding management of cash-flow and budgets and the continuing delivery of frontline services.

Policies Relating to Staff

Equality of Opportunity

In 2014/15 we completed the roll out of training on our Equality and Diversity policy to Visitor Services staff at National Museum Cardiff. All other departments will receive refresher training 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 2014/15 we provided four students with placements. We are also working with a wide range of Community Partners on the Our Museum programme at St Fagans funded by the Paul Hamlyn Foundation. The project aims to provide volunteer placements for people from diverse backgrounds to bring museums and communities together.

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. Monthly Staff Forum meetings are held between management and recognised trade union representatives to discuss matters of importance, and the minutes of these meetings are formally reported to the Senior Management Team. Representatives of our recognised unions attend the monthly Staff Executive Group meetings, facilitating openness and transparency. This legal requirement to consult is supplemented by a variety of methods including staff meetings, department meetings, working groups, e-mail and intranet communications as well as informal methods of communication as appropriate.

On 24 March 2014 we entered into consultation with staff and trade unions about proposed changes to premium payments and the severance scheme. The 45-day consultation ended on 15 May 2014. Staff and trade unions were encouraged to submit feedback and alternative proposals in many different ways. These included a dedicated e-mail 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. We received a large number of questions and proposals, which have informed changes to the original proposals. Negotiations have continued throughout this year and we expect to be in a position to consult individually with staff on both the changes to premium payments and the severance scheme in autumn 2015.

Staff briefings have been held across all our museums to keep staff informed of changes to our financial position and the options being considered by the Senior Management Team. The Director General also sends regular communications to staff to update them on any further developments.

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 our museums have achieved IIP status. In 2014 the National Waterfront Museum retained their IIP Gold accreditation. The IIP diagnostic was carried out at National Museum Cardiff in October 2014 and we aim to achieve accreditation in 2016.

Over the last year we have offered staff training to support them through the changes taking place in the organization, in areas such as managing stress and mental health awareness. We also offer courses in areas such as dignity at work, equality and diversity, and health and safety to ensure compliance with related legislation, as well as management and personal development opportunities as required.

Sickness Absence Data

We have policies to support the management of absence at work and long-term absence is considered 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 2015 was 4.5% (4.9% in 2013/14). 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, Glenda Jones 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 16 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 (resigned 10 January 2015)

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. The Plan is developed and delivered by the Mainstreaming Action Group, whose membership is drawn from across the organization. The Plan is approved and monitored by the Performance Review Committee. The 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 2014/15 we produced an Annual Monitoring Report, which was approved by the Welsh Language Commissioner.

Additionally, we were part of the Welsh Language Commissioner's second round of Welsh Language Standards Investigations. This is the process carried out by the Commissioner to determine which of the new Welsh Language Standards are applicable to us, and which Standards we will have to comply with. We responded fully to the Commissioner's questionnaire and submitted our response in both languages, along with associated documents, by the deadline of 6 February 2015. The process also proved useful in identifying where we would like to improve our Welsh-language provision, and what we can do to prepare for compliance with the Standards later in 2015.

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 2015 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 16 July 2015

Laurie Pavelin
Treasurer, on behalf of the Board of Trustees
Approved and signed on 16 July 2015

BOARD OF TRUSTEES

(From 1 April 2014 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 *# (completed term of office 30 November 2014)

Laurie Pavelin, CBE, FCA * # (appointed Trustee 1 June 2014, appointed Treasurer 1 December 2014)

Appointed by the Welsh Government

Gareth Williams # (completed term of office 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 # (deceased 30 November 2014)

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

Dr Hywel Ceri Jones, CMG (appointed 1 September 2014)

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

Baroness Kay Andrews, OBE (appointed 1 December 2014)

Keshav Singhal FRCS, M.Ch.

Victoria Provis MBA

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

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

* 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 (resigned 19 May 2015)

Adrian Piper

Rheon Tomos (appointed 24 October 2014)

BOARD OF NATIONAL MUSEUMS & GALLERIES OF WALES ENTERPRISES LTD

(From 1 April 2014 onwards)

Gareth Williams (Chairman) (completed term of office 31 May 2014)

Chris Jackson (Chairman from 1 June 2014)

Christina Macaulay

Richard Gloster

Richard Nash (appointed 24 June 2014)

David Anderson

Mark Richards

Karen James-Watkins

Neil Wicks (Company Secretary)

DIRECTORATE

(From 1 April 2014 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

David Anderson

Janice Lane

Mark Richards

Peter Wakelin (resigned 10 January 2015)

Neil Wicks

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, while safeguarding the public funds and assets for which the Accounting Officer is personally responsible in accordance with the responsibilities assigned in Managing Welsh Public Money.

2. The Purpose of the Governance Framework

The governance framework, incorporating the system of internal control, is designed to manage risk to a reasonable level, rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The governance framework is based on an ongoing process designed to identify and prioritize the risks to the achievement of our policies, aims and objectives, to evaluate the likelihood of those risks being realized and the impact should they be realized, and to manage them efficiently, effectively and economically. The governance framework has been in place for the year ended 31 March 2015, 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 2015. 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)

2014/15 has been the final year of our ten-year Vision of creating a 'world-class museum of learning'. Through this Vision our focus has been on the ten key objectives, listed below, which 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.

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.

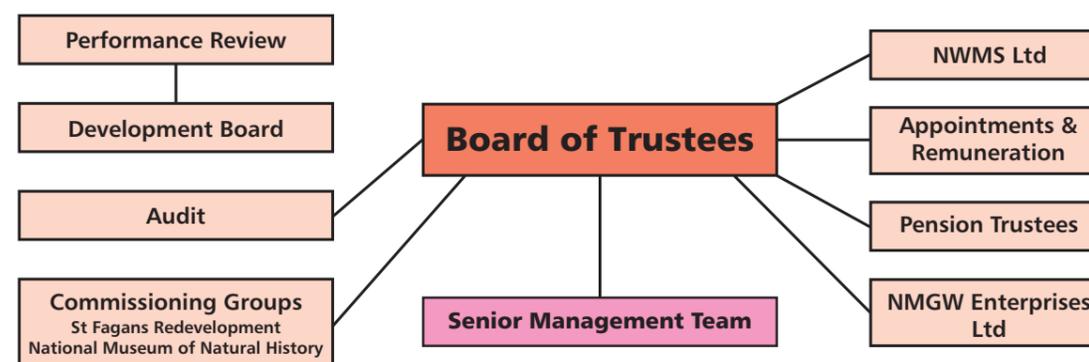
A schedule of Board of Trustee members throughout the year and up until the date of this report, including retirements and new appointments, is included within the Financial Report. The schedule also indicates which Trustees are members of the Performance Review Committee and Audit Committee. The record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

Trustee	Date of Board of Trustees meeting 2014-15							No of meetings	Attendance %
	09 06 14 electronic	19 06 2014	11 09 2014	24 10 14 electronic	11 12 2014	20 01 15 electronic	12 03 2015		
Elisabeth Elias	✓	✓	✓	✓	✓	✓	✓	7	100%
J. Peter W. Morgan	✓	✓	✓	✓	Retired 30 11 14			4	100%
Dr Haydn Edwards	✓	✓	✓	✓	✓	NA	✓	6	100%
Carole-Anne Davies	✓	✗	✓	✓	✓	✓	✓	7	86%
Christina Macaulay	✓	✓	✓	✓	✓	✓	✓	7	100%
Emeritus Prof. Richard Gareth Wyn Jones	✓	✓	✓	✓	✓	NA	✓	6	100%
Miriam Hazel Griffiths	✓	✓	✓	✓	✓	NA	✓	6	100%
Prof. Jonathan Osmond	✗	✗	Deceased 21 06 14					2	0%
David Vokes	✓	✗	✗	✓	Deceased 30 11 14			4	50%
Prof. Tony Atkins	✓	✓	✓	✓	✗	✓	✓	7	86%
Victoria Mary Provis	✓	✓	✓	✓	✓	NA	✓	6	100%
Keshav Singhal	✓	✓	✗	✓	✓	✓	✗	7	71%
Robert Pickard	✓	✓	✓	✗	✓	✓	✓	7	86%
Glenda Jones	✓	✓	✓	✓	✓	✓	✓	7	100%
Laurie Pavelin	✓ 1st meeting	✓	✓	✓	✓	✓	✓	7	100%
Carol Bell	✓ 1st meeting	✗	✓	✓	✗	✓	✗	7	57%
Hywel Ceri Jones			✗ 1st meeting	✓	✓	NA	✓	4	75%
Kay Andrews			✓ Trustee elect	NA	✗ 1st meeting	NA	✓	2	50%

It is with great sadness that we report the deaths of Professor Jonathan Osmond in June 2014 and David Vokes in November 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. A long-standing supporter of Amgueddfa Cymru, David had been a Trustee since April 2010 and was a member of the Performance Review Committee. Their contributions 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.

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



The Trustees also appoint the Board of NMGW Enterprises Ltd, the subsidiary company directing Amgueddfa Cymru’s trading activities and, in addition to Trustee Directors, other non-executive Directors with specific relevant commercial experience are appointed. A schedule of those Board Members is included within the Financial Report.

Day-to-day operational issues are led and managed by the Directorate, the details of which are also included in this report. All members of the Directorate are appointed through open competition and employed under the standard Terms and Conditions of Employment, applicable to all staff, with the exception of the Director General whose terms of appointment are agreed with the Welsh Government.

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

Amgueddfa Cymru supports Lord Nolan’s seven principles for public life, 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, the Welsh language, equalities and information management. The Financial Regulations, policies and procedures are available to all staff on 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 & Corruption
- HR policies regarding disciplinary of staff involved in such incidents.

Under the Fraud & Corruption Policy, directors and line managers are responsible for ensuring that an adequate system of internal control exists 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 2014/15 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 meetings are held in public and minutes are published on our website to ensure transparency.

3.4.1 Risk Management

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

The Risk Management Policy sets out the framework and roles and responsibilities in managing risk together with guidance on risk identification, assessment, monitoring and control. The Policy was established with 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 may also be requested to consider specific potential risks identified by the Board of Trustees and the Performance Review and Audit Committees. Furthermore, the Performance Review and Audit Committees review the Strategic Risk Register amendments and issues discussed at the Group's quarterly meetings, together with mitigating actions undertaken against the highest rated risks.

Membership of the Risk Management Group includes the Head of Internal Audit, which aids access to

issues of concern in other bodies. The Internal Auditor's programme of work specifically cross-references to the risks identified and is also informed by the Directorate and Audit Committee.

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.

3.4.2 Information Security

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

- 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.

There were no 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. Both strategies will be reviewed and updated.

In 2014/15 the Audit Committee received an internal audit report on Marketing & External Communication which focused on use of on-line communication and social media. The controls and processes in place were found to be suitable and adequate.

The Audit Committee receive an annual report in respect of compliance with the Freedom of Information and Data Protection Acts. There were no issues of non-compliance to report in 2014/15.

We are currently piloting an Electronic Document and Records Management System for Corporate, Finance and IT documents. The project objectives include:

- defining a standard information architecture to maintain necessary security while opening up our data to all members of staff and user communities;
- providing a simple, rapid and authoritative response to Freedom of Information and Data Protection Act access enquiries.

3.5 Developing the Capacity and Capability of Trustees and Officers to be Effective

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

Each Board member meets with the President as part of a bi-annual review process, and the President then presents a report to the Board of Trustees.

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 the Welsh Government
- regular management review.

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

We operate a programme of public engagement and consultation in accordance with the Royal Charter. 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.

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, the Audit Committee and directors, and plans to address issues and ensure continuous improvement of the system are 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, were also introduced.

The findings from the evaluation process conducted at the end of 2013/14 were generally very positive, as they were for 2012/13. Issues raised included Amgueddfa Cymru'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.

During 2014/15 the Board decided that, going forward, the evaluation process would be completed on a biannual basis, with the next evaluation due at the end of 2015/16.

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 2015, 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 with 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 towards the end of 2013/14, continued. Staff were engaged with this process through focus groups and briefings. The new Vision was agreed by the Board in March 2015 and will be published in its final form in 2015/16.

The challenge is to deliver our Vision in the 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
- further review our structures to support delivery of the new Vision
- review front-of-house operations
- seek to improve income generation
- review delegation arrangements
- implement the Human Resources Strategy
- implement the Action Plan arising from the Staff Survey conducted in 2014/15
- develop and implement the Training and Development Strategy
- review the Job Evaluation Scheme and Performance & Development Review process
- implement a new Finance Accounting system, complete implementation of new Human Resources system, and complete the pilot phase of the new Electronic Document Management System
- propose new Pension Scheme arrangements
- implement changes to the Severance Scheme.

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

6. Certification of Annual Governance Statement

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

David Anderson
Accounting Officer and Director General
Approved and signed on 16 July 2015

Laurie Pavelin
Treasurer, on behalf of the Board of Trustees
Approved and signed on 16 July 2015

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 2015 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 2015 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 Annual Governance Statement does not reflect compliance with HM Treasury guidance
- proper accounting records have not been kept
- information specified by HM Treasury regarding the remuneration and other transactions is not disclosed, or
- I have not received all of the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

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

21 July 2015

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31 MARCH 2015

	Public funds		Private Funds		2014/15	2013/14
	Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000	Total £'000	Total £'000
Notes						
INCOMING RESOURCES						
Income Resources for Generating Funds:						
Voluntary Income						
Grants	2	3,826	23,801	0	0	27,627
Donations & Bequests	3	95	0	2,892	265	3,252
		3,921	23,801	2,892	265	30,879
Activities for Generating Funds						
Income from Trading Subsidiary	4	0	2,923	0	0	2,923
Investment Income		0	0	45	5	50
Total Income Resources for Generating Funds		3,921	26,724	2,937	270	33,852
Other Income	5	0	1,433	5	1	1,439
TOTAL INCOMING RESOURCES		3,921	28,157	2,942	271	35,291
RESOURCES EXPENDED						
6&7						
Costs of Generating Funds:						
Costs of Generating Voluntary Income		0	499	4	63	566
Costs of Trading Subsidiary	4	0	2,402	0	0	2,402
		0	2,901	4	63	2,968
Costs of Charitable Activities:						
Learning, Exhibitions & Digital Media		659	3,580	100	0	4,339
Collections & Research		3,622	6,166	185	2	9,975
Museum Operations		3,263	13,274	5	2	16,544
		7,544	23,020	290	4	30,858
Governance Costs		0	500	0	0	500
Pension Finance Costs	17e	0	454	0	0	454
TOTAL RESOURCES EXPENDED		7,544	26,875	294	67	34,780
SHARE OF JOINT VENTURE	8	(79)	0	0	0	(79)
NET (OUTGOING)/INCOMING RESOURCES FOR THE FINANCIAL YEAR		(3,702)	1,282	2,648	204	432
Unrealised Gains on revaluation of fixed assets intended for Charity Use	9	5,238	13	72	21	5,344
Realised/Unrealised Gains on market valuation of investments	11	0	0	103	23	126
Actuarial Gains/(Losses) on defined benefit pension scheme	17d	0	144	0	0	144
NET MOVEMENT IN FUNDS DURING THE FINANCIAL YEAR		1,536	1,439	2,823	248	6,046
FUND BALANCES B/FWD AT 1 APRIL 2014	18	108,210	(26,161)	7,682	1,234	90,965
FUND BALANCES C/FWD AT 31 MARCH 2015	18	109,746	(24,722)	10,505	1,482	90,965

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 2014/15 was £6,010,000 (an increase of £3,685,000 in 2013/14).

The notes on pages 32 to 51 form part of these accounts.

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2015

	Notes	Amgueddfa Cymru		Consolidated	
		2015 £'000	2014 £'000	2015 £'000	2014 £'000
FIXED ASSETS					
Tangible Assets	9	82,239	81,591	82,283	81,600
Heritage Assets	10	21,520	20,145	21,520	20,145
Share of Joint Venture:	8				
Share of gross assets		9,530	9,599	9,530	9,599
Share of gross liabilities		(12)	(2)	(12)	(2)
		<u>9,518</u>	<u>9,597</u>	<u>9,518</u>	<u>9,597</u>
Investments	11	<u>2,661</u>	<u>2,533</u>	<u>2,661</u>	<u>2,533</u>
		<u>115,938</u>	<u>113,866</u>	<u>115,982</u>	<u>113,875</u>
CURRENT ASSETS					
Stock	12	31	37	412	416
Debtors due within one year	13	6,060	4,939	4,925	4,151
Investments	21	1,512	506	1,512	506
Cash at bank and in hand	23	<u>6,132</u>	<u>4,136</u>	<u>7,126</u>	<u>4,793</u>
		<u>13,735</u>	<u>9,618</u>	<u>13,975</u>	<u>9,866</u>
CURRENT LIABILITIES					
Creditors due within one year	14	(1,835)	(1,688)	(2,020)	(1,882)
NET CURRENT ASSETS		<u>11,900</u>	<u>7,930</u>	<u>11,955</u>	<u>7,984</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>127,838</u>	<u>121,796</u>	<u>127,937</u>	<u>121,859</u>
CREDITORS					
Amounts falling due after one year	15	(65)	(108)	(65)	(108)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY		<u>127,773</u>	<u>121,688</u>	<u>127,872</u>	<u>121,751</u>
Defined benefit pension scheme deficit	17a	(30,861)	(30,786)	(30,861)	(30,786)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY		<u>96,912</u>	<u>90,902</u>	<u>97,011</u>	<u>90,965</u>
FUNDS	18				
Public Funds Restricted		109,746	108,210	109,746	108,210
Public Funds Unrestricted		6,040	4,562	6,139	4,625
Pension Reserve		(30,861)	(30,786)	(30,861)	(30,786)
Total Public Funds Unrestricted		<u>(24,821)</u>	<u>(26,224)</u>	<u>(24,722)</u>	<u>(26,161)</u>
Private Funds Restricted		10,505	7,682	10,505	7,682
Private Funds Unrestricted		1,482	1,234	1,482	1,234
		<u>96,912</u>	<u>90,902</u>	<u>97,011</u>	<u>90,965</u>

Signed on behalf of the Trustees by

David Anderson
Accounting Officer and Director General
Approved and signed on 16 July 2015

Laurie Pavelin
Treasurer, on behalf of the Board of Trustees
Approved and signed on 16 July 2015

The notes on pages 32 to 51 form part of these accounts.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	Notes	Amgueddfa Cymru		Consolidated	
		2014/15 £'000	2013/14 £'000	2014/15 £'000	2013/14 £'000
Net Cash Inflow from Operating Activities	19	5,203	3,182	5,582	3,021
Capital Expenditure and Financial Investment	20	(2,158)	(2,178)	(2,200)	(2,184)
Management of Liquid Resources	21	(1,006)	(3)	(1,006)	(3)
Financing	22	(43)	(44)	(43)	(44)
Increase in Cash	23	<u>1,996</u>	<u>957</u>	<u>2,333</u>	<u>790</u>

The notes on pages 32 to 51 form part of these accounts.

Notes to the Accounts for the Year Ended 31 March 2015

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 2015 have been approved and received an unqualified audit opinion. A copy of the accounts can be obtained from our Principal Office at National Museum Cardiff, Cathays Park, Cardiff CF10 3NP.

1.3 Subsidiary Undertakings

We operate a wholly owned trading subsidiary, NMGW Enterprises Ltd. 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 2015 were approved on 7 July 2015 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 unspent non-Grant-in-Aid grant income being deferred to the following year. Income for services performed is credited when the service is provided. Donations and bequests are accounted for when 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 & Digital Media, Collections & 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 & PR is allocated per percentage time, Finance is allocated per total income and total expenditure, ICT is allocated per number of computer users and Human Resources is allocated per number of full-time equivalent employees.

1.6 Tangible Fixed Assets

All items of a capital nature costing in excess of £10,000 are capitalised. Items of a capital nature costing less than £10,000 are not capitalised and are written off in-year. Previous to 1 April 2014, items of a capital nature costing in excess of £5,000 were capitalised. As the cumulative effect of this change on the Accounts is not material, no adjustment has been made to prior years to reflect the change in capitalisation threshold.

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, or of £10,000 or greater from 1 April 2014, have been capitalised at historic cost/valuation. In accordance with Treasury accounts direction, assets acquired before 1 April 2001 have not been capitalised and in the opinion of the Trustees the considerable cost of valuation of the large collection of heritage assets (approx. 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 been taken and which is being carried forward to the following year.

1.13 Research and Development

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

1.14 Taxation

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

1.15 Pensions

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

1.16 Contingent Assets and Liabilities

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

2. Grants Receivable

	Public Restricted £'000	Public Unrestricted £'000	2014/15 £'000	2013/14 £'000
Revenue Grant in Aid	0	22,997	22,997	22,436
Specimen Purchase Grant in Aid	538	0	538	538
Capital Grant in Aid	2,444	0	2,444	3,005
Other government grant	844	804	1,648	2,132
	3,826	23,801	27,627	28,111

We received total Grant-in-Aid from the Welsh Government of £25,979,000 (£25,979,000 in 2013/14) which comprises the Revenue, Specimen Purchase and Capital Grant-in-Aid.

Other government grant included: Heritage Lottery Fund grant of £1,159,000 (£1,350,000 in 2013/14), European Union grant of £6,000 (£8,000 in 2013/14), Arts Council of Wales grant of £12,000 (£nil in 2013/14), Cardiff Council grant of £4,000 (£nil in 2013/14) and Welsh Government grant of £467,000 (£774,000 in 2013/14).

3. Donations & Bequests

	Public Funds		Private Funds		2014/15 £'000	2013/14 £'000
	Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000		
Donated Assets	0	0	1,240	0	1,240	1,264
Other donations	95	0	1,652	265	2,012	1,621
	95	0	2,892	265	3,252	2,885

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.

	2014/15 £'000	2013/14 £'000
Turnover	2,744	2,647
Cost of sales	(2,049)	(2,013)
Gross Profit	695	634
Administrative expenses	(345)	(291)
Other operating income	179	210
Profit on ordinary activities before interest	529	553
Interest payable	(8)	(8)
Profit on ordinary activities before taxation	521	545
Tax on profit on ordinary activities	0	0
Profit for the financial year	521	545
Gift aid payable to Amgueddfa Cymru	(485)	(540)
Retained profit for the financial year	36	5

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		2014/15 £'000	2013/14 £'000
	Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000		
Learning, Exhibitions & Digital Media	0	116	0	0	116	141
Collections and Research	0	277	0	0	277	387
Museum Operations	0	990	0	0	990	834
Support	0	50	5	1	56	86
	0	1,433	5	1	1,439	1,448

6. Total Resources Expended

(a) Amgueddfa Cymru

	Direct Costs £'000	Depre- ciation £'000	Impairment of fixed asset £'000	Support Costs				2014/15 £'000	2013/14 £'000
				Marketing, Press & PR £'000	Finance £'000	ICT £'000	Human Resources £'000		
Costs of Generating Funds									
Cost of Generating Voluntary Income	499	0	0	17	10	24	16	566	551
	499	0	0	17	10	24	16	566	551
Costs of Charitable Activities									
Learning & Programmes	3,479	105	527	58	34	81	55	4,339	3,230
Collections & Research	6,436	495	2,478	145	84	201	136	9,975	9,232
Museum Operations	12,728	521	2,609	216	126	300	203	16,703	14,106
	22,643	1,121	5,614	419	244	582	394	31,017	26,568
Governance Costs									
External and Internal Audit	55	0	0	0	0	0	0	55	54
Strategic & Corporate Planning	120	0	0	0	0	0	0	120	167
Finance & Other costs	189	0	0	0	0	0	0	189	114
Support	0	0	0	35	20	48	33	136	140
	364	0	0	35	20	48	33	500	475
Pension Finance Costs	454	0	0	0	0	0	0	454	500
Total Resources Expended	23,960	1,121	5,614	471	274	654	443	32,537	28,094

(b) Consolidated

	Direct Costs £'000	Depre- ciation £'000	Impairment of fixed asset £'000	Support Costs				2014/15 £'000	2013/14 £'000
				Marketing, Press & PR £'000	Finance £'000	ICT £'000	Human Resources £'000		
Costs of Generating Funds									
Cost of Generating Voluntary Income	499	0	0	17	10	24	16	566	551
Cost of Trading Subsidiary	2,395	7	0	0	0	0	0	2,402	2,312
	2,894	7		17	10	24	16	2,968	2,863
Costs of Charitable Activities									
Learning & Programmes	3,479	105	527	58	34	81	55	4,339	3,230
Collections & Research	6,436	495	2,478	145	84	201	136	9,975	9,232
Museum Operations	12,569	521	2,609	216	126	300	203	16,544	13,946
	22,484	1,121	5,614	419	244	582	394	30,858	26,408
Governance Costs									
External and Internal Audit	55	0	0	0	0	0	0	55	54
Strategic & Corporate Planning	120	0	0	0	0	0	0	120	167
Finance & Other costs	189	0	0	0	0	0	0	189	114
Support	0	0	0	35	20	48	33	136	140
	364	0	0	35	20	48	33	500	475
Pension Finance Costs	454	0	0	0	0	0	0	454	500
Total Resources Expended	26,196	1,128	5,614	471	274	654	443	34,780	30,246

The amount of £40,165 (£40,165 in 2013/14) is included in resources expended for external auditors' remuneration, £39,565 (£39,565 in 2013/14) for the audit fee and £600 (£600 in 2013/14) for other work. This includes £4,325 (£4,325 in 2013/14) for the trading subsidiary audit fee and £600 (£600 in 2013/14) for other work for the trading subsidiary.

The amount of £6,000 (£13,000 in 2013/14) is included in resources expended in respect of EU grant related expenditure.

57.7% of total resources expended during the year were on staff costs (70.4% in 2013/14). If the one-off impairment of fixed assets regarding the St Fagans redevelopment project, included in the table above, is excluded staff costs would be 68.8% of total resources expended, a slight reduction on the previous year.

7. Staff Costs

(a) Staff Costs during the year:

	Consolidated	
	2014/15 £ '000	2013/14 £ '000
Salaries & Wages	15,153	15,624
Social Security Costs	1,066	1,134
FRS17 Pension Service Costs (note 17e)	2,824	3,108
Severance Costs	566	939
	19,609	20,805
FRS17 Pension Finance Costs (note 17e)	454	500
	20,063	21,305

Included within the staff costs are £1,101,000 (£1,070,000 in 2013/14) relating to the trading subsidiary.

We undertook a Voluntary Redundancy Scheme, enhancing statutory payments by a factor of 4, which was taken up by 14 employees in 2014/15, incurring costs of £566,000 (£939,000 in 2013/14). Strain costs to our pension scheme amounted to £62,000 (£838,000 in 2013/14) and have been factored into the actuarial valuation disclosed in Note 17.

Included within operating costs is an amount of £9,000 (£29,000 in 2013/14) for agency staff.

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

	Permanent Staff	Other Staff	2014/15	2013/14
			Number	Number
Trading Subsidiary	36	3	39	38
Fundraising	6	1	7	6
Learning, Exhibitions & Digital Media	44	7	51	51
Collections & Research	101	7	108	116
Museum Operations	254	34	288	293
Support	53	6	59	63
	494	58	552	567

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

Single Total Figure of Remuneration	Salary band	Bonus band	Benefits in kind	Pension benefits	Total band
	2014/15 (2013/14) £'000	2014/15 (2013/14) £'000	2014/15 (2013/14) £'000	2014/15 (2013/14) £'000	2014/15 (2013/14) £'000
David Anderson Director General	95-100 (95-100)	- (5-10)	- -	20 (19)	115-120 (125-130)
Mark Richards Director of Operations & Deputy Director General	80-85 (80-85)	- -	- -	15 (6)	95-100 (85-90)
John Williams-Davies Director of Collections and Research	- (55-60)	- -	- -	- (-5)	- (50-55)
Neil Wicks Director of Finance & Corporate Resources	70-75 (70-75)	- -	- -	15 (6)	85-90 (75-80)
Janice Lane Director of Learning, Exhibitions & Digital Media	70-75 (70-75)	- -	- -	38 (25)	110-115 (95-100)
Peter Wakelin Director of Collections & Research	75-80 (15-20)	- -	- -	15 (3)	90-95 (20-25)

The directors were employed for the whole of 2013/14 and 2014/15, except as follows:

- 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, and left office on 10 January 2015. 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 and for 2014/15 was between £75,000 and £80,000.

The emoluments of the Director General consisted of a basic salary of £100,000 (£100,000 in 2013/14) plus a non-consolidated bonus based on performance of £nil (£8,500 in 2013/14). In June 2015 the Remuneration Committee agreed a bonus for the Director General of £8,500 for 2014/15, however the Director General had given up his rights to this bonus prior to 31 March 2015. The bonus for 2013/14 was gift aided back to Amgueddfa Cymru.

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 430, 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 15 and related lump sum £	CETV at 31 March 15 £'000	CETV at 31 March 14 £'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	5-10,000 plus 15,000-20,000 lump sum	134	89	36
Mark Richards Director of Operations & Deputy Director General	0-2,500 plus 2,500-5,000 lump sum	15,000-20,000 plus 45,000-50,000 lump sum	415	328	79
Neil Wicks Director of Finance & Corporate Resources	0-2,500 plus 2,500-5,000 lump sum	25,000-30,000 plus 75,000-80,000 lump sum	459	343	109
Janice Lane Director of Learning, Exhibitions & Digital Media	0-2,500 plus 5,000-7,500 lump sum	20,000-25,000 plus 60,000-65,000 lump sum	365	258	100
Peter Wakelin Director of Collections & Research	0-2,500 plus 2,500-5,000 lump sum	0-5,000 plus 0-5,000 lump sum	21	3	11

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 (one in 2013/14) whose emoluments were between £70,001 and £79,999. There were seven employees (seven in 2013/14) 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 Director General, who is the highest-paid director in 2014/15 was £95,000-£100,000 (2013/14 £105,000-£110,000). This was 4.1 times (2013/14 4.5 times) the median remuneration of the workforce, which was £23,723 (2013/14, £23,699). No employees received remuneration in excess of the Director General in 2014/15 or 2013/14. 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.

	2014/15	2013/14
Band of Highest Paid Individual's Remuneration	95,000-100,000	105,000-110,000
Median Total	£23,723	23,699
Ratio	4.1	4.5

(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 £14,000 (£9,000 in 2013/14). A total of 19 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 collections 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	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Voluntary Income: Contributions	5	5	2	2
Investment income	0	0	0	0
Other incoming resources	0	0	0	0
Total incoming resources	5	5	2	2
Charitable activity expenditure	157	157	79	79
Governance costs	5	5	2	2
Total resources expended	162	162	81	81
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	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Fixed Assets	19,037	19,194	9,518	9,597
Current Assets	23	3	12	2
Liabilities due within one year	(23)	(3)	(12)	(2)
Liabilities due after more than one year	(46)	(47)	0	0
Net Assets	18,991	19,147	9,518	9,597
Funds				
General Fund (unrestricted)	18,989	19,144	9,517	9,595
Restricted Fund	2	3	1	2
	18,991	19,147	9,518	9,597

9. Tangible Fixed Assets

(a) Amgueddfa Cymru

	Freehold Land £'000	Freehold Buildings £'000	Leasehold Properties £'000	Plant & Vehicles £'000	Fixtures, Fittings & Equipment £'000	Total £'000
Cost or Valuation						
At 1 April 2014	1,883	20,460	60,468	1,065	2,315	86,191
Additions in Year	0	1,616	21	57	346	2,040
Impairment	0	(5,848)	0	0	0	(5,848)
Revaluation	133	1,141	4,282	0	0	5,556
At 31 March 2015	2,016	17,369	64,771	1,122	2,661	87,939
Depreciation						
At 1 April 2014	0	1,051	1,410	613	1,526	4,600
Charge for the Year	0	309	470	49	293	1,121
Impairment	0	(234)	0	0	0	(234)
Revaluation	0	80	133	0	0	213
At 31 March 2015	0	1,206	2,013	662	1,819	5,700
Net Book Value						
At 1 April 2014	1,883	19,409	59,058	452	789	81,591
At 31 March 2015	2,016	16,163	62,758	460	842	82,239

(b) Consolidated

	Freehold Land £'000	Freehold Buildings £'000	Leasehold Properties £'000	Plant & Vehicles £'000	Fixtures, Fittings & Equipment £'000	Total £'000
Cost or Valuation						
At 1 April 2014	1,883	20,460	60,468	1,065	2,364	86,240
Additions in Year	0	1,616	21	57	388	2,082
Impairment	0	(5,848)	0	0	0	(5,848)
Revaluation	133	1,141	4,282	0	0	5,556
At 31 March 2015	2,016	17,369	64,771	1,122	2,752	88,030
Depreciation						
At 1 April 2014	0	1,051	1,410	613	1,566	4,640
Charge for the Year	0	309	470	49	300	1,128
Impairment	0	(234)	0	0	0	(234)
Revaluation	0	80	133	0	0	213
At 31 March 2015	0	1,206	2,013	662	1,866	5,747
Net Book Value						
At 1 April 2014	1,883	19,409	59,058	452	798	81,600
At 31 March 2015	2,016	16,163	62,758	460	886	82,283

Our land and buildings were professionally valued on 31 March 2011 by M. A. Lawley of Cooke & 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, estimated by Cooke & Arkwright Chartered Surveyors. The estimated index value was 257 in March 2015 (240 in March 2014).

The impairment reflects the demolition of part of the main building at St Fagans National History Museum as planned under the redevelopment project.

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

	2014/15 £'000	2013/14 £'000
Collection management costs		
Conservation	996	368
Collections Information	241	121
Collection Services	145	171
Collection Centre	43	130
	1,425	790

These costs are recognised in the Statement of Financial Activities. The increase in costs compared with 2013/14 is due to staff posts being transferred to the Conservation and Collections Information departments from other departments as part of the restructuring process.

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

	Art £'000	Historic Buildings £'000	Other £'000	Total £'000
Donated Assets	6,407	160	144	6,711
Purchased Assets	8,126	5,619	1,064	14,809
Total at 31 March 2015	14,533	5,779	1,208	21,520

(i) Heritage Assets donated during the year

	Art £'000	Historic Buildings £'000	Other £'000	Total £'000
<i>Portrait of Captain John Jones</i> – Guan Zoulin	50	-	-	50
<i>View of St Helen's House, Swansea</i> – British School	20	-	-	20
<i>Liverpool Docks</i> – The Boyle Family	130	-	-	130
<i>Tree on Primrose Hill</i> – Frank Auerbach	1,008	-	-	1,008
<i>Untitled (Triptych)</i> – Dan Rees (Part donated)	32	-	-	32
Total Additions in Year	1,240	0	0	1,240
Total at 1 April 2014	5,167	160	144	5,471
Total at 31 March 2015	6,407	160	144	6,711

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>Swansea Creamware Tea Canister</i> – George Ridgway	10	-	-	10
<i>Mountain Landscape</i> – Alfred William Hunt	70	-	-	70
<i>Untitled (Triptych)</i> – Dan Rees (Part donated)	38	-	-	38
<i>Ten Commandment Pots</i> – Nicholas Pope	17	-	-	17
Total Additions in Year	135	0	0	135
Total at 1 April 2014	7,991	5,619	1,064	14,674
Total at 31 March 2015	8,126	5,619	1,064	14,809

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:

	2014/15 £'000	2013/14 £'000	2012/13 £'000	2011/12 £'000	2010/11 £'000
Art	71	25	43	47	105
Natural Science	33	71	93	79	68
Industry	2	2	0	8	5
Conservation	7	7	14	9	10
Library	88	78	103	131	142
History	266	112	171	144	155
	467	295	424	418	485

Expenditure includes acquisitions valued at less than £10,000 (acquisitions valued at less than £5,000 prior to 2014/15), fieldwork, collections refurbishment and renovation.

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

Number of items held:

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

Archaeology & Numismatics	1,270,630
Art	44,107
Biodiversity	2,450,892
Geology	419,878
Industry	282,422
National Wool Museum	12,000
Library	261,762
Social and Cultural History	394,893
Total	5,136,584

(i) Archaeology & Numismatics: the Department holds a collection of 786,077 items at National Museum Cardiff, as well as 484,553 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: the Biodiversity & Systematic Biology (BioSyb) Department, an amalgamation of the former Botany and Zoology departments, holds a collection of 2,450,892 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 419,878 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 282,422 objects in its collections. These are in the National Slate Museum, Big Pit, the National Waterfront Museum and in the National 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 261,762 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 394,893 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 reconstructed 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	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
At 1 April 2014	2,533	2,388	2,533	2,388
Additions to investments at cost	225	495	225	495
Disposals at market value	(223)	(478)	(223)	(478)
Net Gain on Revaluation	126	128	126	128
Market Value at 31 March 2015	2,661	2,533	2,661	2,533

Of total investments of £2,661,000, £2,215,000 (£2,110,000 at 31 March 2014) was held in Restricted Private Funds and £446,000 (£423,000 at 31 March 2014) in Unrestricted Private Funds.

The historic cost of investments at 31 March 2015 was £2,068,000 (£1,933,000 at 31 March 2014). 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 (bequeathed to us) listed on the London Stock Exchange.

The investments were held in the following asset classes:

	Amgueddfa Cymru		Consolidated	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
UK Listed Investments	1,584	1,547	1,584	1,547
Non UK Listed Investments	1,004	895	1,004	895
Cash & Cash Deposits	73	91	73	91
	2,661	2,533	2,661	2,533

12. Stock

	Amgueddfa Cymru		Consolidated	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Shop Goods for Sale	0	0	381	379
Publications stock held separately	31	37	31	37
	31	37	412	416

13. Debtors

	Amgueddfa Cymru		Consolidated	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Trade Debtors	83	270	207	378
Amount due from trading subsidiary	993	546	0	0
Loan due from trading subsidiary	301	301	0	0
Other Debtors	2,567	1,579	2,567	1,489
Prepayments	2,116	2,243	2,151	2,284
	6,060	4,939	4,925	4,151
Balances with:				
Central government bodies	2,495	1,554	2,495	1,464
NHS bodies	0	0	1	4
Local authorities	16	160	17	162
Sub total intra government balances	2,511	1,714	2,513	1,630
Bodies external to government	3,549	3,225	2,412	2,521
Total	6,060	4,939	4,925	4,151

Included within Prepayments is a payment of advance contributions to our pension scheme of £1,963,000 at 31 March 2015 (£2,082,000 at 31 March 2014).

14. Creditors: Amounts falling due within one year

	Amgueddfa Cymru		Consolidated	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Loans	43	43	43	43
Trade Creditors	281	367	353	480
Accruals	1,511	1,278	1,624	1,359
	1,835	1,688	2,020	1,882
Balances with:				
Central government bodies	233	295	233	295
Local authorities	0	2	0	2
Sub total intra government balances	233	297	233	297
Bodies external to government	1,602	1,391	1,787	1,585
Total	1,835	1,688	2,020	1,882

15. Creditors: Amounts falling due within one year

	Amgueddfa Cymru		Consolidated	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Loans	65	108	65	108

A total loan of £108,000 is outstanding from the Carbon Trust, repayable at £43,000 a year. £43,000 is due within 1 year, and the remaining £65,000 is due within 5 years.

16. Operating Lease Commitments

	Amgueddfa Cymru		Consolidated	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Expiring: Between one and five years	0	0	2	10

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 2015 by a qualified independent actuary using guidelines issued by HM Treasury.

The actuarial valuation at 31 March 2015 showed an increase in the deficit from £30,786,000 to £30,861,000. Our contribution to the scheme in the year to 31 March 2015 amounted to £2,940,000 (£3,005,000 to 31 March 2014) 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 £119,000 (£1,119,000 in 2013/14).

We expect to contribute £2,984,000 to the Scheme in 2015/16.

(a) Amounts in the balance sheet:

	2015 £'000	2014 £'000
Fair value of assets	111,525	97,850
Defined benefit obligation	(142,386)	(128,636)
(Deficit)	(30,861)	(30,786)

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

	2015 £'000	2014 £'000
Opening fair value of assets	97,850	89,594
Expected return	5,069	4,117
Employer's contributions	3,059	4,124
Members' contributions	1,261	1,288
Actuarial experience gains	8,951	3,206
Benefits paid	(4,665)	(4,479)
Closing fair value of assets	111,525	97,850

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

	2015 £'000	2014 £'000
Opening defined benefit obligation	128,636	112,733
Current service cost	2,762	2,270
Curtailment	62	838
Members' contributions	1,261	1,288
Interest cost	5,523	4,617
Actuarial losses	8,807	11,369
Benefits paid	(4,665)	(4,479)
Closing defined benefit obligation	142,386	128,636

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

	2015 £'000	2014 £'000
Actuarial experience gains/(losses) – fair value of assets (note 17b)	8,951	3,206
Actuarial gains/(losses) – present value of obligations (note 17c)	(8,807)	(11,369)
Actuarial gains/(losses)	144	(8,163)

(e) Amounts charged to resources expended:

	2015		2014	
	£'000	£'000	£'000	£'000
Current service cost	2,762		2,270	
Curtailment	62		838	
		2,824		3,108
Expected return on assets	(5,069)		(4,117)	
Interest cost	5,523		4,617	
		454		500
Total charge to resources expended		3,278		3,608

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:

	2015	2014
Equities	59.80%	61.00%
Index Linked Gilts	15.40%	14.50%
Corporate bonds	10.90%	10.80%
Others	13.90%	13.70%

(g) Principal actuarial assumptions:

	2015	2014
Discount rate	3.55%	4.35%
Inflation – RPI	3.20%	3.50%
Inflation – CPI	2.20%	2.50%
Salary growth	4.20%	4.50%
Pension increases in payment – pre 2000	3.20%	3.50%
Pension increases in payment – post 2000	2.20%	2.50%
Pension increases in deferment	2.20%	2.50%
Expected return on assets	4.00%	5.20%
Assumes life expectancy currently age 65		
Male	87.1	87.1
Female	89.1	89.4
Assumes life expectancy currently age 45		
Male	88.4	88.4
Female	90.6	90.9

The expected rate of return utilised on assets of 4.0% is derived from the weighted expected return on each of the major categories of asset. In particular:

- The expected annual return on fixed interest and index linked gilts has been taken to be 2.2%, which is equal to the annualized yield on the FTSE 20 year gilts index at 31 March 2015.
- The expected annual return on corporate bonds has been taken to be 3.55%, which is equal to the discount rate.

- The expected return on equities has been taken to be 4.45% pa. This has been derived as 2.25% above the expected return on gilts.
- The expected return on property has been taken to be 4.45%, the same as the expected return on equities.

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

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Fair value of assets	111,525	97,850	89,594	77,660	74,549
Defined benefit obligation	(142,386)	(128,636)	(112,733)	(92,591)	(87,875)
Deficit	(30,861)	(30,786)	(23,139)	(14,931)	(13,326)
Experience adjustments on assets	8,951	3,206	6,515	(2,208)	1,224
Experience adjustments on obligations	(76)	0	0	0	0

18. Statement of Funds

(a) Movement in Funds

	1 April 2014 £'000	Incoming Resources £'000	Resources Expended £'000	Other Movements in Year £'000	31 March 2015 £'000
Public Funds					
Restricted – Capital	94,900	3,228	(6,971)	5,142	96,299
Restricted – Specimen	13,310	693	(573)	17	13,447
Total Restricted	108,210	3,921	(7,544)	5,159	109,746
Unrestricted	4,625	28,157	(26,656)	13	6,139
Pension Reserve	(30,786)	0	(219)	144	(30,861)
Total Unrestricted	(26,161)	28,157	(26,875)	157	(24,722)
Total Public Funds	82,049	32,078	(34,419)	5,316	85,024
Private Funds					
Restricted	7,682	2,942	(294)	175	10,505
Unrestricted	1,234	271	(67)	44	1,482
Total Private Funds	8,916	3,213	(361)	219	11,987
Total	90,965	35,291	(34,780)	5,535	97,011

Unrestricted Public Funds recorded in our own non-consolidated accounts at 31 March 2015 were £6,040,000 with £99,000 attributable to NMGW Enterprises Ltd.

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

(b) Analysis of Net Assets Between Funds

	Public Funds		Private Funds		2015 £'000
	Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000	
Fixed Assets	106,746	801	7,676	759	115,982
Current Assets	3,150	7,273	2,829	723	13,975
Current Liabilities	(150)	(1,870)	0	0	(2,020)
Long term Liabilities	0	(65)	0	0	(65)
Net Assets (before pension liabilities)	109,746	6,139	10,505	1,482	127,872
Pension Liabilities	0	(30,861)	0	0	(30,861)
Net Assets (after pension liabilities)	109,746	(24,722)	10,505	1,482	97,011

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

	Amgueddfa Cymru		Consolidated	
	2014/15 £'000	2013/14 £'000	2014/15 £'000	2013/14 £'000
Net incoming resources for the financial year	396	5,026	432	5,031
Share of Joint Venture	79	79	79	79
Donated Assets	(1,240)	(1,264)	(1,240)	(1,264)
Depreciation	1,121	1,158	1,128	1,162
Impairment of Fixed Asset	5,614	0	5,614	0
Decrease in Stocks	6	22	4	6
(Increase) in Debtors	(1,121)	(890)	(774)	(1,095)
Increase/(Decrease) in Creditors	129	(433)	120	(382)
FRS17 current year pension costs	219	(516)	219	(516)
Net Cash Inflow from Operating Activities	5,203	3,182	5,582	3,021

20. Capital Expenditure and Financial Investment

	Amgueddfa Cymru		Consolidated	
	2014/15 £'000	2013/14 £'000	2014/15 £'000	2013/14 £'000
Payments to Acquire Tangible Fixed Assets	(2,156)	(2,161)	(2,199)	(2,167)
Payments to Acquire Investments	(2)	(17)	(2)	(17)
	(2,158)	(2,178)	(2,201)	(2,184)

21. Management of Liquid Resources

	Amgueddfa Cymru		Consolidated	
	2014/15 £'000	2013/14 £'000	2014/15 £'000	2013/14 £'000
Investments at 1 April 2014	506	503	506	503
Increase in short term investments	1,006	3	1,006	3
Investments at 31 March 2015	1,512	506	1,512	506

22. Financing

	Amgueddfa Cymru		Consolidated	
	2014/15 £'000	2013/14 £'000	2014/15 £'000	2013/14 £'000
Loans outstanding at 1 April 2014	151	195	151	195
Loan repayments	(43)	(44)	(43)	(44)
Loans outstanding at 31 March 2015	108	151	108	151

23. Movements in Cash

	Amgueddfa Cymru		Consolidated	
	2014/15 £'000	2013/14 £'000	2014/15 £'000	2013/14 £'000
Net Cash at 1 April 2014	4,136	3,179	4,793	4,003
Net Cash Inflow	1,996	957	2,333	790
Net Cash at 31 March 2015	6,132	4,136	7,126	4,793

24. Capital Commitments

	2015 £'000	2014 £'000
At the balance sheet date there were capital commitments of	1,285	1,363

Major commitments as at 31 March 2015 and 31 March 2014 related to the St Fagans redevelopment project.

25. Contingent Liabilities and Guarantees

As at 31 March 2015 there existed two claims against us for which there is no insurance cover, in respect of personal injury allegedly occurring at our museums. The maximum potential liability remains unknown. We continue to resist liability in these cases.

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

26. Related Party Transactions

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 2. We incurred expenditure with the Welsh Government of £7,025. We also received £33,877 in relation to service activities from the Welsh Government and £31,224 income from the National Assembly of Wales.

We made the following payments to other related parties in 2014/15:

- £38,391 to our solicitors, Geldards LLP. Huw Williams, an Independent Member of the Audit Committee, is a member and Vice-Chairman of Geldards LLP.
- £24,808 to Cardiff University. Dr Carol Bell, Trustee, is a member of the Council of Cardiff University. We also received income of £5,760 from Cardiff University during the year.
- £13,439 to the Museums Association. David Anderson, Director General, is a Board member of the Association.

- £8,675 to the Wales Millennium Centre. Dr Carol Bell, Trustee, is a Board member of the Wales Millennium Centre.
- £1,000 to Creative & Cultural Skills. 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, Laurie Pavelin, Treasurer, Gareth Williams, Trustee and Glenda Jones, Trustee, served as directors of NWMS Ltd referred to in Note 8 of the Accounts. None of the directors receive remuneration from this company.

27. Post Balance Sheet Events

The Accounting Officer authorised these financial statements for issue on 16 July 2015. There were no other post balance sheet events.

