

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 2015/16

National
Waterfront
Museum

WALES' STORY OF
INDUSTRY & INNOVATION



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

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
+ 44 (0) 29 2057 3651

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Cathays Park, Cardiff. CF10 3NP
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FINANCIAL REPORT OF THE BOARD OF TRUSTEES OF THE NATIONAL MUSEUM OF WALES

SECTION 1: PERFORMANCE

Section 1.1 Overview of Performance

Achievements during the year

The seven national museums in Wales welcomed over 1.67 million visits in 2015/16. This was a slight decrease from the previous year, reflecting industrial action and the ongoing St Fagans National History Museum redevelopment project. However National Museum Cardiff achieved a record 491,880 visitors.

2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
1,656,340	1,690,026	1,745,315	1,629,196	1,685,954	1,674,807

The free entry policy was introduced by the Welsh Government in 2001/02 – a pioneering move to promote access for all to Wales's culture and history that nearly doubled visitor figures to national museums in Wales.

With support from the Welsh Government we recently completed an important piece of research to evaluate the Pioneer Area Programme pilot year. The Pioneer Area Programme is a key element of the Fusion: Tackling Poverty Through Culture initiative, which is taking forward recommendations from Baroness Andrews' report to the Welsh Government: *Culture and Poverty: Harnessing the power of the arts, culture and heritage to promote social justice in Wales*. We have also been a key cultural partner working with all Pioneer Areas, connecting communities with our museums. This has supported our work in increasing the number of visitors to our museums from the C2, D and E socio-economic groups.

Despite limited resources, we continue to offer new experiences for visitors. To celebrate Year of Adventure 2016 in Wales, National Museum Cardiff is currently hosting extraordinary gems from popular culture including the hat, whip and jacket of Indiana Jones, crystal skulls and Inca gold alongside early finds such as Egyptian mummies.

Work continues 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, and it is generating interest on an international level. 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

	2015/16 £	2014/15 £
Total income	37,212,000	35,291,000
Total expenditure	(20,421,000)	(35,679,000)
Other movements	(77,000)	47,000
Consolidated net incoming resources	16,714,000	(341,000)
Net increase in funds (after all realised and unrealised gains and losses)	16,881,000	6,046,000
Total fund balances held in unrestricted and restricted public and private reserves at year end	113,892,000	97,011,000
Fund balances held for unrestricted public purposes at year end	7,378,000	6,139,000
Unrestricted public fund balances represented by net current assets at year end	6,605,000	5,403,000

Despite reductions in revenue grant-in-aid, overall income increased in 2015/16 due to funding from the HLF and Welsh Government for the redevelopment of St Fagans. Otherwise, the significant change in the net increase in funds compared with the previous year is explained by a £10m change in the actuarial calculation of the Financial Report Standard 102 (FRS102) Pension Service Costs (note 8 to the accounts).

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 £419,000 for the 2015/16 financial year (£521,000 in 2014/15).

Total Funds at 31 March 2016 were £113,892,000; an analysis is provided within note 19 to the accounts. Unrestricted Public Funds represented by net current assets were £6,605,000, of which approximately £5,000,000 has been allocated to various plans and future commitments including forecast budget deficits over the coming three years due to reductions in grant-in-aid, one-off costs of achieving recurring savings on staff costs in order to balance the budget, and our agreed contributions from reserves to the redevelopment of St Fagans.

Aims and Objectives

During 2015/16 we began to implement our new Vision – to be an organization that is **Inspiring people, changing lives**. This Vision reflects an aspiration to root our work in Welsh cultural and intellectual traditions and to develop a new paradigm for national museums across the world.

Our priorities, expressed as Commitments, were informed by consultation with the public in Wales, as well as our Board of Trustees, members of staff and volunteers together with public and third sector partners.

Our Commitments are in five key areas:

- **Making a difference to Wales**
Changing Lives, by working with local and national organizations to create a happier, healthier and more sustainable Wales, with access to culture for all and a thriving economy.
- **The museum experience**
Visitors experience high quality museums, exhibitions and public spaces for enjoyment and learning.
- **The digital experience**
Users experience a connected and accessible digital museum for engagement, creativity and learning.
- **Learning and creativity**
Everyone has a wealth of opportunity to learn, research and create.
- **Participation and inclusion**
Individuals, families and communities, throughout Wales and beyond, shape and take part in inclusive and accessible cross-cultural activities for all.

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 (WGGSB).

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 the collections for the benefit of society in perpetuity. The Charter (1907, revised 1991 and 2006) states that this is to be achieved:

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

We continued to implement our Consultation Scheme and Policy which was updated in 2014/15 and which set out the values, principles and key participatory techniques in relation to our main consultative activities.

Amgueddfa Cymru's locations

During 2015/16 we directly operated seven museums across Wales:

National Museum Cardiff, Cathays Park, Cardiff

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

St Fagans National History Museum, St Fagans, Cardiff

One of Europe's leading open-air museums, St Fagans is part of our group of five social and industrial history museums. Visitors can explore and enjoy over 2,000 years of history in over forty re-erected period buildings that have been collected from all over Wales.

Big Pit National Coal Museum, Blaenafon, Torfaen

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

The National Roman Legion Museum, Caerleon, Newport

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

The National Slate Museum, Llanberis, Gwynedd

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

The National Wool Museum, Dre-fach Felindre, Carmarthenshire

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

The National Waterfront Museum, Maritime Quarter, Swansea

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

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

Section 1.2 Performance Analysis

Performance Indicators

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

During 2014/15 we introduced an evaluation framework that embraced both of these approaches and was reflective of the new Vision. The performance measures within this framework and the targets we set for 2016/17 onwards, a period in which there will be ongoing and significant financial restrictions, will continue to focus on consolidating our achievements to date while also looking to ensure better outcomes for the people of Wales through the delivery of our new long-term Vision.

The out-turns for our key performance indicators during 2015/16 are shown in the following table:

Vision Map Key Objective (Perspective)	Quantitative Indicator	2014/15 out-turn	Annual Target	2015/2016 out-turn
Making a difference to Wales	Number of visits	1,685,954	1,590,000	1,674,807
Digital experience	Number of website visits	1,380,122*	1,500,000	1,490,487
Learning and creativity	Number of formal education visits	205,055	205,000	189,971
	Number of informal education visits	305,187	230,000	394,701
Public programmes	Attendance at temporary exhibitions	New Indicators	New Indicators	290,000
Financial performance and governance	Net research and charging income	£150,505	£210,000	£210,000
	Profit returned from commercial trading company	£521,228	£430,014	£419,258

* new method of reporting introduced to eliminate automated hits

As reported earlier, the total number of visits made to our museums during 2015/16 was 1,674,807 (1,685,954 in 2014/15), against a target of 1,590,000. The number of visits to our website during the same period was 1,490,487 (1,380,122 in 2014/15). The figure performed well against the target for the year of 1,500,000.

Our work on serving the formal education sector continues to attract significant numbers of visits with 189,971 formal education visits (205,055 in 2014/15). The number of informal education visits, which encompasses the number of 'added-value' learning visits to our sites and the number of participants on off-site learning activities, was 394,701 (305,187 in 2014/15), well exceeding the target of 230,000.

We met our net research and charging income target for 2015/16, which was a significant increase on the previous year. Profit from our trading company was just short of target. Both targets have been increased for 2016/17.

Capital Investment

To underpin the delivery of the Vision, a programme of capital works continues, with the capital planning programme focusing on the redevelopment of St Fagans National History Museum, including ongoing construction of the new main building and car park.

Other projects within the Capital Plan progressed during the year included electrical rewiring at National Museum Cardiff and St Fagans, roof repairs at National Museum Cardiff and maintenance improvements at Big Pit.

Working in Partnership

In 2015/16 we continued to work with partners throughout Wales and beyond to show the national collections in a variety of venues including museums, galleries, visitor centres and heritage sites, and to share skills and expertise across the sector.

Our relationship with Pembrokeshire Coast National Park Authority at Oriel y Parc has continued to develop. Two successful exhibitions were shown during the year, and a third high-profile one opened in March 2016. *Alfred Russel Wallace: the Forgotten Evolutionist?* (March–November 2015) featured the ground-breaking work of a remarkable Welshman, who discovered the process of evolution by natural selection alongside Charles Darwin. *Clare Woods: A Tree A Rock A Cloud* (December 2015–March 2016) was developed in partnership with Oriel Davies, Newtown and independent curator Mandy Fowler and toured to Oriel Plas Glyn-y-Weddw, Llanbedrog (September–November 2015) before its showing at Oriel y Parc. From March to September 2016 one of the greatest masterpieces of British art, John Constable's *Salisbury Cathedral from the Meadows* (1831), was on display as part of a UK-wide tour of galleries and museums developed by the Tate-led Aspire consortium, of which we are a member.

A grant from the Cyfoeth Cymru Gyfan – Sharing Treasures scheme funded by the Welsh Government has enabled Oriel Plas Glyn-y-Weddw to achieve the standards required to show works from our collection for the first time. The exhibition *John Piper: The Mountains of Wales* (October–December 2015) featured the collection of large drawings and paintings of Snowdonia purchased by us in 2014 with the assistance of the HLF and others. Funding from the HLF also enabled us to run a year-long project to broaden engagement with the Piper collection through the appointment of a dedicated Learning Trainee. The learning programme at Oriel Plas Glyn-y-Weddw included activities for families and local primary schools. The exhibition moved to Oriel Ynys Môn, Llangefni (February–June 2016).

We have continued to work closely with Wrexham County Borough Museum in the delivery of their exhibition programme. The exhibition *Real and Imagined: Castles in the Welsh Landscape*, featuring loans from us and the National Library of Wales, closed in July 2015 and was succeeded by *Working for Victory: Wales & the First World War* (July 2015–January 2016), supported by loans from our history and archaeology collections. In January 2016 *Swamp Land: Brymbo 300 Million Years Ago* opened, a major exhibition developed jointly with us and dedicated to telling the story of the Brymbo Fossil Forest, which was discovered in 2004 at the Brymbo steelworks site.

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* concluded at Princeton University Art Museum, its fourth and final venue, on 24 April 2016. As well as further collaboration with the AFA, we are actively investigating a potential tour to Japan, and venues in Australia have expressed an interest in working with us.

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 Purchase Grant has declined significantly in recent years but we continued to use it

during 2015/16 to lever in additional funding and received generous help from long-term supporters, especially the Derek Williams Trust, the Art Fund, the Colwinston Charitable Trust, the HLF and private donors. The Specimen Purchase Grant has now been removed and the budget sits with the Welsh Government from April 2016; we will bid for this so we can continue to leverage additional funding for maintaining and adding to the collections.

Significant purchases in 2015/16 included several art works, archaeological finds and many natural science specimens including the *Dracoraptor hanigani*, the oldest Jurassic dinosaur ever found in the UK, generously donated by the collectors Nick and Rob Hanigan.

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.

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 approximately 200,000 school children and students annually to our museums. We received over 300,000 informal learners to our sites in 2015/16, and also engaged 40,000 people in off-site learning opportunities. The equivalent of 640,000 visitors a year come in family groups – making us one of Wales's biggest providers for informal family learning and experiences.

We continue to develop our reputation for being the centre of expertise in Wales in participation and inclusion in the field of arts, culture and heritage. In March 2016 we successfully completed the Our Museum initiative, funded by the Paul Hamlyn Foundation, with events across Wales and publications online.

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 worked closely with the Welsh Government to publish the Pioneer Area Programme Pilot Year Evaluation Final Report.

During 2015/16 we completed the redesign of our website with enhanced content, new curatorial articles and new collections. This provides a more user-focused and accessible experience, which was enjoyed by nearly 1.5 million website visitors over the year. We have also seen a 70% growth in our social media platforms since 2014. Our in-house Twitter campaign #welshdino, seen by 2.2 million people worldwide, was awarded Best Arts, Culture or Sport Campaign at the CIPR Awards.

More information and examples of our work can be found in our 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 2015/16 we delivered fifty-three exhibitions across 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 from 2014 to 2018. Details of other highlights from the 2015/16 temporary exhibition programme can be found in our Annual Review, which will be available later in the year.

Fundraising

2015/16 was another successful year for fundraising, with donations and bequests income received of £1,411,000 and a further £299,000 pledged. Donations of £479,000 in the form of heritage assets were also received.

The emphasis has been on continuing the fundraising campaign for the redevelopment of St Fagans. At an original target of £2.8m (in addition to the £12m funding from the HLF) this is the largest such campaign we have undertaken. At the start of the financial year, £2.1m had already been raised and a further £0.6m has been raised in 2015/16. We are now focused on implementing a revised strategy to raise additional funds for the project.

New fundraising for St Fagans included £125,000 from the People's Postcode Trust and £10,000 from the Simon Gibson Charitable Trust. Grant payments pledged in the previous year from the Foyle Foundation, Lafarge Aggregates Ltd Landfill Communities Fund and the Armed Forces Community Covenant Grant Scheme were drawn down, plus pledge payments from individual members of the St Fagans Gift Circle and the final of three instalments from Elior.

A legacy of £83,000 was received in support of the National Waterfront Museum, and a legacy of £82,000 was received via the Friends of Amgueddfa Cymru in support of our work in general.

At 31 March 2016 membership of the Patrons scheme stood at 155, the largest ever, contributing over £30,000.

Support for other projects and programmes included a grant of £125,000 from the Heritage Lottery Fund Wales in support of Saving Treasures, Telling Stories, a grant of £9,000 from Arts and Business Cymru in support of an intern in the Development Department, grants from the Linbury Trust, the Headingly Trust, the Clothworkers Foundation, Zabudowicz Arts Projects and the Jenour Foundation, and sponsorship from SRK Consulting, Geldards LLP and Amirisur Resources plc. The People's Postcode Trust continued their significant support with a grant of £125,000, in addition to their support for the St Fagans redevelopment.

Generous support continues from the Colwinston Charitable Trust towards the National Museum of Art's contemporary art programme, the Derek Williams Trust and the Art Fund 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 initiative, the Edina Trust and the Henry Moore Foundation.

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

Volunteers

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, including the redevelopment of St Fagans and sponsorship of the organ recitals at National Museum Cardiff

Our Volunteer Co-ordinator worked with colleagues to enhance opportunities for volunteering. As a result, we received over 24,000 hours of input from volunteers during 2015/16 (a significant increase from 9,238 hours in 2014/15). This includes contributions towards behind the scenes curatorial and preventative conservation work, art tours, learning activities for the public and helping to maintain our gardens and farm. We are greatly indebted to our volunteers 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 2015/16, there was a decrease in overall emissions by 8.1%, with both gas and electricity consumption being reduced. Overall waste decreased by 6.4%. This included a significant decrease in landfill waste – 21.0% - following a small increase in 2014/15. Water consumption decreased by 0.9% in 2015/16.

The tables on pages 10 and 11 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		2015/16	2014/15	2013/14	2012/13	2011/12
Non-financial indicators (tCO ₂)	Scope 1 (Direct) Emissions – gas	1,440	1,500	1,600	1,763	1,430
	Scope 2 (In-direct) Emissions – purchased electricity	2,749	3,047	3,464	3,732	3,903
	Scope 3 (Business travel) Emissions	24	37	45	36	36
	Total	4,213	4,584	5,109	5,531	5,369
Related Energy Consumption (kWh'000)	Gas	7,783	8,086	8,673	9,540	7,732
	Electricity	5,538	5,716	6,404	7,109	7,434
	Total	13,321	13,802	15,077	16,649	15,166
Financial indicators (£)	Gas	174,564	192,203	268,211	296,370	216,011
	Electricity	517,647	571,349	587,226	644,728	617,046
	CRC administration fee	1,290	1,290	1,290	1,290	1,290
	Official Business Travel	183,978	200,089	198,233	175,775	166,418
	Total	877,479	964,931	1,054,960	1,118,163	1,000,765

Targets and Performance

Our Environmental Statement sets a target to reduce CO₂ produced by energy and transportation usage by 2% per annum. In 2015/16 there was a decrease of 8.1%. The decrease since 2011/12 is 21.5%.

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 2015/16 car hire CO₂ fell by 35% following a decrease of 17.7% in the previous year, due to a combination of fewer miles and more cars using diesel rather than petrol.

Waste		2015/16	2014/15	2013/14	2012/13	2011/12
Non-financial indicators (tonnes)	Hazardous waste	0.2	1.2	0.0	0.6	0.4
	Non-hazardous waste:					
	– Landfill	646.7	818.2	783.0	697.7	907.9
	– Reused/Recycled	1,953.6	1,968.8	2,099.2	1,629.1	1,239.5
	– Incinerated	28.1	19.7	24.7	3.2	3.2
	Total waste	2,628.5	2,807.8	2,906.9	2,330.6	2,151
Financial indicators (£)	Total disposal cost	38,912	28,943	37,268	29,981	25,159

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 decreases in total waste of 6.4% in 2015/16 and 3.4% in 2014/15 follow an increase of 24.7% which was due to building works at St Fagans. The building works remain a significant cause of waste. Landfill waste has fallen by 21.0% in 2015/16 and is 28.7% lower than in 2011/12.

Finite Resource Consumption		2015/16	2014/15	2013/14	2012/13	2011/12
Non-financial indicators ('000m ³)	Total Water consumption	20,584	20,768	26,434	20,875	31,929
Financial indicators (£)	Total Water supply costs	64,923	79,437	74,915	71,774	93,128

Targets and Performance

Our Energy Policy sets a target to reduce water consumption by 5% per annum. In 2015/16 there has been a small reduction of 0.9% in water consumption, following a significant decrease in the previous years as leaks at St Fagans and Big Pit, which had resulted in a large increase in 2013/14, had been rectified.

Water consumption has fallen overall by 35.5% since 2011/12.

Future Strategy

In 2016/17 we will build on progress in reducing greenhouse gas emissions, waste and water consumption. The Sustainable Development Forum has agreed a target of a 1% reduction in energy usage at all sites in 2016/17, compared with 2015/16 usage. Plans include completing works started at the end of 2015/16 on further upgrades of lighting systems in galleries at National Museum Cardiff, funded by an Invest-to-Save loan from the Welsh Government.

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.

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 professionally revalued at 31 March 2016 at £87,715,000. This represented a decrease in net book value of those property assets by £3,255,000, of which £1,385,000 was offset against unrealised revaluation gains recognised since the previous valuation (1 April 2011) and £1,870,000 was written off as an impairment to expenditure on charitable activities.

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 11 to the accounts.

Our interest in the property at the National Waterfront Museum is reflected by our 50% share in the joint venture company with the City & County of Swansea. Details of the joint venture interest are shown in note 9 to the accounts. The professional revaluation of the property results in an increase in our share of the value of £84,000 compared to the net book value at 31 March 2015.

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 2015/16 was six calendar days (seven days in 2014/15), which includes 98% (by number) of invoices settled within 30 days (97% in 2014/15). There were no payments of interest under the Late Payment of Commercial Debts (Interest) Act 1998 (£Nil in 2014/15).

Policy on Reserves

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

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 2015/16 limited cash reserves to 2% of grant-in-aid, with exemptions from any limit in respect of the Specimen Purchase Grant and self-generated income. Further general and specific exemptions may be available upon application in respect of the National Waterfront Museum (to reflect the joint funding arrangement with the City & County of Swansea) and capital projects that straddle the financial year-end.

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

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

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

Total Funds at 31 March 2016 were £113,892,000; analysis is provided within note 19 to the accounts. Net current assets were £10,549,000, including public funds of £6,605,000, of which approximately £5,000,000 has been allocated to various plans and future commitments including forecast budget deficits over the coming three years due to reductions in grant-in-aid, one-off costs of achieving ongoing savings on staff costs in order to balance the budget, and our agreed contributions from reserves to the redevelopment of St Fagans.

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 fell during the year from £2,569,000 to £2,495,000. This was in line with overall markets, and followed gains of more than £450,000 over the previous 3 years.

We also hold, from bequests, an equity investment in eleven blue chip companies. The value of this portfolio fell during the year from £92,000 to £85,000.

The total value of investments held at 31 March 2016 was therefore £2,580,000.

Pension Liability

We operate a defined benefit Pension Scheme that is available to all permanent employees. The Scheme is underpinned by a Crown Guarantee. In common with the vast majority of such schemes, recent annual valuations included on the balance sheet have shown a deficit of Scheme assets when compared to Scheme liabilities. Turbulence in the equity markets, allied to growing liabilities under the Scheme, due to many factors including increased longevity of the members, has seen many such Schemes come under pressure, with many closing in recent years.

The valuation shown on this year's balance sheet, as calculated under FRS102, shows a decrease in the deficit from £30.861m to £19.949m. While the value of the Scheme's assets has decreased slightly from £111.5m to £108.8m, the Scheme's obligations have also decreased. Further details of how pension costs are accounted for are contained in the accounting policies note to the accounts, and the disclosure requirements contained in FRS102 are shown within note 18 to the accounts.

The most recent triennial actuarial valuation of the scheme, to 31 March 2015, was agreed by Amgueddfa Cymru and the Scheme Trustees in May 2016, as was the associated recovery plan to remove the Scheme deficit. The plan will remove the deficit over a period of four years, and reflects changes to the benefit structure of the Scheme that we implemented from 1 April 2016 following detailed consultation with the membership and the Scheme Trustees. These changes followed a review of the Scheme required by the Welsh Government and HM Treasury, the key change being that future benefit accrual will now be based on career average revalued earnings rather than final salary for both new and existing members.

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. These advance contributions have been reversed in full over 2014/15 and 2015/16, so the balance at 31 March 2016 is nil.

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 delivery is steered, by the Mainstreaming Action Group. Membership of this group is drawn from across the organization. The Plan is approved and monitored by the Performance Review Committee.

The Plan focuses on two key areas: improving Welsh-language provision in our public programming, and supporting staff in improving their Welsh-language skills. The Plan, and accompanying Annual Monitoring Report, is submitted to the Welsh Language Commissioner in July.

During 2015/16 we continued to develop our programme of Welsh-language events and activities, and built on our programme of activities to support our growing community of Welsh learners. We received no formal complaints from visitors about our Welsh-language provision or any breaches of our Welsh Language Scheme.

Additionally, we continued with preparations for implementation of the new Welsh Language Standards. Having responded fully to the Welsh Language Commissioner's Standards Investigation between November 2014 and February 2015, we had already identified areas where we could improve our work, what we could do in preparation for the Standards and what impact this new legislation will have on our work and resources. The main impact is because the Welsh Language (Wales) Measure 2011, unlike previous Welsh-language legislation, covers how we operate internally as an organization as well as our public provision.

At the end of March 2016 we received our draft Compliance Notice from the Commissioner – the document that sets out which Standards the Commissioner has determined we should comply with, and by when.

David Anderson
Accounting Officer and Director General
Approved and signed on 14 July 2016

Laurie Pavelin
Treasurer, on behalf of the Board of Trustees
Approved and signed on 14 July 2016

SECTION 2: ACCOUNTABILITY

Section 2.1: Corporate Governance Report

2.1.1 Directors' Report

BOARD OF TRUSTEES (From 1 April 2015 onwards)

President

Elisabeth Elias, MA, DL *#

Vice President

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

Treasurer

Laurie Pavelin, CBE, FCA * #

Appointed by the Welsh Government

Carole-Anne Davies, BA (Hons), P.G. Dip. LCW Open, FRSA # (completed term of office 31 October 2015)

Miriam Hazel Griffiths, MA # (completed term of office 31 October 2015)

Prof. R. Gareth Wyn Jones, D.Phil., D.Sc., FSB, FRSC, FLSW # (completed term of office 31 October 2015)

Christina Macaulay, MA (Hons) (completed term of office 31 October 2015)

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

Dr Carol Bell # (also Vice President Elect, to take effect from 1 October 2016)

Carys Howell (appointed 1 January 2016)

Jessica Seaton (appointed 1 January 2016)

Rachel Hughes, MBA FInstLM # (appointed 1 January 2016)

Appointed by the National Museum of Wales

Dr Hywel Ceri Jones, CMG

Baroness Kay Andrews, OBE #

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

Eurfyl ap Gwilym (Chairman)

Huw Williams (resigned 19 May 2015)

Adrian Piper

Rheon Tomos

Michael Prior (appointed 5 October 2015)

DIRECTORATE (From 1 April 2014 onwards)

Director General

David Anderson

Director of Learning, Exhibitions & Digital Media

Janice Lane

Director of Operations and Deputy Director General

Mark Richards (retired 31 March 2016)

Director of Finance & Corporate Resources

Neil Wicks

Acting Director of Collections & Research

Neil Wicks

Acting Director of Operations

Stephanos Mistoris (appointed 14 December 2015)

Details of transactions with related parties involving Directors or Trustees, including donations from Trustees, are disclosed in note 27 to the Accounts.

BOARD OF NMGW ENTERPRISES LTD. (From 1 April 2015 onwards)

Chris Jackson (Chairman)

Christina Macaulay (resigned 3 November 2015)

Richard Gloster

Richard Nash

David Anderson

Mark Richards (resigned 18 December 2015)

Karen James-Watkins

Neil Wicks (appointed 10 May 2016)

Jessica Seaton (appointed 10 May 2016)

Yvonne Ruelle (Company Secretary, appointed 10 May 2016)

The Format of the Accounts

The accounts are prepared under Section 9(4) of the Museums & Galleries Act 1992 in a form directed by the Welsh Government with the approval of the Treasury. A copy of the Accounts Direction is available on application to the Director of Finance & Corporate Resources. The accounts are compliant with the requirements of the Charities Statement of Recommended Practice (FRS102).

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

Auditor

The accounts are audited by the Auditor General for Wales in accordance with Section 9 (8) of the Museums & Galleries Act 1992. Details of auditors' remuneration for the year ending 31 March 2016 are contained in note 7 to the accounts.

Principal Office

The principal office for the National Museum of Wales is National Museum Cardiff, Cathays Park, Cardiff CF10 3NP.

Principal Advisers

Bankers:	Lloyds Bank PLC, Cardiff
Solicitors:	Geldards LLP, Cardiff
Internal Auditors:	RSM Assurance Services LLP, Cardiff
Investment Managers:	Barclays, Cardiff
Taxation:	Deloitte & Touche LLP, Cardiff
Pension Fund Administrators:	BBS Consultants and Actuaries Ltd, Bristol

2.1.2 Statement of the Board of Trustees and Director General's Responsibilities

Under section 9(4) of the Museums & Galleries Act 1992, the Board of Trustees of the National Museum of Wales is required to prepare a statement of accounts for each financial year in the form and on the basis determined by the Welsh Government, with the consent of the Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Amgueddfa Cymru and of its net incoming resources, realised and unrealised gains and losses and cash flows for the financial year.

In preparing the accounts, the Trustees and the Director General are required to comply with the requirements of Charities Statement of Recommended Practice FRS102 and the Government Financial Reporting Manual and in particular to:

- observe the accounts direction issued by the Welsh Ministers including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts
- prepare the accounts on the going concern basis.

The Principal Accounting Officer for the Welsh Government has designated the Director General as the Accounting Officer for the National Museum of Wales. The Director General's relevant responsibilities as Accounting Officer, including responsibility for the propriety and regularity of the public finances for which he is answerable, for keeping of proper records, for safeguarding Amgueddfa Cymru's assets, and for the

preparation of annual report and accounts that are fair, balanced and understandable, are set out in the Accounting Officers' Memorandum issued by the Treasury.

Statement of Disclosure of Information to Auditors

So far as the Director General and the Treasurer, on behalf of the Board of Trustees, are aware, there is no relevant audit information of which Amgueddfa Cymru's auditors are unaware, and they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that Amgueddfa Cymru's auditors are aware of that information.

2.1.3 Annual Governance Statement

1. Scope of Responsibility

The Accounting Officer and Trustees have responsibility for maintaining a sound governance framework and system of internal control that support the achievement of the Amgueddfa Cymru policies, aims and Vision, as set by the Board of Trustees, while safeguarding the public funds and assets for which the Accounting Officer is personally responsible in accordance with the responsibilities assigned in Managing Welsh Public Money.

2. The Purpose of the Governance Framework

The governance framework, incorporating the system of internal control, is designed to manage risk to a reasonable level, rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The governance framework is based on an ongoing process designed to identify and prioritize the risks to the achievement of our policies, aims and objectives, to evaluate the likelihood of those risks being realized and the impact should they be realized, and to manage them efficiently, effectively and economically. The governance framework has been in place for the year ended 31 March 2016, 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 whistleblowing 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 2016. 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)

2015/16 has been the first year of our ten-year Vision of 'inspiring people, changing lives'. Through this Vision our purpose is to: *Inspire people through our museums and collections to find a sense of well-being and identity, to discover, enjoy and learn bilingually, and to understand Wales's place in the wider world.*

Our performance against the objectives is monitored through a series of qualitative and quantitative indicators, using the Vision metrics framework. The Operational Plan 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 Vision metrics are 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.

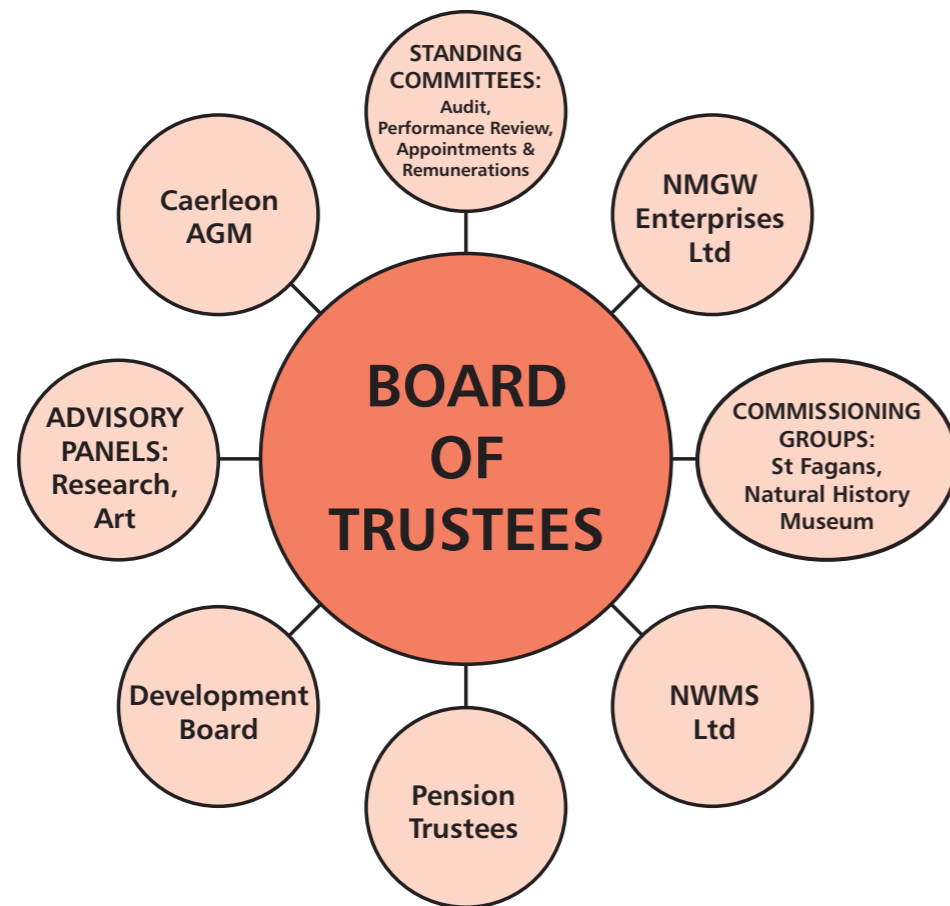
Members of the Board of Trustees of the Charity are appointed by the Welsh Government and Amgueddfa Cymru, in numbers set out within the supplemental Royal Charter and in accordance with the principles of open selection as recommended by the Nolan Review. An Appointments sub-committee assists and advises 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 Directors' Report at section 2.1.1 of the Financial Report. The schedule also indicates which Trustees are members of the Performance Review Committee and Audit Committee. The record of attendance at Board of Trustees meetings is shown opposite. Satisfactory explanations of all absences were received.

Trustee	Date of Board of Trustees meeting 2015-16					No of meetings	Attendance %
	18 06 15	24 09 15	17 12 15	17 03 16	22 03 16 electronic		
Elisabeth Elias	✓	✓	✓	✓	✓	5/5	100%
Dr Haydn Ellis Edwards	✓	✓	✓	✓	✓	5/5	100%
Laurie Pavelin	✓	✓	✓	✓	✓	5/5	100%
Carole-Anne Davies	✓	✓	Retired 31 10 15			2/2	100%
Christina Macaulay	✗	✓	Retired 31 10 15			1/2	50%
Prof. R. Gareth Wyn Jones	✗	✓	Retired 31 10 15			1/2	50%
Miriam Hazel Griffiths	✓	✓	Retired 31 10 15			2/2	100%
Prof. Tony Atkins	✓	✓	✓	✗	✓	4/5	80%
Victoria Provis	✓	✓	✓	✓	✓	5/5	100%
Keshav Singhal	✓	✓	✓	✗	✓	4/5	80%
Prof. Robert Pickard	✓	✓	✓	✗	NA	3/4	75%
Dr Glenda Jones	✓	✓	✓	✓	NA	4/4	100%
Dr Carol Bell	✗	✓	✓	✓	✓	4/5	80%
Dr Hywel Ceri Jones	✓	✓	✓	✓	✓	5/5	100%
Baroness Kay Andrews	✓	✓	✓	✗	✓	4/5	80%
Jessica Seaton				✓ 1st meeting	✓	2/2	100%
Carys Howell				✓ 1st meeting	✓	2/2	100%
Rachel Hughes				✓ 1st meeting	✓	2/2	100%

The Board of Trustees delegates some authority to various sub-committees, principally the Performance Review Committee, which has a broad remit to monitor operational issues, and the Audit Committee, which has an independent chair plus four 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 Limited, the subsidiary company directing our trading activities. In addition to Trustee directors, other non-executive directors with specific relevant experience are appointed. A schedule of those Board Members is included within the Directors' Report at section 2.1.1 of the Financial Report.

Day-to-day operational issues are led and managed by the Senior Management Team, comprising the Directors, the details of whom are also included in this report. All Directors are 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

We support Lord Nolan's seven principles for public life, and endorse the Museums Association Code of Ethics and strives to ensure that all employees and Trustees apply to these principles. All Trustees are expected to comply fully with our Code of Conduct, approved by the Board of Trustees.

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

We encourage volunteers, work experience, placements and apprenticeships. All volunteers undergo 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 disciplining of staff involved in such incidents.

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

No matters were raised during the year under our Whistleblowing Policy. Our policies on Whistleblowing and Fraud & Corruption were reviewed and approved by the Audit Committee in May 2016, in line with the normal three-year review cycle.

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 2015/16 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 Child Protection Policy, 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 assistance from the Internal Auditors, with particular reference to HM Treasury's Orange Book on risk management and the Welsh Government's manual on risk management – Risk Essentials.

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; this 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 reductions in grant-in-aid and the erosion of existing funding in real terms, which is being mitigated by a new £3.5m savings and income generation 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.

Our current Knowledge & Information Management Strategy and ICT Strategy were approved in 2012/13. In 2015/16 we started developing a Digital Governance Framework to manage digital developments and information. Once this is completed we will update our Knowledge & Information Management Strategy and Digital (formerly ICT) Strategy to reflect the Framework.

There were no information security breaches during the year and no personal data related incidents formally reported to the Information Commissioner's Office.

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 2015/16.

In 2015/16 the Audit Committee received an internal audit report on the Electronic Document and Records Management System (EDRMS) pilot for Corporate, Finance and IT documents. The pilot 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.

The internal audit found that there are arrangements in place to monitor progress being made by the pilot, and noted that the Project Task Group has identified a need for reviewing information governance policies and procedures, once the EDRMS pilot is completed.

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 biannual 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 Welsh Public Money. It includes:

- forecasting and monitoring budgets, with regular financial reports highlighting actual and forecast expenditure against budget
- clearly defined capital expenditure plans
- formal project management disciplines
- regular consultation and involvement of Internal Audit throughout the development of, or changes to systems
- close liaison with external auditors
- seeking specialist advice where considered appropriate
- regular reporting to the Board of Trustees, sub-committees and the Welsh Government
- regular management review.

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

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

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 target audiences. 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 range of publications, policies and procedures, in addition to Board minutes and financial statements, on our website.

4. Review of Effectiveness

The Director General, as the Accounting Officer, has responsibility for reviewing the effectiveness of the governance framework, including the system of internal control and whistleblowing arrangements. The review of the effectiveness of the governance framework is informed by the work of the internal and external auditors, other professional advisors and the 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 on these plans in section 5 on Governance Issues and Future Improvements below, which also notes that no significant governance or internal control issues arose during the year.

Evaluation questionnaires are completed by the Board, the Performance Review Committee and the Audit Committee on a biannual basis. In addition individual Trustee appraisals are conducted by the President on a biannual basis.

In 2015/16 evaluation questionnaires were completed by the Board and the Audit Committee. The findings were very positive overall. Respondents to the Board questionnaire agreed strongly or agreed with 80% of the statements, with particular strengths being the focus it places on its remit, strategy and objectives; its performance and financial management; risk management; its relationships with stakeholders; its corporate governance; the organization of the Board and its Committees; and training for Trustees. Areas that the Board are considering include responding to the financial climate and creating further efficiencies, and developing its relationship with key stakeholders. Overall respondents to the Audit Committee questionnaire strongly agreed or agreed with 92% of the statements, which covered good practice principles, the role of the Chair, and committee support.

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 2016, the Internal Auditor concluded that we have an adequate and effective framework for risk management, governance and internal control, although further enhancements are needed to internal controls to ensure the framework remains adequate and effective.
- The Internal Auditor conducts a review of compliance with the principles of the Code of Good Governance for the Third Sector in Wales on a three-yearly basis; the next review will be carried out in 2016/17.
- The Wales Audit Office, our external auditor, provides a Management Letter report summarising the work undertaken in respect of the financial statements. This is reviewed by the Audit Committee and reported to the Board of Trustees.
- Other sources of assurance are considered including reports from the Charities Commission, Landfill Tax Inspectors, Mine Safety Inspectorate and Investors in People.

5. Governance Issues and Future Improvements

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

During 2015/16 we began to implement our new Vision, which was agreed by the Board in March 2015. 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:

- ensure integration of the Well-being of Future Generations (Wales) Act across the organisation and publish our well-being statement
- further review our structures to support delivery of the new Vision within available resources
- identify and implement more effective and innovative ways of working
- continue to increase income generation
- implement the new Welsh Language Standards
- implement the Human Resources Strategy
- implement the Training and Development Strategy
- improve processes across the organisation, including implementation of new systems.

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

6. Certification of Annual Governance Statement

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

David Anderson
Accounting Officer and Director General
Approved and signed on 14 July 2016

Laurie Pavelin
Treasurer, on behalf of the Board of Trustees
Approved and signed on 14 July 2016

Section 2.2: Remuneration & Staff Report

Equality of Opportunity

We have a range of policies that support our compliance with The Equality Act 2010, which places a statutory General Duty on all public sector organizations to have due regard to the need to eliminate unlawful discrimination and harassment and to promote equality of opportunity between men and women both in employment and in the provision of services to the public.

We have continued to roll out training and development in Equality and Diversity and Dignity at Work to staff in 2015/16. We also sent staff on equalities training run by Stonewall, Vocal Eyes and the Alzheimer's Society to raise awareness and improve service delivery.

During the year we have again celebrated events such as LGBT History Month with successful events taking place at Big Pit and National Museum Cardiff, as well as the annual Swansea Sparkle event being hosted at the National Waterfront Museum in November. We are also working with a wide range of community partners on the Our Museums initiative at St Fagans funded by the Paul Hamlyn Foundation and are extending this work across Amgueddfa Cymru. The project aims to provide volunteer placements for people from diverse backgrounds to bring museums and communities together.

Policies for Disabled Employees

We have a guaranteed interview scheme which aims to create a level playing field for disabled applicants in the recruitment process. Any disabled applicant who meets the minimum requirements for the post will automatically be invited to an interview.

We have policies in place to support disabled employees to apply for reasonable adjustments in the workplace. Where any physical feature of the workplace puts a disabled member of staff at a substantial disadvantage in comparison with persons who are not disabled, a request can be made so that measures can be put in place to prevent this. Arrangements made can include, for example, changes to working patterns, job content or design, layout and type of furniture and specialist IT equipment or software.

Our Training & Development Policy is open to all staff regardless of protected characteristics. Reasonable adjustments can also be applied to eliminate barriers for participation in our staff learning and development programmes.

Staff Consultation

We continue to comply with the 2005 Information and Consultation regulations, and consult with staff, both directly and through recognised unions, on major changes in the organization. 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, plus informal methods of communication as appropriate.

We have continued to consult with staff and trade unions on major changes faced by the organization. The priorities in 2015/16 have been changes to the Pension Scheme, proposed changes to the Severance Scheme and introduction of a Mutually Agreed Resignation Scheme, and changes to premium payments.

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 of our museums have achieved IIP status. We are currently working towards IIP accreditation at National Museum Cardiff and the National Collections Centre, which will be assessed using the new IIP criteria in 2016/17.

Over 2015/16 we offered staff training to support changes in the organization's culture through leadership and management practice. These include providing ILM training in coaching with an aim of embedding coaching as a management tool. Two members of the HR team also became accredited Myers Briggs Type Indicator practitioners which will be used in leadership and team development programmes. 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 personal development opportunities as required.

Sickness Absence Data

We have policies to support the management of attendance 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 2016 was 4.6% (4.5% in 2014/15).

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

Remuneration Report

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

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

The Director General's salary consists of a basic salary with a potential annual bonus. The amount of any bonus is agreed by the Appointments & Remuneration Committee consisting of the President, Vice President, Treasurer and Trustees Dr Carol Bell, Victoria Provis and Dr Glenda Jones. 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 15 and further details of their remuneration and pension benefits are included below and that information is subject to audit. No director is employed on a fixed-term basis, and all, with the exception of the Director General, are employed on Amgueddfa Cymru's standard terms and conditions. Any changes to the terms and conditions pertaining to the Director General are subject to the agreement of the Appointments & Remuneration Committee and (where appropriate) the Welsh Government. The relationship between the remuneration of the highest-paid director in the organization and the median remuneration of the organization's workforce is disclosed below.

The notice period for the Director General is 12 months, and for the other directors is normally 6 months. The dates of commencement of employment of the Directorate are:

David Anderson (Director General)	11 October 2010
Janice Lane	3 September 2012
Stephanos Mastoris (Acting)	14 December 2015
Mark Richards	25 January 1999 (retired 31 March 2016)
Neil Wicks	27 June 2011

Provision for compensation for early termination of employment is contained within our standard redundancy arrangement. Details of any severance payments to employees during the year can be found in note 8 to the accounts.

Included within our operating costs is an amount of £29,000 (£9,000 in 2014/15) for agency staff and £24,000 (£12,000 in 2014/15) for consultancy staff. No individuals were employed in 2015/16 or 2014/15 under 'off-payroll' arrangements at more than £220 per day and for longer than six months.

The Remuneration and Pension Benefits of the Directors

Single Total Figure of Remuneration	Salary band	Bonus band	Benefits in kind	Pension benefits	Total band
	2015/16 (2014/15) £'000	2015/16 (2014/15) £'000	2015/16 (2014/15) £'000	2015/16 (2014/15) £'000	2015/16 (2014/15) £'000
David Anderson Director General	95-100 (95-100)	- -	- -	19 (20)	115-120 (115-120)
Mark Richards Director of Operations & Deputy Director General	80-85 (80-85)	- -	- -	-13 (15)	65-70 (95-100)
Neil Wicks Director of Finance & Corporate Resources Acting Director of Collections & Research	80-85 (70-75)	- -	- -	89 (15)	170-175 (85-90)
Janice Lane Director of Learning, Exhibitions & Digital Media	70-75 (70-75)	- -	- -	12 (38)	85-90 (110-115)
Stephanos Mastoris Acting Director of Operations	20-25	- -	- -	9 -	25-30 -

The directors are all ordinary members of the pension scheme. The value of pension benefits accrued during the year in the above table has been calculated following the guidance in the Cabinet Office's Employer Pension Notice 452, as the real increase in pension multiplied by 20 plus the real increase in any lump sum, less the contributions made by the individual. The real increase excludes increases due to inflation or any increases or decreases due to a transfer of pension rights.

The directors were employed for the whole of 2014/15 and 2015/16, except for Stephanos Mastoris, who took up office on 14 December 2015 alongside his existing role as Head of the National Waterfront Museum. His emoluments as Acting Director of Operations consisted of a basic salary as shown above. His annualised salary as Acting Director of Operations for 2015/16 was between £65,000 and £70,000, and the increase in his pension benefits for the full year from 1 April 2015 was £17,000.

The emoluments of the Director General consisted of a basic salary of £100,000 (£100,000 in 2014/15) plus a non-consolidated bonus based on performance of £nil (£nil in 2014/15). The Director General gave up his rights to his bonus in 2015/16 and 2014/15.

Pension Benefits	Real increase/ (decrease) in pension and related lump sum at age 60 £	Accrued pension at age 60 at 31 March 16 and related lump sum £	CETV at 31 March 16 £'000	CETV at 31 March 15 £'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	5,000-10,000 plus 20,000-25,000 lump sum	155	134	12
Mark Richards Director of Operations & Deputy Director General	7,500-10,000 plus 22,500-25,000 lump sum	20,000-25,000 plus 70,000-75,000 lump sum	617	415	(5)
Neil Wicks Director of Finance & Corporate Resources Acting Director of Collections & Research	2,500-5,000 plus 12,500-15,000 lump sum	30,000-35,000 plus 90,000-95,000 lump sum	475	459	7
Janice Lane Director of Learning, Exhibitions & Digital Media	0-2,500 plus 0-2,500 lump sum	20,000-25,000 65,000-70,000 lump sum	339	365	(34)
Stephanos Mastoris Acting Director of Operations	0-2,500 plus 2,500-5,000 lump sum	5,000-10,000 plus 25,000-30,000 lump sum	185	176	3

The Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The real increase in CETV reflects the increase funded by the employer. It does not include the increase in accrued pension due to inflation, or contributions paid by the employee (including the value of any benefits transferred from another pension scheme).

Number of Employees

The average number of employees in 2015/16 was 609 (620 in 2014/15).

The average number of full time equivalent employees was as follows:

	Permanent Staff	Other Staff	2015/16 Number	2014/15 Number
Trading Subsidiary	37	6	43	39
Fundraising	6	2	8	7
Learning, Exhibitions & Digital Media	47	7	54	51
Collections & Research	102	6	108	108
Museum Operations	247	37	284	288
Support	53	2	55	59
	492	60	552	552
	Female Staff	Male Staff	2015/16 Number	2014/15 Number
Directors	1	3	4	5
Employees	273	275	548	547
	274	278	552	552

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

There was one employee in 2015/16 (one in 2014/15) whose emoluments were between £70,000 and £79,999. There were six employees (seven in 2014/15) 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 above.

Median Remuneration

WGSBs are required to disclose the relationship between the remuneration of the highest-paid director in their organization and the median remuneration of the organization's workforce. The banded remuneration of the Director General, who was the highest-paid director in 2015/16, was £95,000-£100,000 (2014/15 £95,000-£100,000). This was 4.1 times (2014/15 4.1 times) the median remuneration of the workforce, which was £23,917 (2014/15 £23,723). No employees received remuneration in excess of the Director General in 2015/16 or 2014/15. Remuneration (excluding directors) ranged from £13,041 to £78,000 (2014/15 £12,730-£78,000). Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the Cash Equivalent Transfer Value of pensions. Workers engaged under our pool arrangements have not been included in the median salary calculations.

	2015/16	2014/15
Band of Highest Paid Individual's Remuneration	95,000-100,000	95,000-100,000
Median Total	23,917	23,723
Ration	4.1	4.1

David Anderson
Accounting Officer and Director General
Approved and signed on 14 July 2016

Laurie Pavelin
Treasurer, on behalf of the Board of Trustees
Approved and signed on 14 July 2016

Section 2.3: Audit Report**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 2016 under section 9 of the Museums and Galleries Act 1992. These comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet and the Consolidated Cash Flow Statement and related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

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 of the Museums and Galleries Act 1992 and Welsh Ministers' directions made there under and for ensuring the regularity of financial transactions.

My responsibility is to audit, certify and report on the financial statements in accordance with applicable law and with International Standards on Auditing (UK and Ireland). These standards require me to comply with the Financial Reporting Council'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 National Museum of Wales circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by National Museum of Wales; and the overall presentation of the financial statements.

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

Opinion on Financial Statements

In my opinion the financial statements:

- give a true and fair view of the state of National Museum of Wales affairs as at 31 March 2016 and of its net income, gains and losses and cash flows for the year then ended; and
- have been properly prepared in accordance with Welsh Ministers' directions issued under the Museums & Galleries Act 1992.

Opinion on Regularity

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

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Welsh Ministers' directions made under the Museum and Galleries Act 1992 and
- the information in 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
- sufficient accounting records have not been kept
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns
- 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
21 July 2016

24 Cathedral Road
Cardiff
CF11 9LJ

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31 MARCH 2016

Notes	Public funds		Private Funds		2015/16	Restated
	Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000	Total £'000	Total £'000
INCOME AND ENDOWMENTS FROM:						
Donations & Legacies						
	Grants	22,648	0	0	22,648	27,627
3	8,351				30,999	3,252
4	385	0	1,192	313	1,890	3,252
	8,736	22,648	1,192	313	32,889	30,879
Other Trading Activities						
5	0	2,878	0	0	2,878	2,923
Income from Investments						
	0	0	50	10	60	50
Other Income						
6	0	1,367	15	3	1,385	1,439
	8,736	26,893	1,257	326	37,212	35,291
TOTAL INCOME AND ENDOWMENTS						
EXPENDITURE ON:						
Raising Funds:						
	Expenditure on Raising Donations & Legacies	285	13	40	338	566
5	0	2,459	0	0	2,459	2,402
	0	2,744	13	40	2,797	2,968
Charitable Activities:						
	Learning, Exhibitions & Digital Media	2,107	1	36	2,477	4,339
	Collections & Research	3,185	176	4	5,211	9,975
	Museum Operations	6,822	29	4	8,504	16,620
	Governance	382	0	0	382	500
	3,828	12,496	206	44	16,574	31,434
Other:						
18e	0	1,050	0	0	1,050	1,277
	3,828	16,290	219	84	20,421	35,679
TOTAL EXPENDITURE						
9	5	0	0	0	5	(79)
12	0	0	(67)	(15)	(82)	126
	4,913	10,603	971	227	16,714	(341)
NET INCOME/EXPENDITURE						
TRANSFERS BETWEEN FUNDS						
	0	0	500	(500)	0	0
OTHER RECOGNISED GAINS/(LOSSES):						
10	(1,385)	(4)	3	1	(1,385)	5,344
18d	0	1,552	0	0	1,552	1,043
	3,528	12,151	1,474	(272)	16,881	6,046
NET MOVEMENT IN FUNDS						
RECONCILIATION OF FUNDS:						
19	109,746	(24,722)	10,505	1,482	97,011	90,965
19	113,274	(12,571)	11,979	1,210	113,892	97,011

The above Statement of Financial Activities includes all recognised gains and losses.

All activities are continuing.

The non-consolidated net increase in funds recorded in Amgueddfa Cymru's own Statement of Financial Activities during 2015/16 was £16,860,000 (an increase of £6,010,000 in 2014/15).

The headings have been updated in 2015/16 in line with the Charities SORP (FRS102), and the previous year comparators for Expenditure on Charitable Activities, Pension Finance Costs, Net Income/Expenditure and Actuarial Gains/(Losses) on defined benefit pension scheme have been restated in line with FRS102.

The notes on pages 36 to 54 form part of these accounts.

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2016

	Notes	Amgueddfa Cymru		Consolidated	
		2016 £'000	Restated 2015 £'000	2016 £'000	Restated 2015 £'000
FIXED ASSETS					
Tangible Assets	10	88,840	82,239	88,906	82,283
Heritage Assets	11	22,464	21,520	22,464	21,520
Share of Joint Venture:	9				
Share of gross assets		9,525	9,530	9,525	9,530
Share of gross liabilities		(1)	(12)	(1)	(12)
		<u>9,524</u>	<u>9,518</u>	<u>9,524</u>	<u>9,518</u>
Investments	12	<u>2,580</u>	<u>2,661</u>	<u>2,580</u>	<u>2,661</u>
		<u>123,408</u>	<u>115,938</u>	<u>123,474</u>	<u>115,982</u>
CURRENT ASSETS					
Stock	13	9	31	322	412
Debtors due within one year	14	6,397	6,060	5,433	4,925
Investments	22	1,522	1,512	1,522	1,512
Cash at bank and in hand	24	4,590	6,132	5,475	7,126
		<u>12,518</u>	<u>13,735</u>	<u>12,752</u>	<u>13,975</u>
CURRENT LIABILITIES					
Creditors due within one year	15	(2,023)	(1,835)	(2,203)	(2,020)
NET CURRENT ASSETS		<u>10,495</u>	<u>11,900</u>	<u>10,549</u>	<u>11,955</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>133,903</u>	<u>127,838</u>	<u>134,023</u>	<u>127,937</u>
CREDITORS					
Amounts falling due after one year	16	(182)	(65)	(182)	(65)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY		<u>133,721</u>	<u>127,773</u>	<u>133,841</u>	<u>127,872</u>
Defined benefit pension scheme deficit	18a	(19,949)	(30,861)	(19,949)	(30,861)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY		<u>113,772</u>	<u>96,912</u>	<u>113,892</u>	<u>97,011</u>
FUNDS	19				
Public Funds Restricted – Income		104,160	99,247	104,160	99,247
Public Funds Restricted – Revaluation		9,114	10,499	9,114	10,499
Total Public Funds Restricted		<u>113,274</u>	<u>109,746</u>	<u>113,274</u>	<u>109,746</u>
Public Funds Unrestricted – Income		7,237	6,015	7,357	6,114
Public Funds Unrestricted – Revaluation		21	25	21	25
Pension Reserve		(19,949)	(30,861)	(19,949)	(30,861)
Total Public Funds Unrestricted		<u>(12,691)</u>	<u>(24,821)</u>	<u>(12,571)</u>	<u>(24,722)</u>
Private Funds Restricted – Income		11,835	10,364	11,835	10,364
Private Funds Restricted – Revaluation		144	141	144	141
Total Private Funds Restricted		<u>11,979</u>	<u>10,505</u>	<u>11,979</u>	<u>10,505</u>
Private Funds Unrestricted – Income		1,168	1,441	1,168	1,441
Private Funds Unrestricted – Revaluation		42	41	42	41
Total Private Funds Unrestricted		<u>1,210</u>	<u>1,482</u>	<u>1,210</u>	<u>1,482</u>
		<u>113,772</u>	<u>96,912</u>	<u>113,892</u>	<u>97,011</u>

The previous year comparators for Funds have been restated to disclose accumulated gains/losses on revaluation of fixed assets arising from 1 April 2011 onwards as revaluation reserves separately from income reserves, in line with the Charities SORP (FRS102).

Signed on behalf of the Trustees by

David Anderson
Accounting Officer and Director General
Approved and signed on 14 July 2016

Laurie Pavelin
Treasurer, on behalf of the Board of Trustees
Approved and signed on 14 July 2016

The notes on pages 36 to 54 form part of these accounts.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Amgueddfa Cymru		Consolidated	
		2015/16 £'000	2014/15 £'000	2015/16 £'000	2014/15 £'000
Net Cash Inflow from Operating Activities	20	9,820	5,203	9,750	5,583
Capital Expenditure and Financial Investment	21	(11,469)	(2,158)	(11,508)	(2,201)
Management of Liquid Resources	22	(10)	(1,006)	(10)	(1,006)
Financing	23	(117)	(43)	(117)	(43)
(Decrease)/Increase in Cash	24	<u>(1,542)</u>	<u>1,996</u>	<u>(1,651)</u>	<u>2,333</u>

The notes on pages 36 to 54 form part of these accounts.

Notes to the Accounts for the Year Ended 31 March 2016

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 Charities Statement of Recommended Practice FRS102, (Charities SORP (FRS102)), issued by the Charities Commissioners for England and Wales, and the accounting statements issued or adopted by the Accounting Standards Board in so far as those requirements are appropriate. HM Treasury has confirmed that the exemptions contained in the Charities SORP (FRS102) in respect of the need to disclose the historic cost of tangible fixed assets may apply.

1.2 Joint Venture Undertakings

Amgueddfa Cymru and the City & County of Swansea are two equal members in National Waterfront Museum Swansea Ltd (NWMS Ltd), a company limited by guarantee and which does not have a share capital. The results of the joint venture have been included within the financial statements and are accounted for using the equity method of accounting. The accounts of NWMS Ltd for the year to 31 March 2016 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 2016 were approved on 7 July 2016 and received an unqualified audit opinion. A copy of the accounts can be obtained from our Principal Office at National Museum Cardiff, Cathays Park, Cardiff CF10 3NP.

1.4 Income and Resources

All income is recognised in the Statement of Financial Activities when the conditions for receipt have been met. Grants are credited on a receivable basis, with any 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 receipt is deemed probable, as defined in FRS102.

1.5 Expenditure

Expenditure is apportioned across expenditure heads on the basis of direct allocation and indirect apportionment in the case of support costs as appropriate. Expenditure on Raising Donations & Legacies includes all fundraising expenditure. Expenditure on Other Trading Activities includes all expenditure associated with the trading subsidiary. Expenditure on charitable activities includes all expenditure associated with Learning, Exhibitions & Digital Media, Collections & Research, Museum Operations and Governance. Governance costs include all expenditure associated with corporate and strategic planning, Board and Committee work, Welsh Government liaison, internal and external audit, risk management and statutory reports, and accounts work.

The basis of support cost allocation is as follows: Marketing, Press and PR is allocated per percentage time, Finance is allocated per total income and total expenditure, ICT is allocated per number of computer users and Human Resources is allocated per number of full-time equivalent employees.

1.6 Tangible Fixed Assets

All items of a capital nature costing in excess of £10,000 are capitalised. Items of a capital nature costing less than £10,000 are not capitalised and are written off in-year. Previous to 1 April 2014, items of a capital nature costing in excess of £5,000 were capitalised.

Land and buildings assets are professionally valued every five years on the basis of their current value in existing use assuming that the properties would be sold as part of continuing business and are revalued using an index in the intervening period. Revaluation gains are recognised in the Statement of Financial Activities under Gains/(losses) on the revaluation of fixed assets, except to the extent to which they offset any previous write off of expenditure in the Statement of Financial Activities, in which case the gain is reversed against the relevant expenditure heading. Revaluation losses are recognised as an expense under the relevant expenditure heading in the Statement of Financial Activities except to the extent to which they offset any previous revaluation gains, in which case the loss is shown under Gains/(losses) on the revaluation of fixed assets. Routine maintenance work in respect of these properties is written off in the year in which it is undertaken.

Non-property assets (i.e. plant & vehicles, and fixtures, fittings & equipment) are held at historic cost (or the revalued cost prior to 1 April 2010) and not indexed as these assets have short useful economic lives or low values (or both).

An annual impairment review is carried out by management.

1.7 Heritage Assets

Heritage assets are defined as assets of historic, artistic or scientific importance that are held to advance preservation, conservation and educational objectives of charities and through public access contribute to the nation's culture and education at either a national or local level. These assets are central to the achievement of our aims and include land, buildings, exhibits and artefacts. With effect from 1 April 2001 heritage assets purchased by or donated to us with an individual value of £5,000 or greater, or of £10,000 or greater from 1 April 2014, have been capitalised at historic cost/valuation. In accordance with Treasury accounts direction, assets acquired before 1 April 2001 have not been capitalised and in the opinion of the Trustees the considerable cost of valuation of the large collection of heritage assets (approximately 5.1 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 (FRS102), heritage assets are not depreciated. It is the opinion of the Trustees that with regard to works of art their residual value is higher than the carrying value and with regard to other heritage assets their estimated useful life is of such length that depreciation is not material.
- Plant, equipment, fixture and fittings are depreciated over 5-10 years. In specific cases of items subject to technological changes or with a high obsolescence factor, a 3-year life is used. Other specific items may have a longer depreciation period.
- Leased assets are charged on a straight-line basis over the term of the lease.

1.9 Funds

Public and Private Unrestricted Funds are available for use, at the discretion of the Trustees, in furtherance of our general objectives.

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

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

Revaluation reserves represent accumulated gains/losses on revaluation of fixed assets arising from 1 April 2011 onwards.

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

1.10 Stock

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

1.11 Investments

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

1.12 Staff Holiday Accrual

We recognise accruals at year-end for staff holiday entitlement that has not yet been taken and which is being carried forward to the following year.

1.13 Research and Development

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

1.14 Taxation

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

1.15 Pensions

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

1.16 Contingent Assets and Liabilities

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

1.17 Severance costs

Severance payments under the Voluntary Redundancy Scheme and Mutually Assured Resignation Scheme are recognised in the accounting period in which severance has been formally approved and agreed with the employee.

2. Statement of Financial Activities comparatives

	Notes	Restated Public Funds		Restated Private Funds		Restated 2014/15 Total £'000
		Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000	
INCOME AND ENDOWMENTS FROM:						
Donations & Legacies						
Grants	3	3,826	23,801	0	0	27,627
Donations & Legacies	4	95	0	2,892	265	3,252
		<u>3,921</u>	<u>23,801</u>	<u>2,892</u>	<u>265</u>	<u>30,879</u>
Other Trading Activities	5	0	2,923	0	0	2,923
Income from Investments		0	0	45	5	50
Other Income	6	0	1,433	5	1	1,439
TOTAL INCOME AND ENDOWMENTS		<u>3,921</u>	<u>28,157</u>	<u>2,942</u>	<u>271</u>	<u>35,291</u>
EXPENDITURE ON:						
Raising Funds:						
Expenditure on Raising Donations & Legacies	7&8	0	499	4	63	566
Expenditure on Other Trading Activities	5	0	2,402	0	0	2,402
		<u>0</u>	<u>2,901</u>	<u>4</u>	<u>63</u>	<u>2,968</u>
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	13,350	5	2	16,620
Governance		0	500	0	0	500
		<u>7,544</u>	<u>23,596</u>	<u>290</u>	<u>4</u>	<u>31,434</u>
Other:						
Pension Finance Costs	18e	0	1,277	0	0	1,277
TOTAL EXPENDITURE		<u>7,544</u>	<u>27,774</u>	<u>294</u>	<u>67</u>	<u>35,679</u>
Share of Joint Venture	9	(79)	0	0	0	(79)
Net Gains/(Losses) on Investments	12	0	0	103	23	126
TOTAL INCOME/EXPENDITURE		<u>(3,702)</u>	<u>383</u>	<u>2,751</u>	<u>227</u>	<u>(341)</u>
OTHER RECOGNISED GAINS/(LOSSES):						
Gains/(Losses) on revaluation of fixed assets	10	5,238	13	72	21	5,344
Actuarial Gains/(Losses) on defined benefit pensions scheme	18d	0	1,043	0	0	1,043
NET MOVEMENT IN FUNDS		<u>1,536</u>	<u>1,439</u>	<u>2,823</u>	<u>248</u>	<u>6,046</u>
RECONCILIATION OF FUNDS:						
Total Funds Brought Forward	19	108,210	(26,161)	7,682	1,234	90,965
TOTAL FUNDS CARRIED FORWARD	19	<u>109,746</u>	<u>(24,722)</u>	<u>10,505</u>	<u>1,482</u>	<u>97,011</u>

Details of the restatement of prior year comparators in line with FRS102 are provided in note 28.

3. Grants Receivable

	Public Restricted £'000	Public Unrestricted £'000	2015/16 £'000	2014/15 £'000
Revenue Grant in Aid	0	21,721	21,721	22,997
Specimen Purchase Grant-in-Aid	538	0	538	538
Capital Grant-in-Aid	2,991	0	2,991	2,444
Other government grant	4,822	927	5,749	1,648
	<u>8,351</u>	<u>22,648</u>	<u>30,999</u>	<u>27,627</u>

We received total Grant-in-Aid from the Welsh Government of £25,250,000 (£25,979,000 in 2014/15) which comprises the Revenue, Specimen Purchase and Capital Grant-in-Aid.

Other government grant included: Heritage Lottery Fund grant of £5,290,000 (£1,159,000 in 2014/15), European Union grant of £43,000 (£6,000 in 2014/15), Arts Council of Wales grant of £26,000 (£12,000 in 2014/15), Cardiff Council grant of £4,000 (£4,000 in 2014/15) and Welsh Government grant of £386,000 (£467,000 in 2014/15).

4. Donations & Legacies

	Public Funds		Private Funds		2015/16 £'000	2014/15 £'000
	Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000		
Donated Assets	0	0	479	0	479	1,240
Other donations	385	0	713	313	1,411	2,012
	<u>385</u>	<u>0</u>	<u>1,192</u>	<u>313</u>	<u>1,890</u>	<u>3,252</u>

Donated assets include heritage assets valued at £457,000 (see note 11 for more details). All valuations of donated (or part-donated) assets were carried out by curatorial staff or other qualified staff, or by reference to invoices/acceptance in lieu correspondence.

5. Trading Subsidiary

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

	2015/16 £'000	2014/15 £'000
Turnover	2,702	2,744
Cost of sales	(2,121)	(2,049)
Gross Profit	<u>581</u>	<u>695</u>
Administrative expenses	(331)	(345)
Other operating income	169	179
Profit on ordinary activities before interest	<u>419</u>	<u>529</u>
Interest receivable	7	0
Interest payable	(7)	(8)
Profit on ordinary activities before taxation	<u>419</u>	<u>521</u>
Tax on profit on ordinary activities	0	0
Profit for the financial year	<u>419</u>	<u>521</u>
Gift aid payable to Amgueddfa Cymru	(397)	(485)
Retained profit for the financial year	<u>22</u>	<u>36</u>

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

6. Other Income

	Public Funds		Private Funds		2015/16 £'000	2014/15 £'000
	Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000		
Learning, Exhibitions & Digital Media	0	72	0	0	72	116
Collections & Research	0	394	0	0	394	277
Museum Operations	0	803	0	0	803	990
Support	0	98	15	3	116	56
	0	1,367	15	3	1,385	1,439

7. Total Resources Expended

(a) Amgueddfa Cymru

	Direct Costs £'000	Depre- ciation £'000	Impairment of fixed assets £'000	Support Costs				2015/16 £'000	Restated 2014/15 £'000
				Marketing, Press & PR £'000	Finance £'000	ICT £'000	Human Resources £'000		
Expenditure on Raising Funds									
Raising Donations & Legacies	264	0	0	20	11	26	17	338	566
	264	0	0	20	11	26	17	338	566
Expenditure on Charitable Activities									
Learning, Exhibitions & Digital Media	1,925	132	175	67	36	87	55	2,477	4,339
Collections & Research	3,180	618	825	161	86	209	132	5,211	9,975
Museum Operations	6,257	652	870	243	129	314	199	8,664	16,779
Governance	230	0	0	42	22	54	34	382	500
	11,592	1,402	1,870	513	273	664	420	16,734	31,593
Pension Finance Costs	1,050	0	0	0	0	0	0	1,050	1,277
Total Resources Expended	12,906	1,402	1,870	533	284	690	437	18,122	33,436

(b) Consolidated

	Direct Costs £'000	Depre- ciation £'000	Impairment of fixed assets £'000	Support Costs				2015/16 £'000	Restated 2014/15 £'000
				Marketing, Press & PR £'000	Finance £'000	ICT £'000	Human Resources £'000		
Expenditure on Raising Funds									
Raising Donations & Legacies	264	0	0	20	11	26	17	338	566
Trading Subsidiary	2,443	16	0	0	0	0	0	2,459	2,402
	2,707	16	0	20	11	26	17	2,797	2,968
Expenditure on Charitable Activities									
Learning, Exhibitions & Digital Media	1,925	132	175	67	36	87	55	2,477	4,339
Collections & Research	3,180	618	825	161	86	209	132	5,211	9,975
Museum Operations	6,097	652	870	243	129	314	199	8,504	16,620
Governance	230	0	0	42	22	54	34	382	500
	11,432	1,402	1,870	513	273	664	420	16,574	31,434
Pension Finance Costs	1,050	0	0	0	0	0	0	1,050	1,277
Total Resources Expended	15,189	1,418	1,870	533	284	690	437	20,421	35,679

The amount of £40,600 (£40,165 in 2014/15) is included in resources expended for external auditors' remuneration, £40,000 (£39,565 in 2014/15) for the audit fee and £600 (£600 in 2014/15) for other work. This includes £4,760 (£4,325 in 2014/15) for the trading subsidiary audit fee and £600 (£600 in 2014/15) for other work for the trading subsidiary.

The amount of £38,000 (£6,000 in 2014/15) is included in resources expended in respect of EU grant related expenditure.

46.1% of total resources expended during the year were on staff costs (57.7% in 2014/15). If the significant

prior service cost credit to pension service costs (see note 18e) and the impairment of land and buildings following the external valuation at 31 March 2016 (see note 10) are excluded, staff costs in 2015/16 would be 69.1% of total resources expended. If the one-off impairment of fixed assets in 2014/15 regarding the St Fagans redevelopment project had been excluded staff costs in 2014/15 would have been 68.8% of total resources expended.

8. Staff Costs

(a) Staff Costs during the year:

	Consolidated	
	2015/16 £ '000	Restated 2014/15 £ '000
Salaries & Wages	14,787	15,153
Social Security Costs	1,045	1,066
FRS102 Pension Service Costs (note 18e)	(7,494)	2,900
Severance Costs	29	566
	8,367	19,685
FRS102 Pension Finance Costs (note 18e)	1,050	1,277
	9,417	20,962

Included within the staff costs are £1,175,000 (£1,101,000 in 2014/15) relating to the trading subsidiary.

We undertook a Voluntary Redundancy Scheme, enhancing statutory payments by a factor of 4, which was taken up by one employee in 2015/16, incurring costs of £12,000 (£566,000 in 2014/15). Strain costs to our pension scheme amounted to £nil (£62,000 in 2014/15).

One employee left Amgueddfa Cymru under our Mutually Assured Resignation Scheme in 2015/16, incurring costs of £17,000 (£nil in 2014/15). Severance payments under this scheme are calculated on the basis of one month's pay for each complete year of continuous service, up to a maximum of 12, capped at £40,000.

(b) Members of the Board of Trustees

Trustees do not receive any emoluments. The total amount of travel, subsistence and accommodation expenses reimbursed by us for our Board and committee members was £19,000 (£14,000 in 2014/15). This does not include any expenses waived by trustees as this is immaterial. A total of 18 trustees were reimbursed expenses during the year.

9. Share of Joint Venture

We are an equal member, with the City & County of Swansea, of National Waterfront Museum Swansea Ltd (NWMS Ltd) (Charity No 1090512), a company limited by guarantee. The principal objective of NWMS Ltd is to establish for the benefit of the public a museum in Swansea to house and display (inter alia) the industrial and maritime 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	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Donations and Legacies	5	5	2	2
Investment income	0	0	0	0
Other income	168	0	84	0
Total incoming resources	173	5	86	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	11	(157)	5	(79)

	Total Assets and Liabilities		Share of Assets and Liabilities	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Fixed Assets	19,048	19,037	9,524	9,518
Current Assets	1	23	1	12
Liabilities due within one year	(2)	(23)	(1)	(12)
Liabilities due after more than one year	(45)	(46)	0	0
Net Assets	19,002	18,991	9,524	9,518
Funds				
General Fund (unrestricted)	19,000	18,989	9,523	9,517
Restricted Fund	2	2	1	1
	19,002	18,991	9,524	9,518

10. 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 2015	2,016	17,369	64,771	1,122	2,661	87,939
Additions in Year	0	10,800	227	73	157	11,257
Disposal	0	0	0	(10)	(37)	(47)
Impairment	(210)	(73)	(2,722)	0	0	(3,005)
Revaluation	(256)	(2,623)	(1,580)	0	0	(4,459)
At 31 March 2016	1,550	25,473	60,696	1,185	2,781	91,685
Depreciation						
At 1 April 2015	0	1,206	2,013	662	1,819	5,700
Charge for the Year	0	485	509	107	300	1,401
Disposal	0	0	0	(10)	(37)	(47)
Impairment	0	(19)	(1,116)	0	0	(1,135)
Revaluation	0	(1,672)	(1,402)	0	0	(3,074)
At 31 March 2016	0	0	4	759	2,082	2,845
Net Book Value						
At 1 April 2015	2,016	16,163	62,758	460	842	82,239
At 31 March 2016	1,550	25,473	60,692	426	699	88,840

(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 2015	2,016	17,369	64,771	1,122	2,752	88,030
Additions in Year	0	10,800	227	73	196	11,296
Disposal	0	0	0	(10)	(37)	(47)
Impairment	(210)	(73)	(2,722)	0	0	(3,005)
Revaluation	(256)	(2,623)	(1,580)	0	0	(4,459)
At 31 March 2016	1,550	25,473	60,696	1,185	2,911	91,815
Depreciation						
At 1 April 2015	0	1,206	2,013	662	1,866	5,747
Charge for the Year	0	485	509	107	317	1,418
Disposal	0	0	0	(10)	(37)	(47)
Impairment	0	(19)	(1,116)	0	0	(1,135)
Revaluation	0	(1,672)	(1,402)	0	0	(3,074)
At 31 March 2016	0	0	4	759	2,146	2,909
Net Book Value						
At 1 April 2015	2,016	16,163	62,758	460	886	82,283
At 31 March 2016	1,550	25,473	60,692	426	765	88,906

Our land and buildings were professionally valued on 31 March 2016 by External Valuer, Andrew Gardner of Cooke & Arkwright Chartered Surveyors. The valuations were in accordance with the requirements of the Royal Institution of Chartered Surveyors Valuation – Professional Standards UK January 2014 (revised April 2015) and the International Valuation Standards 2013, and with the Charities SORP (FRS102). The valuation of each owner-occupied property was on the basis of being valued to Current Value in Existing Use assuming that the properties would be sold as part of continuing business.

11. Heritage Assets

(a) Collection Management Policies

Collections of specimens are the raison d'être of museums and provide the fundamental database for all their work and objectives. We are the national repository of material relating to Wales's natural and created heritage and international material that helps define Wales's place in the world. Our collections number approximately 5.1m 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

	2015/16 £'000	2014/15 £'000
Collection management costs		
Conservation	1,002	996
Collections Information	219	241
Collection Services	228	145
Collection Centre	29	43
	1,478	1,425

These costs are recognised in the Statement of Financial Activities.

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

	Art £'000	Historic Buildings £'000	Other £'000	Total £'000
Donated Assets	6,679	160	329	7,168
Purchased Assets	8,600	5,619	1,077	15,296
Total at 31 March 2016	15,279	5,779	1,406	22,464

(i) Heritage Assets donated during the year

	Art £'000	Historic Buildings £'000	Other £'000	Total £'000
<i>Landscape in Kent</i> – David Jones	42	-	-	42
Locomotive nameplate, <i>Eisteddfod Genedlaethol</i>	-	-	10	10
Welsh dinosaur – <i>Dracoraptor hanigani</i>	-	-	150	150
Carboniferous tree trunk, <i>Stigmaria</i>	-	-	25	25
<i>Harlech Castle: Four Square to the Winds that Blow</i> – Henry Clarence Whaite	25	-	-	25
<i>Panspermia</i> – Andrew Levitas	42	-	-	42
<i>Mineral Landscape</i> – John Hubbard (part donated)	3	-	-	3
<i>The Will to Proceed to the End of the Possible</i> – Rachel Kneebone (part donated)	16	-	-	16
<i>Tall Tree in the Ear</i> – Richard Deacon (part donated)	144	-	-	144
Total Additions in Year	272	0	185	457
Total at 1 April 2015	6,407	160	144	6,711
Total at 31 March 2016	6,679	160	329	7,168

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>Tall Vase, Three Jugs</i> – Simon Carroll	12	-	-	12
<i>Assholes Tipped Ripely</i> – Philip Elgin	11	-	-	11
Swansea plates 1806 – Thomas Pardoe & William Weston Young	41	-	-	41
Pair of George II Silver Casters – Mark of George Wickes	45	-	-	45
Victorian Ceramic Vase – William Burges	163	-	-	163
<i>The Highgrove Florilegium</i> (2 volumes)	-	-	13	13
<i>Mineral Landscape</i> – John Hubbard (part donated)	32	-	-	32
<i>The Will to Proceed to the End of the Possible</i> – Rachel Kneebone (part donated)	64	-	-	64
<i>Tall Tree in the Ear</i> – Richard Deacon (part donated)	106	-	-	106
Total Additions in Year	474	0	13	487
Total at 1 April 2015	8,126	5,619	1,064	14,809
Total at 31 March 2016	8,600	5,619	1,077	15,296

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

(iii) Capitalised specimen acquisition over the last five years:

	2015/16 £'000	2014/15 £'000	2013/14 £'000	2012/13 £'000	2011/12 £'000
Donated Assets					
Art	272	1,240	1,239	226	324
Historic Buildings	0	0	0	40	0
Other	185	0	25	35	20
Total Donated Assets	457	1,240	1,264	301	344
Purchased Assets					
Art	474	135	1,120	297	256
Other	13	0	80	42	8
Total Purchased Assets	487	135	1,200	339	264
Total Capitalised Specimen Acquisition	944	1,375	2,464	640	608

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

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

	2015/16 £'000	2014/15 £'000	2013/14 £'000	2012/13 £'000	2011/12 £'000
Art	57	71	25	43	47
Natural Sciences	39	33	71	93	79
Industry	1	2	2	0	8
Conservation	15	7	7	14	9
Library	75	88	78	103	131
History	123	266	112	171	144
	310	467	295	424	418

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	1,272,351
Art	44,111
Biodiversity	2,436,361
Geology	427,393
Industry	284,807
National Wool Museum	12,000
Library	262,527
Social & Cultural History	396,301
Total	5,135,851

(i) Archaeology & Numismatics: the Department holds a collection of 787,798 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 & Systematic Biology: the Department, an amalgamation of the former Botany and Zoology departments, holds a collection of 2,436,361 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 427,393 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 284,807 objects in its collections. These are in the National Slate Museum in Llanberis, Big Pit National Coal Museum in Blaenafon, the National Waterfront Museum in Swansea and in our Collections Centre in Nantgarw where they can be viewed by appointment. The collection includes items from the coal, manufacturing, maritime and transport industries. The 1841 census records that Wales was the first nation in the world to have a higher proportion of its workforce employed in industry rather than agriculture – Wales was therefore 'the world's first industrial nation'.

(vi) The National Wool Museum: this museum holds 12,000 items in its collection.

(vii) Library: the main Library, housed at National Museum Cardiff, contains 262,527 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 396,301 items, housed at St Fagans National History Museum. It covers the domestic, cultural, agricultural and commercial aspects of the people of Wales from the Middle Ages to the present day. We illustrate and interpret these aspects with over forty re-constructed buildings spread across one hundred acres of land. The collection also has extensive photographic, film and sound archives.

12. Fixed Asset Investments

	Amgueddfa Cymru		Consolidated	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
At 1 April 2015	2,661	2,533	2,661	2,533
Additions to investments at cost	429	225	429	225
Disposals at market value	(428)	(223)	(428)	(223)
Net (Loss)/Gain on Revaluation	(82)	126	(82)	126
Market Value at 31 March 2016	2,580	2,661	2,580	2,661

Of total investments of £2,580,000, £2,149,000 (£2,215,000 at 31 March 2015) was held in Restricted Private Funds and £431,000 (£446,000 at 31 March 2015) in Unrestricted Private Funds.

The historic cost of investments at 31 March 2016 was £2,091,000 (£2,068,000 at 31 March 2015). The portfolio consists of Collective Investments (Unit Trusts) authorised by the Securities and Investments Board (these were professionally valued by our investment managers, Barclays) and shareholdings (bequested to us) listed on the London Stock Exchange.

The investments were held in the following asset classes:

	Amgueddfa Cymru		Consolidated	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
UK Listed Investments	1,488	1,584	1,488	1,584
Non UK Listed Investments	1,016	1,004	1,016	1,004
Cash & Cash Deposits	76	73	76	73
	2,580	2,661	2,580	2,661

13. Stock

	Amgueddfa Cymru		Consolidated	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Shop Goods for Sale	0	0	379	381
Publications stock held separately	26	31	26	31
Less: Provision for stock write off	(17)	0	(83)	0
	9	31	322	412

14. Debtors

	Amgueddfa Cymru		Consolidated	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Trade Debtors	66	83	157	207
Amount due from trading subsidiary	715	993	0	0
Loan due from trading subsidiary	301	301	0	0
Other Debtors	5,153	2,567	5,073	2,567
Prepayments	162	2,116	203	2,151
	6,397	6,060	5,433	4,925
Balances with:				
Central government bodies	4,948	2,495	4,950	2,495
NHS bodies	0	0	0	1
Local authorities	6	16	11	17
Sub total intra government balances	4,954	2,511	4,961	2,513
Bodies external to government	1,443	3,549	472	2,412
Total	6,397	6,060	5,433	4,925

Included within Prepayments is a payment of advance contributions to our pension scheme of £nil at 31 March 2016 (£1,963,000 at 31 March 2015).

15. Creditors: Amounts falling due within one year

	Amgueddfa Cymru		Consolidated	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Loans	43	43	43	43
Trade Creditors	87	281	128	353
Accruals and Deferred Income	1,893	1,511	2,032	1,624
	<u>2,023</u>	<u>1,835</u>	<u>2,203</u>	<u>2,020</u>
Balances with:				
Central government bodies	242	233	244	233
Local authorities	3	0	3	0
Sub total intra government balances	<u>245</u>	<u>233</u>	<u>247</u>	<u>233</u>
Bodies external to government	1,778	1,602	1,956	1,787
Total	<u>2,023</u>	<u>1,835</u>	<u>2,203</u>	<u>2,020</u>

16. Creditors: Amounts falling due after one year

	Amgueddfa Cymru		Consolidated	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Loans	<u>182</u>	<u>65</u>	<u>182</u>	<u>65</u>

A loan of £65,000 is outstanding from the Carbon Trust, repayable at £43,000 a year. £43,000 is due within 1 year, and the remaining £22,000 is due within 5 years. A loan of £160,000 is outstanding from the Welsh Government's Invest-to-Save fund, repayable within 2 to 5 years.

17. Operating Lease Commitments

	Amgueddfa Cymru		Consolidated	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Expiring:				
Between one and five years	<u>0</u>	<u>0</u>	<u>1</u>	<u>2</u>

18. Pensions

We operate a defined benefit pension scheme in the UK, which is underwritten by a Crown Guarantee issued by the National Assembly for Wales. A full actuarial valuation was carried out at 31 March 2015. This was updated at 31 March 2016 by a qualified independent actuary using guidelines issued by HM Treasury.

The FRS102 valuation as at 31 March 2016 showed a decrease in the deficit from £30,861,000 to £19,949,000. Our contribution to the scheme in the year to 31 March 2016 amounted to £2,916,000 (£2,940,000 to 31 March 2015) at a rate of 21.3% of Pensionable Remuneration.

We expect to contribute £2,982,000 to the Scheme in 2016/17. The projected total charge to the Statement of Financial Activities in 2016/17 is £2,866,000, and the projected deficit at 31 March 2017 is therefore £19,833,000.

(a) Amounts in the balance sheet:

	2016 £'000	2015 £'000
Fair value of assets	108,771	111,525
Defined benefit obligation	(128,720)	(142,386)
(Deficit)	<u>(19,949)</u>	<u>(30,861)</u>

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

	2016 £'000	Restated 2015 £'000
Opening fair value of assets	111,525	97,850
Interest income	3,950	4,246
Employer's contributions	2,916	3,059
Members' contributions	1,253	1,261
Scheme expenses	(348)	(283)
Actuarial experience (losses)/gains	(6,203)	9,774
Benefits paid	(4,322)	(4,382)
Closing fair value of assets	<u>108,771</u>	<u>111,525</u>

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

	2016 £'000	Restated 2015 £'000
Opening defined benefit obligation	142,386	128,636
Current service cost	3,209	2,555
Prior service credit	(11,051)	0
Curtailement	0	62
Members' contributions	1,253	1,261
Interest cost	5,000	5,523
Actuarial experience (gains)/losses	(7,755)	8,731
Benefits paid	(4,322)	(4,382)
Closing defined benefit obligation	<u>128,720</u>	<u>142,386</u>

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

	2016 £'000	Restated 2015 £'000
Actuarial experience gains/(losses) – fair value of assets (note 18b)	(6,203)	9,774
Actuarial gains/(losses) – present value of obligations (note 18c)	7,755	(8,731)
Actuarial gains/(losses)	<u>1,552</u>	<u>1,043</u>

(e) Amounts charged to resources expended:

	2016		Restated 2015	
	£'000	£'000	£'000	£'000
Current service cost	3,209		2,555	
Prior service cost credit	(11,051)		0	
Scheme expenses	348		283	
Curtailement	0		62	
		(7,494)		2,900
Interest income	(3,950)		(4,246)	
Interest cost	5,000		5,523	
		1,050		1,277
Total charge to resources expended		<u>(6,444)</u>		<u>4,177</u>

The above amounts charged to resources expended are included in staff costs, shown in note 8a to these accounts.

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

	2016	2015
Equities	57.00%	59.80%
Index Linked Gilts	16.20%	15.40%
Corporate bonds	11.10%	10.90%
Others	15.70%	13.90%

(g) Principal actuarial assumptions:

	2016	2015
Discount rate	3.60%	3.55%
Inflation – RPI	3.20%	3.20%
Inflation – CPI	2.20%	2.20%
Salary growth	4.20%	4.20%
Pension increases in payment – pre 2000	3.20%	3.20%
Pension increases in payment – post 2000	2.20%	2.20%
Pension increases in deferment	2.20%	2.20%
Assumes life expectancy currently age 65		
Male	86.9	87.1
Female	88.9	89.1
Assumes life expectancy currently age 45		
Male	88.2	88.4
Female	90.4	90.6

(h) Sensitivity analysis – Change in defined benefit obligation as at 31 March 2016:

Increase/decrease discount rate by 0.5% p.a	-8% / +9%
Increase/decrease assumed rate of inflation by 0.5% p.a	+8% / -7%

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

	Restated 1 April 2015 £'000	Incoming Resources £'000	Resources Expended £'000	Other Movements in Year £'000	31 March 2016 £'000
Public Funds					
Restricted – Capital Income	85,800	7,790	(2,857)	5	90,738
Restricted – Specimen Income	13,447	946	(971)	0	13,422
Restricted – Revaluation	10,499	0	0	(1,385)	9,114
Total Restricted	109,746	8,736	(3,828)	(1,380)	113,274
Unrestricted – Income	6,114	26,893	(25,650)	0	7,357
Unrestricted – Revaluation	25	0	0	(4)	21
Pension Reserve	(30,861)	0	9,360	1,552	(19,949)
Total Unrestricted	(24,722)	26,893	(16,290)	1,548	(12,571)
Total Public Funds	85,024	35,629	(20,118)	168	100,703
Private Funds					
Restricted – Income	10,364	1,257	(219)	433	11,835
Restricted – Revaluation	141	0	0	3	144
Unrestricted – Income	1,441	326	(84)	(515)	1,168
Unrestricted – Revaluation	41	0	0	1	42
Total Private Funds	11,987	1,583	(303)	(78)	13,189
Total	97,011	37,212	(20,421)	90	113,892

Unrestricted Public Funds recorded in our own non-consolidated accounts at 31 March 2016 were £113,772,000 with £120,000 attributable to NMGW Enterprises Ltd.

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

Other Movements in Year include a transfer of £500,000 from Unrestricted Private funds to Restricted Private Funds for the St Fagans redevelopment project.

Total revaluation reserves at 31 March 2016 were £9,321,000. These represent accumulated gains/losses on revaluation of fixed assets arising from 1 April 2011 onwards.

(b) Analysis of Net Assets Between Funds

	Public Funds		Private Funds		2016 £'000
	Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000	
Fixed Assets	113,703	955	8,081	735	123,474
Current Assets	4	8,375	3,898	475	12,752
Current Liabilities	(433)	(1,770)	0	0	(2,203)
Long term Liabilities	0	(182)	0	0	(182)
Net Assets (before pension liabilities)	113,274	7,378	11,979	1,210	133,841
Pension Liabilities	0	(19,949)	0	0	(19,949)
Net Assets (after pension liabilities)	113,274	(12,571)	11,979	1,210	113,892

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

	Amgueddfa Cymru		Consolidated	
	2015/16	Restated 2014/15	2015/16	Restated 2014/15
	£'000	£'000	£'000	£'000
Net Income/Expenditure	16,693	(377)	16,714	(341)
Share of Joint Venture	(5)	79	(5)	79
Unrealised Gains/Loss on market value of investment	82	(126)	82	(126)
Donated Assets	(457)	(1,240)	(457)	(1,240)
Depreciation	1,401	1,121	1,418	1,128
Impairment of Fixed Asset	1,870	5,614	1,870	5,614
Decrease in Stocks	22	6	90	4
(Increase) in Debtors	(337)	(1,121)	(508)	(774)
(Decrease)/Increase in Creditors	(89)	129	(94)	121
FRS102 current year pension costs	(9,360)	1,118	(9,360)	1,118
Net Cash Inflow from Operating Activities	9,820	5,203	9,750	5,583

21. Capital Expenditure and Financial Investment

	Amgueddfa Cymru		Consolidated	
	2015/16	2014/15	2015/16	2014/15
	£'000	£'000	£'000	£'000
Payments to Acquire Tangible Fixed Assets	(11,468)	(2,156)	(11,507)	(2,199)
Payments to Acquire Investments	(1)	(2)	(1)	(2)
	(11,469)	(2,158)	(11,508)	(2,201)

22. Management of Liquid Resources

	Amgueddfa Cymru		Consolidated	
	2015/16	2014/15	2015/16	2014/15
	£'000	£'000	£'000	£'000
Investments at 1 April 2015	1,512	506	1,512	506
Increase in short term investments	10	1,006	10	1,006
Investments at 31 March 2016	1,522	1,512	1,522	1,512

23. Financing

	Amgueddfa Cymru		Consolidated	
	2015/16	2014/15	2015/16	2014/15
	£'000	£'000	£'000	£'000
Loans outstanding at 1 April 2015	108	151	108	151
Loan repayments	(43)	(43)	(43)	(43)
Additions	160	0	160	0
Loans outstanding at 31 March 2016	225	108	225	108

24. Movements in Cash

	Amgueddfa Cymru		Consolidated	
	2015/16	2014/15	2015/16	2014/15
	£'000	£'000	£'000	£'000
Net Cash at 1 April 2015	6,132	4,136	7,126	4,793
Net Cash (Outflow)/Inflow	(1,542)	1,996	(1,651)	2,333
Net Cash at 31 March 2016	4,590	6,132	5,475	7,126

25. Capital Commitments

	2016 £'000	2015 £'000
At the balance sheet date there were capital commitments of	6,349	1,285

Major commitments as at 31 March 2016 and 31 March 2015 related to the St Fagans redevelopment project.

26. Contingent Liabilities and Guarantees

As at 31 March 2016 there existed one claim 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 this case.

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

27. Related Party Transactions

We are a Welsh Government Sponsored Body. The Welsh Government is therefore regarded as a related party. During the year we received funding from the Welsh Government in the form of Revenue, Capital and Specimen Purchase Grant-in-Aid and other grant referred to in note 3 to the accounts. We incurred expenditure with the Welsh Government of £19,620. We also received £65,343 in relation to service activities from the Welsh Government and £2,321 income from the National Assembly for Wales.

We made the following payments to other related parties in 2015/16:

- £5,000 to Creative & Cultural Skills. David Anderson, Director General, is a board member of Creative & Cultural Skills.
- £915 to ICOM UK. Janice Lane, Director of Learning, Exhibitions & Digital Media is a board member of ICOM UK.
- £26,144 to Cardiff University. Dr Carol Bell, Trustee, is a member of the Council of Cardiff University. We also received income of £239 from Cardiff University and our trading subsidiary NMGW Enterprises Ltd received income of £55,427 from Cardiff University during the year.
- £560 to Pedal Power. Carys Howell, Trustee, is a member of Pedal Power's board. We also paid £600 to Children's Festival of Welsh History where Carys Howell is a director.
- Baroness Kay Andrews, Trustee, is a trustee of the Heritage Lottery Fund. Grants received from the Heritage Lottery Fund are identified in note 3 to the accounts

We received a total of £3,330 in donations from Trustees (£4,135 in 2014/15).

During the year Elisabeth Elias, President, Laurie Pavelin, Treasurer, and Glenda Jones, Trustee, served as directors of NWMS Ltd referred to in note 9 to the accounts. None of the directors receive remuneration from this company.

28. Prior year adjustments

From 2015/16 FRS102 consolidates and replaces various Financial Reporting Standards and Statements of Accounting Practices including Financial Reporting Standard (FRS) 17 which previously determined how the pension scheme liability and required disclosures are calculated. The prior year comparators for 2014/15 in the Statement of Financial Activities for Expenditure on Charitable Activities, Pension Finance costs and Actuarial Gains/(Losses) on defined benefit pension scheme have therefore been restated, and prior year comparators for

the disclosures in notes 7, 8, 18 and 20 have been restated where required. There is no impact on the comparators for the Defined benefit pension scheme deficit or Reserves on the balance sheet.

In line with the updated Charities SORP (FRS102), issued in 2015 the prior year comparators 2014/15 for Funds disclosed in the Balance Sheet have been restated to disclose accumulated gains/losses on revaluation of fixed assets arising from 1 April 2011 onwards as revaluation reserves separately from income reserves. The prior year comparators for note 19 have also been restated. There is no impact on the comparator for total funds.

29. Post Balance Sheet Events

The Accounting Officer authorised these financial statements for issue on 14 July 2016. There were no other post balance sheet events.