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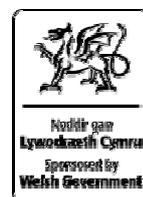
# AMGUEDDFA CYMRU – NATIONAL MUSEUM WALES

## FINANCIAL REPORT

2020/21

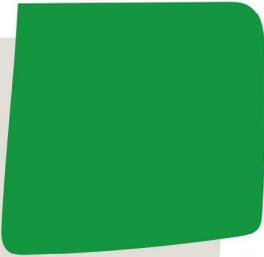
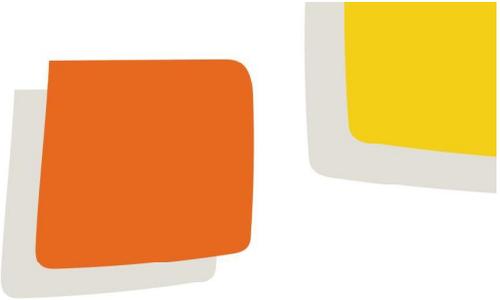
Royal Charter RC000369  
Registered Charity 525774

national  
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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**

2020/21 has been a year without precedent in our history. Like many other organizations in Wales, Amgueddfa Cymru has faced unimaginable challenges as a result of the COVID-19 pandemic. On 17 March 2020 we closed Wales's national museums, and on the whole they stayed closed throughout 2020/21.

Yet, despite the challenges, we have remained an important resource for Wales, and have continued developing a new 10-Year Strategy and brand to ensure a sustainable future for Amgueddfa Cymru. We have ensured that digital services are central to our work and through these, we have connected with more communities in new and exciting ways.

Amgueddfa Cymru exists to help people and communities in Wales have a better and culturally richer life, to help protect our natural environment, to support people in learning from childhood to old age, and to sustain and build connections with people in Wales and across the world.

It is our mission, as Wales emerges from the pandemic, to support the country through the process of healing, renewal and growth. We have a responsibility to address the challenges that confront Wales, and to make culture accessible to everyone in Wales.

#### **Black Lives Matter**

We had to face some important but challenging truths in response to the Black Lives Matter movement, and reflect on our own role in fighting racism. We joined Zero Racism Wales and others to publicly commit to standing up against racism in all its forms. As a result, we have developed a better understanding of the role Amgueddfa Cymru can play in achieving race equality in Wales.. Working with community partners and young people, we are diversifying the national collections, increasing representation and contributing to conversations about decolonization, inequality and racism. One example is our work with the Sub-Saharan Advisory Panel Youth Leadership Network, where we invited artists to help us reframe the colonial narrative around the portrait of Lieutenant-General Thomas Picton, currently on display at National Museum Cardiff.

#### **Climate and ecological emergency**

In 2019, we declared a global climate and ecological emergency. We are committed to safeguarding our natural environment, embedding sustainability in our work and protecting nature for future generations. As part of this commitment, we launched an accredited carbon literacy course where staff can learn how we can all play a part in lowering our

carbon footprint. We also hosted Olion – Footprints, an online festival looking at the changes we can make as individuals and society to fight climate change.

## **Our Response to the Pandemic**

When the COVID-19 pandemic reached Wales, we were determined to rethink our services in collaboration with our community partners, and use digital technologies to transform our services on the ground.

Within a few weeks of lockdown, we had formed eight cross-departmental task and finish groups across almost every area of our work, from digital and commercial operations to learning and collections. These cross-departmental groups were innovative and bold and have helped shaped our work during course of the pandemic.

In May 2020 we launched Collecting Covid, a project to collect and record people's experiences of living through the pandemic in Wales. We received nearly 1,000 responses, which will help us see how things changed during the pandemic and the longer-term impacts on people's lives and their communities.

We supported 498 volunteers with a range of initiatives. For the Exhibition of Hope, the National Wool Museum invited the people of Wales to knit, crochet or sew rainbow-coloured squares. Volunteers joined the squares – over 800 of them – to create a giant rainbow blanket. The blanket was displayed at the National Wool Museum and the National Waterfront Museum, before being turned into smaller blankets to be donated to various charities.

We developed various initiatives to support Amgueddfa Cymru volunteers during the pandemic, including the GRAFT community garden at the National Waterfront Museum. This is a partnership between Amgueddfa Cymru and Swansea City & County Council and supported by Roots Foundation, CRISIS and other community partners. During the pandemic we have distributed seed growing kits and food parcels to those in need.

We have continued to engage with young people throughout the pandemic and adapted our learning programme to create innovative, blended models of working. We launched a virtual, free-of-charge learning programme for schools with live facilitation delivered daily into schools in Wales.

As the pandemic worsened, we launched a series of projects as part of Celf ar y Cyd, in partnership with the Arts Council of Wales and the Welsh Government. Two of the projects are The NHS Decides – Art in Hospitals, and *Cynfas*. With NHS Decides – Art in Hospitals we invited hospital staff to choose pieces from the national art collection to provide inspiration and solace for staff and to support COVID patients in their recovery. The selected items were reproduced and mounted on Field Hospital wards and on the walls of spaces specially created for staff wellbeing. *Cynfas*, our first ever digital art magazine, is where we hold conversations about the national art collection, strengthening the sense of shared ownership and reaching out to new communities.

Staff at the National Slate Museum donated gloves to Gwynedd Council and made hearts for local NHS charity Awyr Las. The hearts were part of the #RedHeartAppeal by Betsi Cadwaladr Health Board's Palliative Care team, who wanted to do something for relatives unable to visit their friends and families in hospital, sometimes not having the chance to

say their final goodbyes. Staff at Big Pit National Coal Museum supported the clap for carers campaign by displaying a special rainbow banner on the Museum's Headgear.

We developed Objects of Comfort with the Older Person's Commissioner, the Alzheimer's Society, Innovate Trust and the Greater Gwent Health, Social Care and Well-being Partnership. We invited people to respond to items from the collections and to share their own objects – things that bring solace, evoke memories or help their well-being during difficult times. Working with the 3 Nations Dementia Working Group and the Alzheimer's Society we moved a number of our initiatives online, supporting people living with dementia during self-isolation.

In September 2020, we took the famous St Fagans Food Festival online. The two-day Food Festival showcased hundreds of local producers, independent businesses and charities from all over Wales.

Pride celebrations also moved online, and we therefore adapted the way we collected items from the events, to ensure we can show how Wales's LGBTQIA+ communities responded to COVID-19.

In November 2020, we joined with the Hindu Cultural Association Wales and celebrated Diwali across our social media platforms, attracting over 7,000 engagements. We have since included some elements of the celebrations into the collections, including videos of the food, rangoli patterns and Kids' Lockdown Diaries.

As COVID-19 restrictions began to ease from July 2020, we were able to re-open the national museums to the public. We introduced robust health and safety measures at all the museums, and provided extensive training for staff. For visitors, we introduced an online booking system so that we could manage the number of people on site in line with social distancing guidance and also collect Test Trace Protect data required by Welsh Government. We were asked to lead and develop the safe working guidelines for the museum sector by Welsh Government. Throughout the pandemic we have worked collaboratively with Trade Union partners and sector partners such as Cadw, National Trust, Federation of Museums and Welsh Government on COVID-19 responses.

Our staff had to adapt to the new challenges: some continued working on site looking after the museums and the collections, others were able to work from home thanks to rapid developments in our ICT systems, while some were furloughed for various periods of time.

Achieving the Investors in People accreditation for the whole organization now underpins the way we work, which is based on the principle that every single member of staff is involved in supporting each other and doing their best to make our work better.

## Financial Results for the Year

	<b>2020/21</b>	2019/20
	<b>£</b>	£
Total income	34,364,000	38,342,000
Total expenditure	(37,189,000)	(32,529,000)
Other movements	580,000	(533,000)
<b>Consolidated net (expenditure)/income</b>	<b>(2,245,000)</b>	5,280,000
<b>Net movement in funds (after all realised and unrealised gains and losses)</b>	<b>(1,598,000)</b>	(33,887,000)
<b>Total fund balances held in unrestricted and restricted public and private reserves at year end</b>	<b>96,538,000</b>	98,136,000
<b>Fund balances held for unrestricted public purposes at year end (excluding pension reserve)</b>	<b>10,091,000</b>	8,779,000

While our non-government sources of income were severely affected by the COVID-19 pandemic throughout the year, these losses were mitigated by funding from the UK government's Coronavirus Job Retention Scheme (CJRS). We were also awarded additional Grant-in-Aid by Welsh Government during the year. Overall our net expenditure for the year was £2.2m.

The net movement in funds for the year includes £12.4m actuarial gains on the pension scheme, and £11.8m losses on revaluation of land and buildings following the 5-yearly valuation at 31 March 2021.

Closure of our Museums for much of the year due to the COVID-19 pandemic greatly reduced the trading and turnover of our trading company, NMGW Enterprises Ltd. When our Museums were open, the principal activities of the trading company were sales at our retail shops, contract and in-house catering, car parking, image licensing, corporate hire, lettings and filming rights. The company reported losses of £504,000 for 2020/21 (profits before Gift Aid of £775,000 for 2019/20). These losses were net of CJRS funding of £429,000.

Total Funds at 31 March 2021 were £96,538,000, with an analysis provided in note 18 to the accounts. Note 18 shows that, excluding the pension scheme deficit, over 90% of funds are represented by fixed assets. Unrestricted public funds, excluding the pension scheme deficit, were £10.1m, of which £3.7m is represented by fixed assets. The remaining unrestricted public funds of £6.4m are allocated to future commitments. There is more information in the Policy on Reserves section.

## Aims and Objectives

Our vision is to be an organization that is **Inspiring people, Changing lives.**

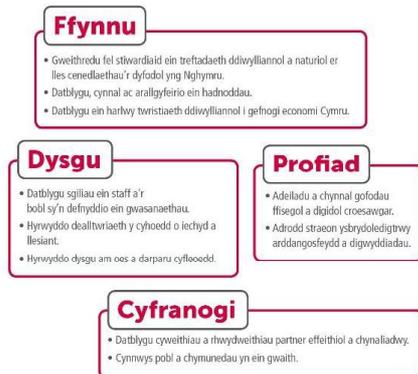
Our vision will be at the heart of our new 10-Year Strategy, which will set out how we continue to be a vital part of Wales's cultural infrastructure, crucial for the process of national healing and renewal.

We are moving away from the twentieth-century model of a museum as a holder of objects that operates only within its own walls, towards a new model that ensures that culture is accessible, relevant and engaging to communities across Wales.

## Ysbrydoli Pobl, Newid Bywydau

### Ein Hymrwymiadau

Mae pedwar maes allweddol i'n hymrwymiadau:



## Inspiring People, Changing Lives

### Our Commitments

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



Our vision is aligned to the national goals set out in the Well-being of Future Generations (Wales) Act 2015 and other Welsh Government strategies. The Vision Commitments and objectives are mapped to the seven well-being goals set out in the Act, as explained in our Well-being Statement, available at <https://museum.wales/well-being-statement/>. We regularly report to the Future Generations Commissioner on our progress against the Act's goals and were also audited by Audit Wales in 2019/20 specifically on our Engagement activities. The report is available at [Amgueddfa Cymru – Well-being of Future Generations Examination | Audit Wales](#).

## Statutory Background and Stakeholder Engagement

The National Museum of Wales was established by Royal Charter in 1907 and continues to be registered as a legal entity and charity under this name (Royal Charter No. RC000369, Charity No. 525774, VAT No. GB 783 4541 10). The organization is now known as 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.

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

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

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

## **Amgueddfa Cymru’s Locations**

In 2020/21 we directly operated seven museums across Wales:

### **National Museum Cardiff, Cathays Park, Cardiff**

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

### **St Fagans National Museum of History, St Fagans, Cardiff**

One of Europe’s leading open-air museums, St Fagans is part of our group of five social and industrial history museums. Visitors can explore and enjoy over 2,000 years of history in over forty re-erected period buildings that have been collected from all over Wales. In 2019 St Fagans National Museum of History won the prestigious Art Fund Museum of the Year award.

### **Big Pit National Coal Museum, Blaenafon, Torfaen**

Part of the World Heritage Site at Blaenafon, Big Pit is a complete former working coalmine. The underground tours, guided by ex-miners, had to be suspended in 2020/21 due to the COVID19 pandemic. When these are reinstated visitors will once again be able to descend over 90 metres to the very depths of the mine and experience the conditions and 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, tombstones, a labyrinth mosaic, military equipment, pottery, glass and jewellery.

### **The National Slate Museum, Llanberis, Gwynedd**

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 splitting and dressing slate by hand. The Museum is currently at the heart of the north Wales slate area’s bid for UNESCO World Heritage Site status.

**The National Wool Museum, Dre-fach Felindre, Carmarthenshire**

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 still in continuous operation – now houses the Museum.

**The National Waterfront Museum, Maritime Quarter, Swansea**

In Swansea's regenerated Maritime Quarter, the National Waterfront Museum is housed in a listed waterfront warehouse linked to an ultra-modern slate and glass building. Visitors can explore the extraordinary story of industry and innovation in Wales.

We also have a **National Collections Centre** in Nantgarw, Rhondda Cynon Taf, open to the public by appointment.

In addition, we have formal 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

Due to the COVID-19 pandemic and the temporary closure of the national museums we were unable to measure performance based on traditional measures. Instead, we focused on how we could play a key part in supporting communities and people across Wales and evaluated our performance in terms of our response to this challenge. We have also developed our digital offer by engaging with audiences online.

Key Performance Indicator	2019/20 out-turn	2020/21 target	2020/21 out-turn
Number of visits	1,814,864	90,000	64,492
Number of website visits	1,753,113	1,600,000	1,326,635
Number of formal education visits	182,227	15,000	54,845*
Number of informal education visits	405,407	20,000	161,113**
Total net income from research and charging, trading company profits and recharges, and revenue fundraising	£1,639,000	£1,800,000***	£1,850,000***

\* Includes participation in virtual classrooms and downloads of resources

\*\* Includes number of engagements with and attendance at virtual events and activities

\*\*\* Includes income from CJRS funding for staff on furlough, which was capped at losses on non-Grant-in-Aid income for the year

### Capital Investment

Underpinning the delivery of our vision, a programme of capital works continues, funded by Welsh Government grant-in-aid. In 2020/21 this focused on progressing the essential maintenance works plan and accelerating our digital programme. The major roof works at National Museum Cardiff, which started in the previous year, were largely completed by the year end. Other projects at National Museum Cardiff, including lift replacement, ventilation works and ICT server room upgrade, were ongoing at the year end. Completed projects in the year included replacement of plant across sites including boilers, chillers and farm equipment; purchase of ICT hardware and audio-visual equipment; and upgrade of ICT storage, firewall and networks. The initial phase of the National Slate Museum redevelopment project continued, including surveys and planning consultancy. While increased grant-in-aid for the five years to 2021/22 represents total capital investment of £16m, over £50m of preventative and backlog maintenance has been identified as essential over the next 10 years.

### Working in Partnership

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 partnership with the Pembrokeshire National Park Authority continued, with the popular family-friendly exhibition *Wriggle! The Wonderful World of Worms* and photography exhibition *LAND/SEA* by Mike Perry, a touring Ffotogallery exhibition.

We are proud to continue our long-standing relationship with Japan. In December 2020, Mark Drakeford, the First Minister of Wales, joined Yasumasa Nagamine, Japan's Ambassador to the UK, for the first formal planting in Wales of the 6,500 cherry trees gifted to the UK to celebrate the friendship between the UK and Japan. St Fagans National Museum of History received twenty trees. The National Botanic Garden of Wales and Conwy Castle, twinned with Himeji Castle in Japan, also received trees. We were also able to maintain our international loans programme during this time, and sent 6 works from our collection to Japan as part of a major national exhibition, *Millet to Impressionism*.

## Specimen Acquisition

We purchased an important group of *21 views of north Wales* by Paul Sandby. The views, painted in the early 1770s, were ground-breaking in popularising Wales as a tourist destination, presenting Wales as an economically active, 'picturesque' and 'sublime' country rather than the impoverished and barbarous region of earlier prejudicial stereotypes. The acquisition was made possible by generous support from the National Heritage Memorial Fund, the Art Fund and a bequest from Mary Cashmore, a Patron and supporter of Amgueddfa Cymru.

Our long-standing partners the Derek Williams Trust purchased two important works by Paula Rego. Rego has earned a distinguished reputation with her characteristically unsettling pictures, suggesting ambiguous relationships and uncertain narratives, told from a female perspective. The Trust acquired two pastels from the series *The Life Cycle of the Virgin Mary*, which she created in 2002.

Two recently discovered, rare oil sketches by Welsh artist Thomas Jones (1742-1803) also entered the national art collection. *Welsh Landscape with Lead Mines*, painted around 1775-6, is an important early representation of Welsh industry – a unique subject among Jones's surviving paintings. The painting hints at the impact of the dawning industrial age on the mid-Wales landscape. *View on the Wye* features a boating scene on the beautiful River Wye, once voted the 'nation's favourite river', and a Site of Special Scientific Interest. Both paintings were donated as part of a legacy gift.

## Research Activity

The project Brought to the Surface focused on identifying the freshwater snails of Britain and Ireland. Thanks to funding from the National Lottery Heritage Fund, our curators led a team of partners and volunteers in creating a new identification guide for fifty wild snail species that live in our rivers, ponds and estuaries. Using our outstanding shell collections, our curators studied and showcased this surprisingly dynamic and often threatened part of the UK's natural heritage. The project engaged with over 2,000 people around Wales, held five public hands-on identification days, created a new display at National Museum Cardiff and devised an innovative identification game with schoolchildren at St Fagans National Museum of History. We have since photographed and DNA-barcoded specimens from around the UK.

In early 2021, four-year-old Lily Wilder and her family discovered a well-preserved dinosaur footprint at Bendricks Bay, a beach well-known for dinosaur footprints. The discovery will help scientists establish more about how dinosaurs walked. Lily was the first to spot the footprint, which is just over 10cm long and was probably made by a dinosaur that stood about 75cm tall and 2.5m long. During the pandemic our scientists have been highlighting the importance of nature on our doorsteps, and this discovery is a perfect example of this.

We are proud to have joined the global coalition United for Biodiversity, an international campaign to raise awareness of the need to protect biodiversity. The coalition was launched in March 2020, on World Wildlife Day, by Virginijus Sinkevičius, the EU Commissioner for the Environment, Oceans and Fisheries. We are proud to become only the second official member from the UK, following Bristol Museum in November 2020.

We received a Capabilities for Collections grant of £746,000 from the Arts and Humanities Research Council for purchasing equipment for our Art and Archaeology laboratories. This will enable us to deliver some exciting new research projects and to improve access to facilities for students and community research groups.

## **Learning**

In 2020/21 we engaged with 54,845 school pupils, in person and online, through our formal learning programmes and resources. When lockdown started we introduced a free learning programme for schools by adapting our most popular workshops, delivering live online facilitation into schools in Wales. We also worked with the Consortia and BBC Bitesize to support the development of resources and activities for schoolchildren. Working with schools, we developed creative collaborations to support the new curriculum and initiatives to support young people at risk of school exclusion.

In April 2020 we launched the Twitter account @Amgueddfa\_Learn. Our learning team posted daily activities encouraging families to be creative and take part in hands-on activities inspired by the collections.

In May 2020 we launched the competition Minecraft Your Museum, to encourage young people to use their imagination while self-isolating. The project was run in partnership with schools and Hwb, the Welsh Government's distance learning platform. The winning video received over 3.5k views on Twitter (including 1.1k in Welsh). The project won the Kids in Museums Best Social Media Activity award, out of 400 entries.

Working with charities, local authorities and partners such as Torfaen Play, we produced and distributed 1,000 learning packs to families experiencing digital poverty or unable to access online materials. We also engaged with 161,113 young people, adults, families and early years children, in person and online.

## **Youth-led Initiatives**

Amgueddfa Cymru Producers are a group of independent young people aged 18-25, from diverse backgrounds, who act as agents of change. They were involved in several strands of our work, ensuring that youth engagement is at the heart of everything we do. They were involved in writing policies, were consulted with for strategies, helped to interview for

tenders and jobs and mentored senior staff. They also took the lead on developing new policies around the use of social media for young people, and in March 2021 launched their own Instagram account called @Bloedd\_AC.

Amgueddfa Cymru is one of twelve UK organizations involved in the initiative Kick the Dust, supported by the National Lottery Heritage Fund. The aim is to make heritage relevant to the lives of young people aged 11-25. During lockdown we worked with the Amgueddfa Cymru Producers and Children in Wales, Promo Cymru, Barnardo's, Llamau, Jukebox Collective and the Sub-Sahara Advisory Panel on various activities, including capturing young people's responses to the pandemic in a youth-led exhibition. We also collaborated with Llamau to support young people in danger of homelessness, challenging their clients to recreate famous works of art from the collections.

A youth-led fashion photo shoot was held in the gardens of St Fagans National Museum of History. Eight young people of colour attended, and the images were shared on social media as part of Black History Month. A collaborative LGBTQ+ friendly costume-making project with the Andrew Logan Museum of Sculpture, which started before lockdown, also moved online. The conversations between young participants are increasingly focused not just on celebration, but also on activism and equalities. The project has collected stories of young trans people called Trawsnewid.

## **Exhibitions**

When the first national lockdown was announced in March 2020, we were in the final stages of preparing *Becoming Richard Burton*, the first major exhibition anywhere about one of Wales's most iconic figures. Because the exhibition could only be open for a few days, we developed a digital version, an interactive experience where users can engage with the Richard Burton story as a complement to the physical exhibition.

Other work that continued during lockdown was installing *Artes Mundi 9* at National Museum Cardiff, with an extended run until September 2021. The exhibition features work in a diverse range of media from the six competition finalists, including: Firelei Baez from the Dominican Republic, Dineo Seshee Bopape from South Africa, Japanese artist Meiro Koizumi, Puerto Rican artist Beatriz Santiago Munoz, Prabhakar Pachpute from India and Carrie Mae Weems, one of the most influential contemporary American artists working today.

At the end of 2020, artworks by Cézanne, Corot, Millet, Monet and Renoir left National Museum Cardiff on a five-venue tour of Japan. Because we had to send the works unaccompanied, our conservation team adapted the existing historic frames to reduce the risk of damage to the paintings from changing environmental conditions. This is the latest example of how we have adapted our ways of working to maintain the loans programme.

## **Fundraising**

Due to the temporary closure of our Museums, our commercial activities were severely affected this year including retail, catering and car parking, together with other income-generating activities that rely on our museums being open. However, we achieved a high level of success when fundraising through trusts, foundations, lottery and grant providers,

raising £1.3m in 2020/21 compared with £1.6m in the previous year. We also received £50,000 of donated heritage assets and a number of government grants.

Significant gifts were received from the Garfield Weston Foundation, Paul Hamlyn Foundation, players of People's Postcode Lottery, National Lottery Heritage Fund, Arts Council Wales, and others. Other gifts included £6,000 from the Henry Moore Foundation and £8,240 from Ashley Family Foundation/ Community Foundation Wales.

Like museums all over the UK, we took part in the national crowdfunding appeal #SupportOurMuseums, and raised over £3,800. The money will be a huge support for our ongoing outreach and engagement work with communities across Wales, which has been more important than ever over the past year.

We launched a new Membership Scheme to appeal to family visitors. It offers a quarterly digital newsletter, a 10% discount at our shops and cafes and free admission to paid-for exhibitions, and we hope to attract a new generation of supporters.

We also launched the Business Membership Scheme, an opportunity for businesses to become closely involved with our work. It includes sponsorship for exhibitions or education projects, and corporate hospitality opportunities. We aim to create a group of business partners who are committed to supporting our programmes, by developing partnerships designed around the business strategies of key companies in Wales.

During the year, our fundraising activities were undertaken in-house, by our Development Department and we did not contract out any fundraising activities to third party agencies or undertake any direct marketing activity. We continue to be members of the Fundraising Regulator and we abided by the code of fundraising practice as set out by the Regulator. We did not receive any complaints in respect of our fundraising activities.

## **Volunteering**

Over the past year we have found new ways to keep our volunteers up to date and involved with our work.

We converted our Volunteers Week celebrations in June 2020 into an online programme including quizzes and light-hearted workshops. Some volunteers were able to continue volunteering from home, including the Craft Club volunteers, who produced textile items for our exhibitions and shared tips for making PPE. Altogether, we supported 498 volunteers, who provided 11,113 hours of volunteering.

As well as launching new e-volunteering roles, lockdown also gave us time to look at future projects, including volunteer ambassador and alumni roles. We also looked into a new volunteer role to help carers access and contribute to 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 programmes, 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 Sustainability Compliance Group supported by a Sustainable Development Forum that consider issues, make recommendations to the directors and trustees, drive forward policy development and actively promote sustainable development practices across the organization.

More information on how we are creating sustainable museums, including our Environmental Statement, can be found at <https://museum.wales/sustainability/>.

### **Performance**

Conserving the nation's treasures and opening our doors to over 1.8 million visitors in a normal 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 participated in the CRC Energy Efficiency Scheme until it closed down following the 2018/2019 compliance year, and we continue to follow its reporting and monitoring requirements as a matter of best practice.

Our museums were closed to visitors for most of 2020/21 and therefore as expected energy, waste and water consumption have all reduced compared to the previous year. However, all of our sites remained open for essential staff access, and appropriate environments for our collections in our galleries and storage areas had to be maintained. This limited the reductions in energy and water consumption.

In 2020/21 electricity consumption has decreased by 15%, and gas consumption (including LPG) by 9%. Total purchased energy across all sites has therefore decreased by 11%. Waste has fallen by 74% compared with 2019/20, and water consumption has fallen by 16%.

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

<b>Greenhouse Gas Emissions</b>		<b>2020/21</b>	<b>2019/20</b>	<b>2018/19</b>	<b>2017/18</b>	<b>2016/17</b>
Non-financial indicators (tCO <sub>2</sub> )	Scope 1 (Direct) Emissions - gas	1,462	1,621	1,014	1,464	1,424
	Scope 2 (In-direct) Emissions – purchased electricity	975	1,259	1,582	2,116	2,424
	Scope 3 (Business travel) Emissions	1	24	25	26	27
	<b>Total</b>	<b>2,438</b>	<b>2,904</b>	<b>2,621</b>	<b>3,606</b>	<b>3,875</b>
Related energy consumption (kWh'000)	Gas	7,952	8,771	5,164	7,951	7,705
	Electricity	3,887	4,574	5,190	5,548	5,426
	<b>Total</b>	<b>11,839</b>	<b>13,345</b>	<b>10,654</b>	<b>13,499</b>	<b>13,131</b>
Financial indicators (£)	Gas	201,843	213,582	216,754	204,745	169,481
	Electricity	491,828	666,208	647,989	596,914	548,415
	CRC administration fee	0	0	1,290	1,290	1,290
	Official Business Travel	30,386	181,993	161,771	156,312	147,169
	<b>Total</b>	<b>724,057</b>	<b>1,061,783</b>	<b>1,027,804</b>	<b>959,261</b>	<b>866,355</b>
<b>Targets and Performance</b>						
<p>Our Environmental Statement sets a target to reduce CO<sub>2</sub> produced by energy and transportation usage by 2% per annum. In 2020/21 CO<sub>2</sub> emissions for purchased energy have decreased by 15% compared with 2019/20. The decrease in CO<sub>2</sub> over the 3 years since 2017/18 is 32%.</p> <p>Electricity consumption has decreased substantially by 15% while gas consumption (including LPG) has decreased by 9%. The reductions are expected as our Museums were closed to visitors for most of the year. However, energy efficiency measures implemented during the year, such as new energy efficient boilers at National Museum Cardiff, will contribute to a longer-term reduction of energy consumption.</p> <p>For a number of years we have encouraged sustainable travel modes for visitors and staff in various ways and our care hire CO<sub>2</sub> fell by over 30% in the 5 years to 2019/20. In 2020/21, due to lockdown and restrictions on travel, car hire CO<sub>2</sub> has fell by 96%. We expect our substantial increase in remote working capabilities to impact on the need for car hire in the future.</p>						

<b>Waste</b>		<b>2020/21</b>	<b>2019/20</b>	<b>2018/19</b>	<b>2017/18</b>	<b>2016/17</b>
Non-financial indicators (tonnes)	Hazardous waste	0.0	0.5	0.3	0.2	0.5
	Non-hazardous waste:					
	- Landfill	311.6	1,218.1	1,262.6	1,123.2	954.9
	- Reused/Recycled	807.4	1,911.6	1,948.6	1,773.2	1,853.2
	- Incinerated	8.7	37.5	43.9	41.6	33.4
	<b>Total waste</b>	<b>1,127.8</b>	<b>3,167.7</b>	<b>3,255.3</b>	<b>2,938.2</b>	<b>2,842.0</b>
Financial indicators (£)	<b>Total disposal cost</b>	<b>31,084</b>	<b>57,619</b>	<b>56,923</b>	<b>51,643</b>	<b>40,417</b>
<b>Targets and Performance</b>						
We actively encourage the minimisation of waste through increased recycling and promotion of re-use and reduction across all our sites. There was a 64% decrease in overall waste in 2020/21, including a 74% decrease in landfill, as expected given the closure of our Museums to visitors for much of the year.						

<b>Finite Resource Consumption</b>		<b>2020/21</b>	<b>2019/20</b>	<b>2018/19</b>	<b>2017/18</b>	<b>2016/17</b>
Non-financial indicators ('000m <sup>3</sup> )	<b>Total Water consumption</b>	<b>19,601</b>	<b>23,444</b>	<b>23,463</b>	<b>28,786</b>	<b>22,860</b>
Financial indicators (£)	<b>Total Water supply costs</b>	<b>45,427</b>	<b>67,067</b>	<b>79,828</b>	<b>89,705</b>	<b>67,506</b>
<b>Targets and Performance</b>						
In 2020/21 water consumption fell by 16% compared with the previous year, as expected given the closure of our Museums to visitors for much of the year.						

### **Future strategy**

Our new 10-year strategy, to be launched in 2021/22, gives prominence to addressing climate change and the biodiversity emergency.

In 2021/22 we will build on progress already achieved in reducing greenhouse gas emissions, waste and water consumption. We expect to see an increase in our emissions and consumption compared with 2020/21 when our museums reopen fully post the COVID-19 pandemic, but anticipate reductions compared to 2019/20. The replacement of boilers at National Museum Cardiff during 2020/21 will achieve a reduction in emissions, and the Sustainable Development Forum continue to explore further energy saving works across our sites.

This work will be supported by our Carbon Management Plan, which is in development, with implementation due to begin in 2021/22. We will commission a Carbon Audit consultant to build on our previous work and identify further areas for improvements in relation to decarbonization. This will include changes to plant, equipment, general operations and user behaviour. We have developed a Carbon Literacy training programme, accredited by the Carbon trust, which we started rolling out to all staff from April 2021.

Building on our response to the COVID-19 pandemic, and our increased capacity for remote working, we will reduce staff travel in the long term not just in the immediate future. This is part of our Digital Strategy, which is being updated in 2021/22 to align fully with our 10-year strategy.

### **Biodiversity**

We have biodiversity action plans for each of our sites, aiming 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 and which will inform the biodiversity action plans and also land management.

At National Museum Cardiff, our natural history research will continue to make a significant contribution to contemporary debates relating to sustainability, climate change and the loss of biodiversity.

### **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 are accredited with 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 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 2021 at £91,291,000. This represented a decrease in net book value of those property assets of £16,219,000, of which £11,752,000 was offset against unrecognised revaluation gains recognised since the 2011 valuation and £4,468,000 was treated as impairments and written off to expenditure on charitable activities.

Heritage assets acquired before 1 April 2001 have not been capitalised, and heritage assets purchased or donated since that date have been recorded at cost or valuation. The Trustees do not consider that the considerable cost of valuation of such a large collection of heritage assets can be justified, on cost/benefit grounds, in obtaining what would be a valuation at one particular moment in time. In line with Financial Reporting Standard (FRS) 30 on heritage assets, disclosures are covered in note 11 to the accounts.

Our interest in the property at the National Waterfront Museum is reflected by our 50% share in the joint venture company with the City & County of Swansea. Details of the joint venture interest are shown in note 9 to the accounts.

## **Prompt Payment Performance**

We subscribe to the objectives of the Better Payment practice code issued by HM Treasury and aim to pay valid invoices within thirty days of receipt. The average time taken for payment of invoices during 2020/21 was six calendar days (seven days in 2019/20), which includes 97.6% (by number) of invoices settled within 30 days (96.6% in 2019/20). There were no payments of interest under the Late Payment of Commercial Debts (Interest) Act 1998 (£Nil in 2019/20).

## **Policy on Reserves**

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

Private funds are separately maintained and specified in the accounts. These include funds subject to restrictions imposed by donors, and unrestricted gifts and donations available for use to further our objectives. 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.

Our reserves policy regarding public funds remains dependent upon, and restricted by, the authority granted by the Welsh Government in our Framework Agreement, which at the financial year-end 2020/21 limited our public funds 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.

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 difficulties in recent years surrounding public finances, our growing structural deficit and diminishing revenue reserves, and our significant preventative and backlog essential maintenance requirements, we have remained determined to continue to deliver our vision priorities, including capital developments and refurbishments. The COVID-19 pandemic has presented new challenges, but we have mitigated our income losses in 2020/21 through CJRS funding for furloughed staff, other COVID-19 related revenue grants and donations, and in-year savings. We almost trebled our non-government income generation over the 5 years to 31 March 2020, with plans in place and under development for further growth in the future. However, we remain dependent on Welsh Government funding to sustain the majority of our activities. We were grateful for additional revenue grant-in-aid awarded for 2020/21 and for 2021/22, enabling us to balance our budgets for those years. Additional funding has not yet been confirmed for 2022/23 onwards. Therefore, based on our current operating models and structures, and revenue grant-in-aid at 2019/20 levels, available revenue (public unrestricted) reserves will be eliminated in less than 3 years. We are reviewing our financial position and plans for achieving financial sustainability and discussing this regularly with Welsh Government. Based on these discussions our accounts have been prepared on a going concern basis and there are no material uncertainties about our ability to continue.

Total Funds at 31 March 2021 were £96,538,000, with an analysis provided in note 18 to the accounts. Unrestricted private funds were £4,220,000, of which £0.8m is represented by fixed assets, leaving £3.4m disposable cash reserves. Unrestricted public funds, excluding the pension reserve, were £10,091,000 of which £3.7m is represented by fixed assets, leaving £6.4m which has been allocated to various plans and future commitments.

## **Investment Policy and Performance**

Our investment objectives are to generate income to support our activities and to grow the capital value in real terms, ahead of inflation. We invest Private Funds that are planned to be held in the long term in a discretionary Charity Fund portfolio actively managed by our advisors, Barclays. Our investment policy accepts short-term volatility in the pursuit of positive investment returns after the effects of inflation and acknowledges that the capital value may fluctuate significantly from time to time. In addition, a substantial element is retained in cash-based deposits to be readily available for investment in the capital programme. We seek to avoid investing in unethical stocks that go against our aims, through investing in funds that use screening to ensure that ethical restrictions are placed on the investments. The performance of these funds is subject to review on a regular basis, with changes made to the portfolio as appropriate to the risk appetite.

After the fall in value of the investments of £530,000 during February and March 2020 due to the impact of the COVID-19 pandemic on investment markets world-wide, markets subsequently recovered. The value of the investment portfolio increased during the year from £2,549,000 to £3,105,000.

We also hold, from bequests, an equity investment in eleven blue chip companies. The value of this portfolio increased during the year from £84,000 to £100,000.

The total value of investments held at 31 March 2021 was therefore £3,205,000.

## **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 of £10.3m, from £69.2m to £58.9m. This is due to the value of scheme investments recovering in 2020/21 after the fall in markets in response to the COVID-19 pandemic. Further details of how pension costs are accounted for are contained in the accounting policies note to the accounts, and the disclosure requirements contained in FRS102 are shown in note 17 to the accounts.

Due to additional grant-in-aid awarded in 2020/21, in part to address the costs of funding the pension scheme, we were able to make an additional payment of £800,000 into the Scheme.

Valuations under FRS102 are generally based on prevailing market conditions and are therefore subject to considerable volatility from time to time and are not appropriate as the basis for making scheme funding decisions. These decisions are instead based on a full actuarial valuation on a triennial basis, following guidance from the Pension Scheme Regulator.

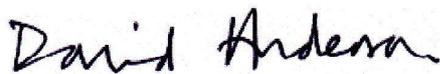
The most recent triennial actuarial valuation of the scheme, to 31 March 2018, was agreed by Amgueddfa Cymru and the Scheme Trustees on 11 June 2019, as was the associated recovery plan to remove the Scheme deficit. The plan will remove the deficit over a period of eight years from the valuation date. The next triennial actuarial valuation is due as at 31 March 2021 and is currently being undertaken by the Scheme Trustees. The recovery plan will be reviewed and agreed once these results are available.

## **Welsh Language Policy**

We are committed to complying with the Welsh Language Standards, as set out by the Welsh Government under Section 44 of the Welsh Language (Wales) Measure 2011. The standards set for Amgueddfa Cymru have been determined by the Welsh Language Commissioner, and cover the four areas of Service Delivery, Policy Making, Operational and Record Keeping. Our Compliance Notice and Welsh Language Policy are available at [www.museum.wales/thewelshlanguage](http://www.museum.wales/thewelshlanguage). We will produce our annual report on compliance with the Welsh Language Standards, which will also be published on our website, in September 2021.

We treat the Welsh and English languages on an equal basis and acknowledge the importance of providing a fully bilingual service to the public. The Welsh language is an intrinsic part of the heritage and culture of Wales, and Amgueddfa Cymru therefore has an important part to play in encouraging people's knowledge and understanding of the history of the language and Welsh culture, as well as using and celebrating the language in our work. All our exhibitions are delivered bilingually and our website is fully bilingual.

In 2020/21 Ar Lafar, the annual festival for learners delivered in partnership with the National Centre for Learning Welsh, took place online. We were proud to be the first organization in Wales to issue guidelines on using simultaneous translation on the virtual platform Zoom. The guidelines were noted as a form of best practice in the Welsh Language Commissioner's Advisory Note on facilitating bilingual digital meetings.



*David Anderson*  
Accounting Officer and Director General  
Approved and signed on 12 January 2022



*Hywel John*  
Treasurer, on behalf of the Board of Trustees  
Approved and signed on 12 January 2022

## **SECTION 2: ACCOUNTABILITY**

### **Section 2.1: CORPORATE GOVERNANCE REPORT**

#### **2.1.1 DIRECTORS' REPORT**

##### **BOARD OF TRUSTEES** (From 1 April 2020 onwards)

###### **PRESIDENT**

Roger Lewis \*

###### **VICE PRESIDENT**

Dr Carol Bell \*

###### **TREASURER**

Hywel John, FCA \*

###### **APPOINTED BY THE WELSH GOVERNMENT**

Carys Howell

Rachel Hughes, MBA FInstLM

Michael Prior, BA Solicitor \*

Dr Catherine Duigan

Maria Battle BA (Hons) Solicitor (retired 10 September 2020)

Gwyneth Hayward

###### **APPOINTED BY THE NATIONAL MUSEUM OF WALES**

Dr Hywel Ceri Jones, CMG

Baroness Kay Andrews, OBE

Prof. Robert Pickard, BSc, Ph.D, FRSB \* (retired 24 September 2020)

Dr Glenda Jones, BA (Hons), Ph.D (retired 24 September 2020)

Robert Humphreys

Dr Madeleine Havard \*

Abigail Lawrence (appointed 23 September 2020)

Richard Thomas \* (appointed 23 September 2020)

Freya Stannard (appointed 1 April 2021)

Cai Wilshaw (appointed 1 April 2021)

\* Members of the Audit, Risk & Assurance Committee.

All Trustees are members of the Planning, Performance & Resources Committee.

##### **INDEPENDENT EXTERNAL MEMBERS OF THE AUDIT, RISK & ASSURANCE COMMITTEE**

Rheon Tomos, BA, IPFA

Dr Vivek Goel, BBS, MD, FRCP (appointed 31 March 2021)

##### **DIRECTORATE (SENIOR EXECUTIVE TEAM)** (From 1 April 2020 onwards)

Director General

David Anderson

Director of Corporate Resources

Philip Bushby (from 4 January 2021)

Director of Collections & Research

Kath Davies

Director of Business Development

Nia Elias (from 12 April 2021)

Director of Visitor Experience

Janice Lane

Chief Operating Officer and Deputy Director General

Neil Wicks

Director of Learning & Public Programmes

Nia Williams

Details of transactions with related parties involving directors or Trustees, including donations from Trustees, are disclosed in note 23 to the Accounts.

## **BOARD OF NMGW ENTERPRISES LTD (From 1 April 2020 onwards)**

Chris Jackson (Chairman) (resigned 23 February 2021)  
Richard Gloster (resigned 16 October 2020)  
Richard Nash (resigned 22 February 2021)  
David Anderson  
Neil Wicks  
Nia Elias (appointed 12 May 2021)  
Sylvia Smith (appointed 12 May 2021)  
Yvonne Ruelle (Company Secretary)

## **The Format of the Accounts**

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

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

## **Auditor**

The accounts are audited by the Auditor General for Wales in accordance with Section 9 (8) of the Museums & Galleries Act 1992. Details of auditors' remuneration for the year ending 31 March 2021 are contained in note 7 to the accounts.

## **Principal Office**

The principal office for Amgueddfa Cymru 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 (to 31 July 2021) TIAA Ltd, Cardiff (from 1 August 2021)
Investment Managers:	Barclays, Cardiff
Taxation:	Deloitte LLP, Cardiff
Pension Fund Administrators:	Broadstone 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. In support of the governance framework, we issue to Trustees a Corporate Governance & Standards Framework which sets out the authority and powers of the Board of Trustees and those powers that are delegated to Committees, directors and staff. We also operate fraud and whistleblowing policies that are subject to audit review.

The governance framework has been in place for the year ended 31 March 2021, and up to the date of approval of the annual report and accounts, and accords with Treasury guidance. Throughout our implementation of site closures and move to remote working due to the COVID-19 pandemic, the policies and arrangements outlined in section 3 below have remained in place, including reporting mechanisms, Board, Committee and management meetings, decision making processes, recruitment and training, audits and stakeholder engagement.

### **3. The Governance Framework**

Our governance arrangements are compliant with the Code of Governance for the Voluntary and Community Sector issued by the National Governance Hub and endorsed by the Charity Commission. Amgueddfa Cymru is a Public Benefit Entity, and the Trustees have complied with the duty in section 2 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission on public benefit. Delivery of such benefit, as set out in our aims and objectives, is comprehensively reported on in this Financial Report.

The following paragraphs summarize the governance framework, including the system of internal control, that has been in place during the year ended 31 March 2021, and up to the date of approval of the annual report and accounts. 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)**

2020/21 has been the sixth year of our vision of Inspiring people, Changing Lives. Through this vision our purpose is to: Inspire people through our museums and collections to find a sense of well-being and identity, to discover, enjoy and learn bilingually and to understand Wales's place in the wider world.

Our performance against the objectives is monitored through a series of qualitative and quantitative indicators, using the vision metrics framework. The Operational Plan and associated vision metrics are monitored by the Directors and progress is incorporated into the Operational Plan Monitoring Report on a quarterly basis and reported to the Heads of Departments Forum, the Planning, Performance & Resources Committee and Welsh Government quarterly meetings. The Board of Trustees receives the information from these in a quarterly Director General's Report, which summarises performance for the quarter.

### **3.2 Trustees and Officers Working Together to Achieve a Common Purpose with Clearly Defined Functions and Roles**

The Board of Trustees is responsible for governance, financial management and the assets of the organization. The Board of Trustees meets on a regular basis, in public, to conduct its business.

Members of the Board of Trustees of the Charity are appointed by the Welsh Government and Amgueddfa Cymru, in numbers set out in the supplemental Royal Charter and in accordance with the principles of open selection as recommended by the Nolan Review. The Appointments & Remuneration sub-committee (a standing committee of the Board) assists and advises on the process. All new appointees follow an induction programme, and receive a Corporate Governance & Standards Framework document that includes a Trustee handbook, shortly after their appointment.

Amgueddfa Cymru has the legal authority to remunerate the role of the President under Section 6 (vi) of its Royal Charter. This authority was granted by the Charity Commission on 15 May 2018. The President receives remuneration on the basis of working two days a week in this role. During 2020/21 the President received £35,183 (£33,815 in 2019/20, or annualised remuneration of £35,183). The President receives no pension or other benefits.

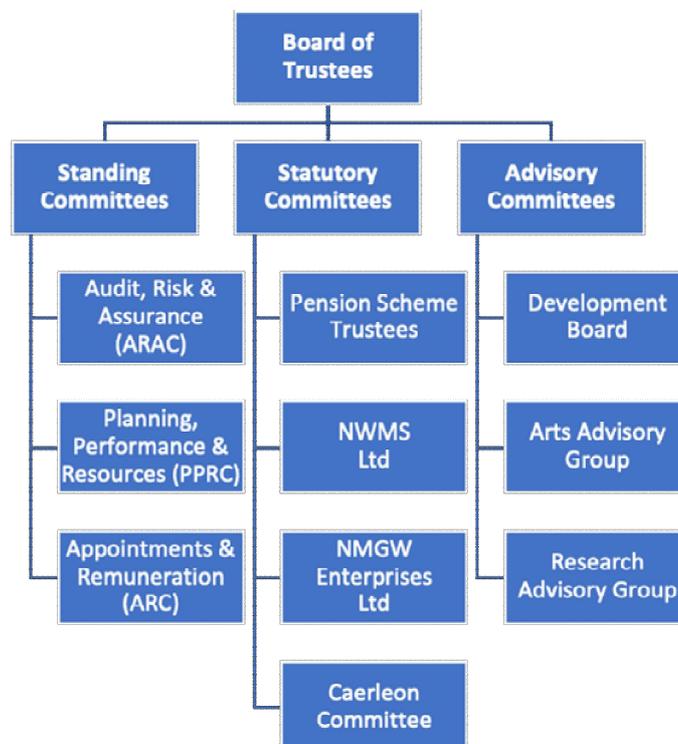
No other members of the Board of Trustees were remunerated during the year. Details of Trustees' company directorships and other significant interests are maintained in a Register of Interests, which is available to the public and held at National Museum Cardiff.

A schedule of Board of Trustee members throughout the year and up until the date of this report, including retirements and new appointments, is included in the Directors' Report at section 2.1.1 of this Report. The schedule also indicates which Trustees are members of the Audit, Risk & Assurance Committee, and that all Trustees are members of the Planning, Performance & Resources Committee. The record of attendance at Board of Trustees meetings is shown below. Satisfactory explanations of all absences were received.

Trustee	5/06/20	24/09/20	10/12/20	11/03/21	Number of meetings	Percentage attendance
Kay Andrews			Apols	Apols	2	50%
Maria Battle	Apols				0	0%
Carol Bell			Apols		3	75%
Catherine Duigan					4	100%
Madeleine Havard					4	100%
Gwyneth Hayward					4	100%
Rachel Hughes					4	100%
Rob Humphreys		Apols			3	75%
Carys Howell					4	100%
Hywel John					4	100%
Glenda Jones					2	100%
Hywel Ceri Jones				Apols	3	75%
Abigail Lawrence					3	100%
Richard Thomas					3	100%
Roger Lewis					4	100%
Robert Pickard					2	100%
Michael Prior					4	100%

The Board of Trustees delegates some authority to various committees, principally the Planning, Performance & Resources Committee, which has a broad remit to monitor financial, operational and performance issues, and the Audit, Risk & Assurance Committee, which includes independent external members. These committees meet on a quarterly basis and report to the Board of Trustees. Terms of Reference clearly define the remit and responsibilities of each committee.

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



A schedule of the Board Members of NMGW Enterprises is included in the Directors' Report under section 2.1.1 of this Report.

Day-to-day operational issues are led and managed by the Senior Executive Team, comprising the directors, the details of whom are also included in this report. All directors are employed under the standard Terms and Conditions of Employment, applicable to all staff, with the exception of the Director General whose terms of appointment are agreed with the Welsh Government.

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

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

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

We encourage volunteers, work experience, placements and apprenticeships. All volunteers undergo an induction that includes health and safety relating both to the role and the department in which they are volunteering.

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

- § Whistleblowing
- § Fraud & Corruption
- § HR policies regarding disciplining of staff involved in such incidents.

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

No matters were raised during the year under our Whistleblowing Policy. Our Whistleblowing and Fraud & Corruption policies were reviewed by the Audit Risk, & Assurance Committee in May 2019, in line with the normal three-year review cycle.

We have a Complaints Policy, which sets out the arrangements for handling complaints. All aspects of complaints received are fully investigated and suitable

remedies identified and put into practice, including changes to procedures where appropriate.

We take the safety of staff and visitors seriously and have a series of policies and procedures in place to support this. In 2020/21 we implemented new policies and procedures to ensure safe opening of our museums, when permitted, in line with government legislation and guidance on COVID-19 restrictions.

### **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 Planning, Performance & Resources Committee and the Audit, Risk & Assurance Committee. By drawing on the experience of Internal Audit, who attend the Risk Management Group meetings, and by the experience of the independent external members of the Audit, Risk & Assurance Committee, the process is regularly refreshed.

The Risk Management Policy sets out the framework and roles and responsibilities in managing risk together with guidance on risk identification, assessment, monitoring and control. The Policy was established, with assistance from Internal Audit, with particular reference to HM Treasury's Orange Book on risk management and the Welsh Government's manual on risk management – Risk Essentials. The policy was last reviewed and updated in May 2019.

A robust Risk Management review is conducted by a dedicated cross-departmental Risk Management Group who review the progress and effectiveness of controls of the major risks. A Strategic Risk Register is maintained by the Group with risks prioritised according to likelihood and potential impact. The group regularly reviews Divisional Risk Registers and engages with all directors and heads of department regarding changes in potential threats, ensuring that risk management is embedded throughout the organization. The identification and management of risks is also a standing item on the agendas of divisional meetings and Senior Executive 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 Planning, Performance & Resources and Audit, Risk & Assurance committees. Furthermore, these committees review the Strategic Risk Register amendments and issues discussed at the Group's quarterly meetings, together with mitigating actions undertaken against the highest rated risks.

Membership of the Risk Management Group includes the Head of Internal Audit, which aids access to issues of concern in other bodies. The Internal Auditor's programme of work specifically cross-references to the risks identified and is also informed by the Senior Executive Team and Audit, Risk & Assurance Committee.

Internal Audit review our Risk Management and Assurance Framework as part of their 3-year audit programme. The most recent review was completed in 2017/18. This concluded that we have 'a well-designed and embedded risk management process in place' and 'the Board can take substantial assurance that the controls upon which the organization relies to manage this area are suitably designed, consistently applied and operating effectively'. The Risk Management and Assurance Framework remains in place.

A separate COVID-19 pandemic risk register has been maintained throughout the year and is regularly reviewed by the Senior Executive Team and the Risk Management Group. The risks on the Strategic Risk Register also reflect the impact of the pandemic where relevant. The major risks on the Strategic Risk Register are erosion of funding, security of our assets due to fire or physical security breach, maintenance backlog and data breach. Mitigating actions are in place, and these risks are regularly reviewed by Internal Audit, the Risk Management Group and the Board of Trustees.

### **3.4.2 Information Security**

We have information security procedures in place to ensure the confidentiality, integrity and availability of information that we hold and process, and to ensure compliance with the Data Protection Act 2018 and Freedom of Information Act 2006. These include:

- § an Information Security Policy
- § e-learning on Data Protection for staff
- § maintaining and reporting on statutory compliance with the Freedom of Information and Data Protection acts
- § the Planning, Performance & Resources and Audit, Risk & Assurance committees receiving reports on data handling arrangements.

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

Amgueddfa Cymru responded well to the challenges posed by the COVID-19 pandemic and the move to remote working for many staff. Information Security remained at the forefront of planning our response, and new systems were implemented as required. No personal data incidents have occurred in 2020/21 or 2019/20 which require informing the Information Commissioner's Office (ICO) The number of minor incidents has decreased from 22 in 2019/20 to 17 in 2020/21.

The year has again seen a decrease in the number of Freedom of Information (FOI) requests we receive, from 13 in 2019/20 to 10 in 2020/21. The majority of requests received were about management and procurement, with only 2 being collections related.

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

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

Each Board member meets formally with the President every other year as part of a review process, and the President then presents a report to the Board of Trustees. The Board and Audit, Risk & Assurance Committee also carry out a self-reflection review every alternate year to ensure they adhere to effective corporate governance.

The system of financial management is based on a framework of regular management information, Regulations, Policies and Procedures and a system of delegation and accountability. This is guided by our Framework Document, best practice and Managing Welsh Public Money. It includes:

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

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

We operate a programme of public engagement and consultation in accordance with the Royal Charter and our Consultation Scheme & Policy. Our vision, Inspiring People, Changing Lives, is a call to action on a journey towards cultural democracy. We are committed to embedding a cultural rights-based approach, inspired by the United Nations Declaration of Human Rights (1948).

In 2020/21 we carried out an extensive public consultation programme, to help inform the goals of Amgueddfa Cymru's new 10-year strategy and the accompanying action plans. The process was underpinned by our values – creativity, responsibility, integrity, inclusion and collaboration. It was the largest public consultation we have carried out.

In response to the COVID-19 pandemic, we have developed and delivered public programmes in collaboration with numerous public and third-sector organizations during 2020/21, in line with the Learning & Public Programme Action Plan and the sustainability principle in the Well-being of Future Generations (Wales) Act 2015, as part of our public engagement strategy.

The impact of the pandemic has been stark, revealing and deepening the scale of deprivation endured by many less-advantaged children, adults and communities across Wales. As a publicly funded organization, our focus has been on addressing these inequalities, enabling more people – and a wider range of people – to be involved in our work. Although our museums were closed for most of the year, we expanded our work digitally and within communities in field hospitals, care settings and schools. Examples of our engagement work are discussed in more detail in the earlier Performance Section of the Financial Report, for example:

- § virtual, free-of-charge learning programme for schools.
- § our competition Minecraft your Museum
- § the Amgueddfa Cymru Producers initiative
- § the Objects of Comfort initiative
- § the GRAFT community garden at the National Waterfront Museum, shortlisted for the Sustainability Project of the Year at the UK Museum Heritage Awards. [Museums + Heritage Awards | \(museumsandheritage.com\)](https://museumsandheritage.com)

We also continued to deliver the Welsh Government Fusion Programme, including supporting the adaptations to the Cultural Ambition, a three-year programme to provide internships for young people across Wales in partnership with Creative and Cultural Skills, Cardiff and the Vale College and a range of local and national heritage and cultural organizations.

Our Marketing & Communications team works to remove barriers and enable participation so that people from all communities and backgrounds can access and engage with Amgueddfa Cymru, in person and online. Our new 10-year strategy and new brand will help frame our approach to communications and marketing for the future.

Our approach to communications is largely driven by the public programme, from prominent exhibitions that drive the highest footfall to community events that draw new and loyal visitors. In light of the COVID-19 pandemic, the focus of our work over the last 18 months was digital engagement. We used our digital channels to promote opportunities for the people of Wales and beyond to engage with our collections, public programme and learning offer. Projects included Minecraft our Museums, the Digital Food Festival and Collecting Covid.

We share the stories of those who are inspired by our museums, to encourage others to do the same. 'Takeovers' on our Twitter and Instagram accounts enabled us to give others a platform to share their stories. Working with partners such as the Sub-Saharan Advisory Panel, Race Council Cymru, staff across the organization and the Amgueddfa Cymru Producers, a range of voices have been heard on our channels.

We recognise the importance of internal communications, and continued to develop and implement our Internal Communications Plan. Through our internal communications, we:

- § continued to empower internal audiences to feel confident in communicating and in delivering our vision, 10-year strategy and brand
- § supported staff as they adjust to new ways of working as a result of the COVID-19 pandemic
- § provided briefings to staff to ensure they are involved in and updated on decision-making
- § engaged staff with the IIP process and helped deliver the IIP action plan, following Amgueddfa Cymru's successful IIP accreditation.

We continued to work positively with our recognised trade unions. Union representatives continued to attend the Staff Executive Committee for Human & Financial Resources as well as the Staff Forum. Regular meetings are also held between a representative member of the Board of Trustees and union representatives.

We have a publications scheme and stakeholders are able to access a range of publications, policies and procedures, in addition to Board minutes and financial statements, on our website.

#### **4. Review of Effectiveness**

The Director General, as the Accounting Officer, has responsibility for reviewing the effectiveness of the governance framework, including the system of internal control and whistleblowing arrangements. The review of the effectiveness of the governance framework is informed by the work of the internal and external auditors, other professional advisors and the Senior Executive Team, who have responsibility for the development and maintenance of the internal control framework. Comments made by the external auditors in their management letter and other reports also inform the review.

The Accounting Officer has been advised on the effectiveness of the governance framework by the Trustees, the Audit, Risk & Assurance Committee and directors, and plans to address issues and ensure continuous improvement. More information is provided on these plans in section 5 on Governance Issues and Future Improvements below, which also notes a significant issue relating to the governance of the organisation.

Evaluation questionnaires are completed by the Board and the Audit, Risk & Assurance Committee on a biannual basis. They were most recently completed in May 2020 and the findings were overall very positive. The Audit, Risk & Assurance Committee noted the need to further develop the Board skills audit to inform recruitment to both the Committee and the Board generally. The President is working with the Trustees and Senior Executive Team to address points raised in the Board report.

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, Risk & Assurance Committee considers the coverage of the internal audit programme and receives reports from internal and external auditors. The Committee meets quarterly, with the minutes of the meeting and also a report from the Chairman being considered by the Board of Trustees.
- § Regular reports from Internal Auditor including their independent opinion on the adequacy and effectiveness of the systems of internal control, together with recommendations for improvement.
- § An annual report from Internal Audit. Based on the internal audit work for the year ended 31 March 2021, the Internal Auditor concluded that we have an adequate and effective framework for risk management, governance and internal control, although some further enhancements are needed to ensure the framework remains adequate and effective.
- § The Internal Auditor conducts a review of compliance with the principles of the Code of Good Governance for the Third Sector in Wales on a three-yearly basis; the latest review was carried out in April 2021 and confirmed that we are compliant with the Code.
- § Audit Wales, our external auditor, provides a Management Letter report summarising the work undertaken in respect of the financial statements. This is reviewed by the Audit, Risk & Assurance 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**

During the year, some concerns have been raised by senior executives about the clarity of the respective roles and responsibilities of the Board and the Executive. These matters have been drawn to the attention of Audit Wales, the Welsh Government and the Welsh Government's Additional Accounting Officer. A tailored review of governance by Welsh Government is planned for 2022, in response to this and to an earlier request from the Board of Trustees for such a review.

During 2020/21, as well as the ongoing challenge to deliver our vision with diminishing reserves and a difficult funding environment, like all other organizations we faced unprecedented and rapidly changing circumstances, arising from the COVID-19 pandemic. Through adapting our offer and internal systems where required we continued to implement our ten-year vision, as outlined on page 6, agreed by the Board. We will continue to implement our vision in 2021/22. Moving forward we will:

- Launch our new 10-year strategy and brand. Addressing the climate change and biodiversity emergency and further developing our efforts in tackling inequalities including those highlighted by the Black Lives Matter movement, will be key pillars of the strategy.
- Continue discussions with Welsh Government on future grant-in-aid funding and review financially sustainable operating models to support achievement of our 10-year strategy.
- Develop a new Collections Policy focused on diversification of the collections, in collaboration with community partners.
- Develop a Learning & Public Programmes Strategy and a Widening Engagement Policy for 2022-2025, to ensure more diverse representation and involvement, building on our current commitments and programmes and on Welsh Government's Race Equality Action Plan.
- Update our Digital Strategy to align with our new 10-year strategy, transforming our digital visitor experience offer, and embedding efficiency, wellbeing and environmental gains from remote working.
- Upgrade our digital infrastructure including networks, servers and user equipment.
- Develop and start implementing a Carbon Management Plan, including completion of carbon audits and roll-out of carbon literacy training for all staff.
- Complete concept and feasibility planning stages for redevelopment of the National Slate Museum.
- Deliver phase 1 of masterplan for strategic development of National Museum Cardiff.
- Develop 5-year Buildings & Estates strategy for delivery of priority essential maintenance works, and continue to implement the existing Essential Maintenance Programme.
- Update our risk management and assurance processes, with a focus on identifying opportunities and driving positive change.
- Review governance structures and decision-making processes and align with new 10-year strategy.
- Update our Income Generation Strategy to support our new 10-year strategy.
- Following our success in achieving Investors in People accreditation, work towards a higher accreditation level.
- Improve business processes across the organization, including implementation of new Customer Relationship Management systems (which started in 2020/21), and new HR systems.

## 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 need 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 12 January 2022



Hywel John  
Treasurer, on behalf of the Board of Trustees  
Approved and signed on 12 January 2022

## **Section 2.2 Remuneration & Staff Report**

### **Equality of Opportunity**

We have a range of policies that support our compliance with The Equality Act 2010, which places a statutory General Duty on all public sector organizations to have due regard to the need to eliminate unlawful discrimination and harassment and to promote equality of opportunity between men and women both in employment and in the provision of services to the public. We also continued to implement our Equality Strategy and Equality Objectives 2018-2021, which are published on our website at <https://museum.wales/about/policy/equality-diversity/>. These documents outline our priorities in delivering equality and inclusion to staff and visitors.

As part of the Wales Public Body Equality Partnership, we have worked with other public bodies to agree shared strategic objectives to take forward a collective approach to tackling inequalities. This collaborative work reflects the principles of the Well-being of Future Generations (Wales) Act and will directly contribute to the national well-being goal of 'A More Equal Wales'.

We have continued to roll out training and development in equalities, including training on Equality and Diversity, Equality Impact Assessment and Unconscious Bias. We are trained as trainers by Cardiff University, on subjects they find relevant, including LGBTQ+ terminology.

We have reaffirmed our commitment to tackling inequalities, specifically racism, in the wake of the Black Lives Matter movement in early 2020/21.

Our most recently mean gender pay gap (the difference between men and women's hourly pay) was 4.09% for 2019/20 (6.47% for 2018/19), and the median gender pay gap was 2.64%, a significant decrease from 9.34% in 2018/19. The decrease is due to significantly more men being recruited during this time to roles in the lower quartile together with some senior recruitment of women. Our Gender Pay Gap Report will be published in line with Government guidance during 2021/2022.

We have identified a number of actions that have been and will be implemented to continue to work towards reducing the pay gap. These include actions around pay, policy, recruitment, learning and development, flexible working, and gathering data

### **Policies for Disabled Employees**

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

We have policies in place to support disabled employees to apply for reasonable adjustments in the workplace. Where any physical feature of the workplace puts a disabled member of staff at a substantial disadvantage in comparison with persons who are not disabled, a request can be made so that measures can be put in place to prevent this. Arrangements made can include, for example, changes to working patterns, job content or design, layout and type of furniture and specialist IT equipment or software. Wellness Action Plans, which have been embedded in our practice for some time, encourage open discussion between staff and line managers with respect to adjustments.

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.

During the COVID-19 pandemic our approach has been to ensure that those staff with underlying health conditions or who have been required to shield during this time are the final staff members to return to site. All staff who have an underlying medical condition have a risk assessment completed by their line manager if they are required to return to site, even if only on an ad-hoc basis.

### **Staff Consultation**

We continue to comply with the 2005 Information and Consultation regulations, and consult with staff, both directly and through recognised unions, on major changes in the organization. Staff Forum meetings are held between management and recognised trade union representatives to discuss matters of importance, and the minutes of these meetings are formally reported to the Senior Executive Team. The Health & Safety Forum also includes trade union representatives and managers.

Representatives of our recognised unions attend regular meetings with the Staff Executive Group. These meetings have been collaborative and informative during the COVID-19 pandemic. The legal requirement to consult is supplemented by a variety of methods including staff meetings, department meetings, working groups, email and intranet communications, plus informal methods of communication as appropriate. Trade union representatives and staff are also welcome to attend the Board of Trustees meetings, which are open to the public and advertised on our website.

We have continued to work in partnership with staff and trade unions on organizational changes including new initiatives such as Investors in People, changes in department structures, the challenges of COVID-19 and amendments to policies.

Regular staff briefings have been held across all our Museums to keep staff informed of work across the organization including sessions with the Director General and fellow Directors who send regular communications to staff.

### **Staff Training**

We continue to invest time and resources to provide development and training opportunities, both formal and informal, for employees. We have identified Investors in People status as an important external measure of this commitment and a steering group representative of our workforce was established to take this work forward. We were successful in being awarded accreditation at the beginning of the year.

During 2020/21 we offered staff training in a wide number of areas despite the challenges posed by the COVID-19 pandemic. These include leadership and management development, professional development and skills-based training. Prior to any return to site, staff have been required to undertake a 'Reinduction to the Workplace' training session. This is to ensure that all returning staff have a thorough understanding of the protocols and guidance we introduced to ensure their health and wellbeing.

We have continued to offer training in mental health awareness, mindfulness and resilience and have a team of Mental Health First Aiders. We also offer courses in areas

such as data protection, dignity at work, equality and diversity and health and safety to ensure compliance with related legislation, as well as personal development opportunities as required.

Apprenticeships continue to be offered at Big Pit National Coal Museum to train Miner Guides and Mechanical and Electrical Engineers. There have also been placements in our Estates department and Historic Buildings Unit at St Fagans National Museum of History. Apprenticeships help to address skills shortages and to implement succession plans in these areas. Our People Development Strategy outlines how the organization will increase the numbers of apprentices across the organization over the next five years.

### **Sickness Absence Data**

We have policies to support the management of attendance at work. All absence is recorded and monitored by line managers and the HR Department. Absence for the year to 31 March 2021 was 1.64% or 5.07 days (3.14% or 7.38 days in 2019/20). We have worked with line managers to address high rates of absence and closely monitor attendance management to ensure our policies, including return to work interviews, are consistently implemented. This period has been significantly impacted by COVID-19, shielding and the reduction in requirements to attend work during periods of restrictions

In 2020/21 we participated once again in the Mind Wellbeing Index and have implemented virtual wellbeing case conferences for those in need of support, to proactively look at ways in which we can support them and reduce future absence. Wellness Action Plans have also been incorporated into our proactive management of absence and ill health, the emphasis being on early intervention to avoid escalation.

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. Mental Health First Aiders are also able to signpost individuals to assistance across the organization.

### **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, including the Director General, 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 directors are shown on page 22 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 unless as indicated below, 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 twelve months, and for the other directors is normally six months. The dates of commencement of employment of the current Directorate, our Senior Executive Team, as directors are:

David Anderson (Director General)	11 October 2010
Philip Bushby	4 January 2021
Kath Davies	6 January 2020
Janice Lane	3 September 2012
Neil Wicks	27 June 2011
Nia Williams	17 October 2016

Following the year end Nia Elias commenced employment on a two-year fixed-term contract as Director of Business Development, on 12 April 2021

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

Included within our operating costs are amounts of £6,000 (£5,000 in 2019/20) for agency staff and £5,000 (£4,000 in 2019/20) for consultancy staff. No individuals were employed in 2020/19 or 2020/21 under 'off-payroll' arrangements at more than £220 per day and for longer than six months.

The President is not an employee of Amgueddfa Cymru. Details of his remuneration can be found on page 26 of this report.

## The Remuneration and Pension Benefits of the Directors

Single Total Figure of Remuneration					
	Salary band	Bonus band	Benefits in kind	Pension benefits	Total band
	2020/21 (2019/20)	2020/21 (2019/20)	2020/21 (2019/20)	2020/21 (2019/20)	2020/21 (2019/20)
	£'000	£'000	£'000	£'000	£'000
David Anderson Director General	105-110 (100-105)	- -	- -	21 (21)	<b>125-130</b> (125-130)
Neil Wicks Chief Operating Officer & Deputy Director General	85-90 (80-85)	- -	- -	12 (11)	<b>95-100</b> (95-100)
Janice Lane Director of Visitor Experience	75-80 (75-80)	- -	- -	11 (10)	<b>90-95</b> (85-90)
Nia Williams Director of Learning & Public Programmes	75-80 (70-75)	- -	- -	10 (8)	<b>85-90</b> (75-80)
Kath Davies Director of Collections & Research	75-80 (15-20)	- -	- -	10 (2)	<b>85-90</b> (20-25)
Philip Bushby Director of Corporate Resources	15-20 -	- -	- -	2 -	<b>20-25</b> -

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 2020/21 and 2019/20, except for:

- Kath Davies took up office on 6 January 2020. Her emoluments as Director of Collections & Research consisted of a basic salary as shown above. Her annualised salary as Director of Collections & Research for 2019/20 was between £75,000 and £80,000
- Philip Bushby took up office on 4 January 2021. His emoluments as Director of Corporate Resources consisted of a basic salary as shown above. His annualised salary as Director of Corporate Resources for 2020/21 was between £75,000 and £80,000

The emoluments of the Director General consisted of a basic salary of £106,902 (£104,295 in 2019/20).

<b>Pension Benefits</b>					
	Real increase/ (decrease) in pension and related lump sum at age 60 £	Accrued pension at age 60 at 31 March 2021 and related lump sum £	CETV at 31 March 21 £'000	CETV at 31 March 20 or at date of appointment if later £'000	Real increase/ (decrease) in CETV in excess of members contributions £'000
David Anderson Director General	0-2,500 plus 5,000-7,500 lump sum	10,000-15,000 plus 45,000-50,000 lump sum	360	319	29
Neil Wicks Chief Operating Officer & Deputy Director General	0-2,500 plus 5,000-7,500 lump sum	40,000-45,000 plus 120,000-125,000 lump sum	833	748	65
Janice Lane Director of Visitor Experience	0-2,500 plus 2,500-5,000 lump sum	25,000-30,000 plus 85,000-90,000 lump sum	592	531	50
Nia Williams Director of Learning & Public Programmes	0-2,500 plus 2,500-5,000 lump sum	15,000-20,000 plus 45,000-50,000 lump sum	371	326	35
Kath Davies Director of Collections & Research	0-2,500 plus 2,500-5,000 lump sum	0-5,000 plus 0-5,000 lump sum	21	4	10
Philip Bushby Director of Corporate Resources	0-2,500 plus 0-2,500 lump sum	0-5,000 plus 0-5,000 lump sum	4	-	2

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 2020/21, excluding workers engaged under our pool arrangements, was 668 (676 in 2019/20). Including workers engaged under our pool arrangements, the average number was 817 (866 in 2019/20).

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

	Permanent Staff	Other Staff	2020/21 Number	2019/20 Number Restated
Trading Subsidiary	39	1	40	48
Fundraising	7	1	8	8
Learning and Engagement	49	10	59	63
Collections and Research	82	8	90	96
Visitor Experience	238	18	256	285
Support	72	8	80	70
	487	46	533	570
	Female Staff	Male Staff	2020/21 Number	2019/20 Number
Directors	3	2	5	4
Employees	270	258	528	566
	273	260	533	570

The 2019/20 figures for full-time equivalent employees for Learning and Engagement, Visitor Experience and Support have been restated in line with the divisional structure changes implemented in 2020/21.

The reduction in overall number of employees compared with the previous year is as expected, given our Museums were closed to visitors for most of the year.

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

There were fourteen employees (nine in 2019/20) whose emoluments for the year were between £60,001 and £69,999, and one (two in 2019/20) whose emoluments were between £70,000 and £79,999. All of these employees are ordinary members of our pension scheme. There were no other employees who earned over £60,000 except for the directors whose emoluments are disclosed above.

### Median Remuneration

Welsh Government Sponsored Bodies 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 2020/21, was £105,000-£110,000 (2019/20 £100,000-£105,000). This was 4.3 times (2019/20 4.3 times) the median remuneration of the workforce, which was £24,961 (2019/20 £24,080). No employees received remuneration in excess of the Director General in 2020/21 or 2019/20. Remuneration (excluding Directors) ranged from £19,797 to £72,334 (2019/20 £19,314 to £76,987). 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.

	2020/21	2019/20 restated
Band of Highest Paid Individual's Remuneration	105,000- 110,000	100,000- 105,000
Median Total	24,961	24,080
Ratio	4.3	4.3

We have restated the prior year comparators for 2019/20, to include workers engaged under our pool arrangements in the median remuneration calculations. When workers engaged under our pool arrangements are excluded from the median salary calculations, the remuneration of the Director General is 4.3 times (2019/20 4.2 times) the median remuneration of the workforce, which was £25,095 (2019/20 £24,667).

#### **Staff furloughed under the Coronavirus Job Retention Scheme (CJRS)**

In 2020/21 a total of 546 members of staff were furloughed on a full time or part time basis for at least one week. The average number of staff furloughed full time or part time per month was 361, and the average number of staff furloughed per month for whom CJRS claims were submitted was 311. A total of £3.1m CJRS funding was claimed, covering periods from 1 April 2020 to 31 January 2021. CJRS funding was claimed up to the amount of non-government income lost (net of direct costs saved) as a result of site closures and restrictions due to the COVID-19 pandemic. These claims were necessary as non-government income forms part of our core revenue budget, and have protected the short term financial sustainability of the organization.

All furloughed staff were made available to Welsh Government for redeployment. One member of staff was seconded to Welsh Government for 3 months on a part time basis, to assist with communications. Another member of staff received a temporary 80% reduction in hours to enable them to work for the Department for International Development for 3 months, to assist with the UK government's procurement response to the COVID-19 pandemic. No CJRS claims were made for either of these employees.



*David Anderson*  
Accounting Officer and Director General  
Approved and signed on 12 January 2022



*Hywel John*  
Treasurer, on behalf of the Board of Trustees  
Approved and signed on 12 January 2022

## **Section 2.3: Audit Report**

### **The Certificate and Independent Auditor's Report of the Auditor General for Wales to the Senedd**

#### **Opinion on financial statements**

I certify that I have audited the financial statements of National Museum of Wales for the year ended 31 March 2021 under Section 9 of the Museums and Galleries Act 1992. These comprise, the Consolidated Balance Sheet, Consolidated Statement of Financial Activities, Consolidated Cashflow and related notes, including a summary of significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and the Charities SORP (FRS 102).

In my opinion the financial statements:

- give a true and fair view of the state of National Museum of Wales' affairs and of its net expenditure as at 31 March 2021;
- have been properly prepared in accordance with the Charities SORP (FRS 102); and
- have been properly prepared in accordance with Welsh Ministers' directions issued under the Museum and 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 Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

#### **Basis of opinions**

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

#### **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the financial report other than the financial statements and other parts of the report that are audited and my auditor's report thereon. The Statement of Recommended Practice sets out the requirements for other information, however neither it nor legislation, nor the directions issued to National Museum of Wales set out the content and form of the Annual Governance Statement or Remuneration Report presented with the financial statements. The Accounting Officer is responsible for the other information in the financial report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### **Report on Other Requirements**

#### **Opinion on other matters**

The Statement of Recommended Practice sets out the requirements for other information, however neither it nor legislation, nor the directions issued to National Museum of Wales set out the content and form of the Governance Statement or Remuneration Report presented with the financial statements. Therefore I am not able to confirm that the Governance Statement or Remuneration Report issued with financial statements have been prepared in accordance with guidance.

In my opinion, based on the work undertaken in the course of my audit, the information given in the other information to be issued with financial statements is consistent with the financial statements.

Although there are no legislative requirements for a Remuneration Report, the National Museum of Wales has prepared such a report and in my opinion, that part ordinarily required to be audited has been properly prepared in accordance with HM Treasury guidance.

#### **Matters on which I report by exception**

In the light of the knowledge and understanding of the body and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report or the Governance Statement.

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

- sufficient accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my team

- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records and returns
- information specified by Welsh Ministers regarding remuneration and other transactions is not disclosed; or
- I have not received all of the information and explanations I require for my audit.

## **Responsibilities**

### **Responsibilities of the Accounting Officer for the financial statements**

As explained more fully in the Statement of Board of Trustees and Director General's Responsibilities, the Accounting Officer is responsible for preparing the financial statements in accordance with the Museums and Galleries Act 1992 and Welsh Ministers' directions made there under, for being satisfied that they give a true and fair view and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the body's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

### **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management and those charged with governance, including obtaining and reviewing supporting documentation relating to National Museum of Wales's policies and procedures concerned with:
  - § identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - § detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - § the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and posting of unusual journals

- Obtaining an understanding of National Museum of Wales's framework of authority as well as other legal and regulatory frameworks it operates in, focusing on those laws and regulations that had a direct effect on the financial statements

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Audit Committee about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Audit Committee; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the National Museum of Wales's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

### **Responsibilities for regularity**

The Accounting Officer is responsible for ensuring the regularity of financial transactions.

I am required to obtain sufficient evidence to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the Senedd and the financial transactions conform to the authorities which govern them.

### **Report**

Please see my report on page 47.

Adrian Crompton  
Auditor General for Wales  
20 January 2022

24 Cathedral Road  
Cardiff  
CF11 9LJ

The maintenance and integrity of Amgueddfa Cymru's website is the responsibility of the Accounting Officer; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

# **Report of the Auditor General to the Senedd**

## **Introduction**

Under Section 9 of the Museums and Galleries Act 1992, I am responsible for auditing, certifying and reporting on the National Museum of Wales financial statements.

I am reporting on these financial statements for the year ended 31 March 2021 to draw attention to the significant governance issue referred to in the Annual Governance Statement and provide further detail. I have not qualified my 2020/21 audit opinion in respect of this matter.

## **Governance issue**

Late in the audit process, it was brought to our attention that, during the year, concerns had been raised by senior executives about the clarity of the respective roles and responsibilities of the Trustee Board and the Executive. These matters have also been drawn to the attention of Welsh Government officials, including the relevant Welsh Government Additional Accounting Officer.

The 2020/21 audit process was paused to allow us to understand the position sufficiently and consider the impact, if any, on our work. As a result of our consideration, the Annual Governance Statement was updated to ensure the matter was disclosed adequately in the Accounts and Report.

In practice, there has been a significant impact on the conduct of the Board and Committee meetings and on communication between the Board of Trustees and the Executive for the latter half of 2021. As that impact continues, I consider that there is an ongoing risk to effective governance arrangements.

The Welsh Government intends to undertake a tailored review of Governance in 2022. I welcome this intention and will keep a watching brief over progress.

**Adrian Crompton**

**Auditor General for Wales**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31 MARCH 2021**

	Notes	Public funds		Private Funds		2020/21	Restated
		Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000	Total £'000	2019/20 Total £'000
<b>INCOME AND ENDOWMENTS FROM:</b>							
<b>Donations &amp; Legacies</b>							
Grants	3	3,858	27,562	0	0	31,420	25,590
Donations & Legacies	4	118	0	538	678	1,334	7,066
		<b>3,976</b>	<b>27,562</b>	<b>538</b>	<b>678</b>	<b>32,754</b>	<b>32,656</b>
<b>Other Trading Activities</b>	5	<b>0</b>	<b>422</b>	<b>0</b>	<b>0</b>	<b>422</b>	3,957
<b>Income from Investments</b>		<b>0</b>	<b>0</b>	<b>57</b>	<b>27</b>	<b>84</b>	110
<b>Other Income</b>	6	<b>0</b>	<b>1,097</b>	<b>5</b>	<b>2</b>	<b>1,104</b>	1,619
<b>TOTAL INCOME AND ENDOWMENTS</b>		<b>3,976</b>	<b>29,081</b>	<b>600</b>	<b>707</b>	<b>34,364</b>	<b>38,342</b>
<b>EXPENDITURE ON:</b>							
<b>Raising Funds:</b>							
Expenditure on Raising Donations & Legacies		0	840	4	4	848	865
Expenditure on Other Trading Activities	5	0	1,355	0	0	1,355	3,182
		<b>0</b>	<b>2,195</b>	<b>4</b>	<b>4</b>	<b>2,203</b>	<b>4,047</b>
<b>Charitable Activities:</b>							
Learning & Engagement		693	3,841	4	0	4,538	4,169
Collections & Research		3,301	7,201	8	1	10,511	7,796
Visitor Experience		3,435	14,428	9	2	17,874	15,137
Governance		0	853	0	0	853	694
		<b>7,429</b>	<b>26,323</b>	<b>21</b>	<b>3</b>	<b>33,776</b>	<b>27,796</b>
<b>Other:</b>							
<b>Pension Finance Costs</b>	17e	<b>0</b>	<b>1,210</b>	<b>0</b>	<b>0</b>	<b>1,210</b>	686
<b>TOTAL EXPENDITURE</b>		<b>7,429</b>	<b>29,728</b>	<b>25</b>	<b>7</b>	<b>37,189</b>	<b>32,529</b>
<b>Share of Joint Venture</b>	9	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	(108)
<b>Net Gains/(Losses) on Investments</b>	12	<b>0</b>	<b>0</b>	<b>388</b>	<b>192</b>	<b>580</b>	(425)
<b>NET (EXPENDITURE)/INCOME</b>		<b>(3,453)</b>	<b>(647)</b>	<b>963</b>	<b>892</b>	<b>(2,245)</b>	<b>5,280</b>
<b>OTHER RECOGNISED GAINS/(LOSSES):</b>							
(Losses)/gains on revaluation of fixed assets	10	(11,406)	(88)	(201)	(57)	(11,752)	3,557
Actuarial Gains/(Losses) on defined benefit pension scheme	17d	0	12,399	0	0	12,399	(42,724)
<b>NET MOVEMENT IN FUNDS</b>		<b>(14,859)</b>	<b>11,664</b>	<b>762</b>	<b>835</b>	<b>(1,598)</b>	<b>(33,887)</b>
<b>RECONCILIATION OF FUNDS:</b>							
<b>Total Funds Brought Forward</b>	18	<b>137,656</b>	<b>(60,458)</b>	<b>17,853</b>	<b>3,085</b>	<b>98,136</b>	132,023
<b>TOTAL FUNDS CARRIED FORWARD</b>	18	<b>122,797</b>	<b>(48,794)</b>	<b>18,615</b>	<b>3,920</b>	<b>96,538</b>	<b>98,136</b>

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

All activities are continuing.

The non-consolidated net decrease in funds recorded in Amgueddfa Cymru's own Statement of Financial Activities during 2020/21 was £1,092,000 (net decrease of funds of £33,907,000 in 2019/20).

The prior year comparators for Expenditure on Raising Donations & Legacies and Expenditure on Charitable Activities have been restated. There is no overall impact on Net Movement in Funds.

The notes on pages 51 to 74 form part of these accounts.

**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021**

	Notes	Amgueddfa Cymru		Consolidated	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>FIXED ASSETS</b>					
Tangible Assets	10	100,769	115,895	100,841	115,988
Heritage Assets	11	30,400	29,978	30,400	29,978
Share of Joint Venture:	9				
Share of gross assets		9,127	9,126	9,127	9,126
Share of gross liabilities		(3)	(2)	(3)	(2)
		<u>9,124</u>	<u>9,124</u>	<u>9,124</u>	<u>9,124</u>
Investments	12	3,205	2,633	3,205	2,633
		<u>143,498</u>	<u>157,630</u>	<u>143,570</u>	<u>157,723</u>
<b>CURRENT ASSETS</b>					
Stock	13	16	16	287	282
Debtors due within one year	14	5,777	4,534	4,630	3,538
Investments	20	800	799	800	799
Cash at bank and in hand	20	9,305	7,471	9,783	8,345
		<u>15,898</u>	<u>12,820</u>	<u>15,501</u>	<u>12,964</u>
<b>CURRENT LIABILITIES</b>					
Creditors due within one year	15	(2,621)	(1,981)	(2,689)	(2,106)
		<u>13,277</u>	<u>10,839</u>	<u>12,812</u>	<u>10,858</u>
<b>NET CURRENT ASSETS</b>					
		<u>156,775</u>	<u>168,469</u>	<u>156,382</u>	<u>168,581</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>156,775</u>	<u>168,469</u>	<u>156,382</u>	<u>168,581</u>
<b>CREDITORS</b>					
Amounts falling due after one year	16	(959)	(1,208)	(959)	(1,208)
		<u>155,816</u>	<u>167,261</u>	<u>155,423</u>	<u>167,373</u>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITY</b>					
		<u>155,816</u>	<u>167,261</u>	<u>155,423</u>	<u>167,373</u>
Defined benefit pension scheme deficit	17a	(58,885)	(69,237)	(58,885)	(69,237)
		<u>96,931</u>	<u>98,024</u>	<u>96,538</u>	<u>98,136</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>					
		<u>96,931</u>	<u>98,024</u>	<u>96,538</u>	<u>98,136</u>
<b>FUNDS</b>	18				
Public Funds Restricted - Income		111,642	115,095	111,642	115,095
Public Funds Restricted - Revaluation		11,155	22,561	11,155	22,561
<b>Total Public Funds Restricted</b>		<u>122,797</u>	<u>137,656</u>	<u>122,797</u>	<u>137,656</u>
Public Funds Unrestricted - Income		10,484	8,579	10,091	8,691
Public Funds Unrestricted - Revaluation		0	88	0	88
Pension Reserve		(58,885)	(69,237)	(58,885)	(69,237)
<b>Total Public Funds Unrestricted</b>		<u>(48,401)</u>	<u>(60,570)</u>	<u>(48,794)</u>	<u>(60,458)</u>
Private Funds Restricted - Income		18,500	17,537	18,500	17,537
Private Funds Restricted - Revaluation		115	316	115	316
<b>Total Private Funds Restricted</b>		<u>18,615</u>	<u>17,853</u>	<u>18,615</u>	<u>17,853</u>
Private Funds Unrestricted - Income		3,885	2,993	3,885	2,993
Private Funds Unrestricted - Revaluation		35	92	35	92
<b>Total Private Funds Unrestricted</b>		<u>3,920</u>	<u>3,085</u>	<u>3,920</u>	<u>3,085</u>
		<u>96,931</u>	<u>98,024</u>	<u>96,538</u>	<u>98,136</u>

Signed on behalf of the Trustees by

*David Anderson*

David Anderson  
Accounting Officer and Director General  
Approved and signed on 12 January 2022

*Hywel John*

Hywel John  
Treasurer, on behalf of the Board of Trustees  
Approved and signed on 12 January 2022

The notes on pages 51 to 74 form part of these accounts.

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Consolidated Cash Flow Statement							
Notes	Public funds		Private Funds		2020/21	2019/20	
	Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000	Total £'000	Total £'000	
<b>Net Cash Inflow from Operating Activities</b>	19	2,799	1,429	538	704	5,470	2,253
<b>Cashflows from Investing Activities:</b>							
Purchase of tangible fixed assets		(2,920)	(557)	0	0	(3,477)	(4,515)
Purchase of heritage assets		(385)	0	0	0	(385)	(408)
Disposal of tangible fixed assets		60	4	0	0	64	0
Disposal of heritage assets		8	0	0	0	8	0
Net sale of investments		0	0	7	1	8	10
<b>Net Cash (used in)/provided by Investing Activities</b>		<b>(3,237)</b>	<b>(553)</b>	<b>7</b>	<b>1</b>	<b>(3,782)</b>	<b>(4,913)</b>
<b>Cashflows from Financing Activities:</b>							
Loan repayments		(157)	(92)	0	0	(249)	(1,342)
Cash inflow from new loans		0	0	0	0	0	1,024
<b>Net Cash (used in)/provided by Financing Activities</b>		<b>(157)</b>	<b>(92)</b>	<b>0</b>	<b>0</b>	<b>(249)</b>	<b>(318)</b>
<b>Increase/(Decrease) in Cash</b>		<b>(595)</b>	<b>784</b>	<b>545</b>	<b>705</b>	<b>1,439</b>	<b>(2,978)</b>
<b>Cash and cash equivalents at start of year</b>		<b>(1,266)</b>	<b>4,739</b>	<b>3,274</b>	<b>2,397</b>	<b>9,144</b>	<b>12,122</b>
<b>Cash and cash equivalents at end of year</b>	20	<b>(1,861)</b>	<b>5,523</b>	<b>3,819</b>	<b>3,102</b>	<b>10,583</b>	<b>9,144</b>

Amgueddfa Cymru Cash Flow Statement							
Notes	Public funds		Private Funds		2020/21	2019/20	
	Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000	Total £'000	Total £'000	
<b>Net Cash Inflow from Operating Activities</b>	19	2,799	1,819	538	704	5,860	3,018
<b>Cashflows from Investing Activities:</b>							
Purchase of tangible fixed assets		(2,920)	(549)	0	0	(3,469)	(4,459)
Purchase of heritage assets		(385)	0	0	0	(385)	(408)
Disposal of tangible fixed assets		60	1	0	0	61	0
Disposal of heritage assets		8	0	0	0	8	0
Net sale of investments		0	0	7	1	8	10
<b>Net Cash (used in)/provided by Investing Activities</b>		<b>(3,237)</b>	<b>(548)</b>	<b>7</b>	<b>1</b>	<b>(3,777)</b>	<b>(4,857)</b>
<b>Cashflows from Financing Activities:</b>							
Loan repayments		(157)	(92)	0	0	(249)	(1,342)
Cash inflow from new loans		0	0	0	0	0	1,024
<b>Net Cash (used in)/provided by Financing Activities</b>		<b>(157)</b>	<b>(92)</b>	<b>0</b>	<b>0</b>	<b>(249)</b>	<b>(318)</b>
<b>Increase/(Decrease) in Cash</b>		<b>(595)</b>	<b>1,179</b>	<b>545</b>	<b>705</b>	<b>1,834</b>	<b>(2,157)</b>
<b>Cash and cash equivalents at start of year</b>		<b>(1,266)</b>	<b>3,866</b>	<b>3,274</b>	<b>2,397</b>	<b>8,271</b>	<b>10,428</b>
<b>Cash and cash equivalents at end of year</b>	20	<b>(1,861)</b>	<b>5,045</b>	<b>3,819</b>	<b>3,102</b>	<b>10,105</b>	<b>8,271</b>

The notes on pages 51 to 74 form part of these accounts.

# Notes to the Accounts for the Year Ended 31 March 2021

## 1. Accounting Policies

### 1.1 Basis of Accounting

The Accounts are prepared under the historical cost convention, modified to include the revaluation of certain tangible fixed assets at their value to Amgueddfa Cymru. They have been prepared on the accruals basis in accordance with the Accounts Direction issued by the Welsh Ministers with the consent of the Treasury. Without limiting the information given, the Accounts meet the accounting and disclosure requirements of the Charities Statement of Recommended Practice FRS102, (Charities SORP (FRS102)), issued by the Charities Commissioners for England and Wales, and the accounting statements issued or adopted by the Accounting Standards Board in so far as those requirements are appropriate. HM Treasury has confirmed that the exemptions contained in the Charities SORP (FRS102) in respect of the need to disclose the historic cost of tangible fixed assets may apply.

### 1.2 Joint Venture Undertakings

Amgueddfa Cymru and the City & County of Swansea are two equal members in National Waterfront Museum Swansea Ltd (NWMS Ltd), a company limited by guarantee and which does not have a share capital. The results of the joint venture have been included within the financial statements and are accounted for using the equity method of accounting. The accounts of NWMS Ltd for the year to 31 March 2021 have been approved and received an unqualified audit opinion. A copy of the accounts can be obtained from our Principal Office at National Museum Cardiff, Cathays Park, Cardiff CF10 3NP.

### 1.3 Subsidiary Undertakings

We operate a wholly owned trading subsidiary, NMGW Enterprises Ltd, company number 02449244, registered in England & Wales. The trading results for the company have been included within the consolidated financial statements on the 'line by line' method. The accounts of NMGW Enterprises Ltd for the year to 31 March 2021 have been approved and received an unqualified audit opinion. A copy of the accounts can be obtained from our Principal Office at National Museum Cardiff, Cathays Park, Cardiff CF10 3NP.

### 1.4 Income and Resources

All income is recognised in the Statement of Financial Activities when the conditions for receipt have been met. Grants are credited on a receivable basis, with any un-spent non-Grant-in-Aid grant income being deferred to the following year. Income for services performed is credited when the service is provided. Donations and bequests are accounted for when receipt is deemed probable, as defined in FRS102.

### 1.5 Expenditure

Expenditure is apportioned across expenditure heads on the basis of direct allocation and indirect apportionment in the case of support costs as appropriate. Expenditure on Raising Donations & Legacies includes all fundraising expenditure. Expenditure on Other Trading Activities includes all expenditure associated with the trading subsidiary. Expenditure on charitable activities includes all expenditure associated with Learning and Engagement; Collections and Research; Visitor Experience; and Governance. Governance costs include all expenditure associated with corporate and strategic planning, Board and Committee

work, Welsh Government liaison, internal and external audit, risk management and statutory reports, and accounts work.

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

### **1.6 Tangible Fixed Assets**

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

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

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

An annual impairment review is carried out by management.

### **1.7 Heritage Assets**

Heritage assets are defined as assets of historic, artistic or scientific importance that are held to advance preservation, conservation and educational objectives of charities and through public access contribute to the nation's culture and education at either a national or local level. These assets are central to the achievement of our aims and include land, buildings, exhibits and artefacts. With effect from 1 April 2001 heritage assets purchased by or donated to us with an individual value of £5,000 or greater, or of £10,000 or greater from 1 April 2014, have been capitalised at historic cost/valuation. In accordance with Treasury accounts direction, assets acquired before 1 April 2001 have not been capitalised and in the opinion of the Trustees the considerable cost of valuation of the large collection of heritage assets (approximately 5.3 million items) cannot be justified on cost/benefit grounds. Donated or part-donated assets are valued with reference to invoices or other documentation where available, and otherwise by curatorial staff.

### **1.8 Depreciation**

Depreciation is charged on tangible fixed assets (excluding land and heritage assets). The principal rates, using the straight-line method, are as follows:

- Freehold buildings and long leasehold properties are depreciated over their useful lives from 50 to 125 years.

- As permitted by the Charities SORP (FRS102), heritage assets are not depreciated. It is the opinion of the Trustees that with regard to works of art their residual value is higher than the carrying value and with regard to other heritage assets their estimated useful life is of such length that depreciation is not material.
- Plant, equipment, fixture and fittings are depreciated over 5-10 years. In specific cases of items subject to technological changes or with a high obsolescence factor, a 3-year life is used. Other specific items may have a longer depreciation period.
- Leased assets are charged on a straight-line basis over the term of the lease.

### **1.9 Funds**

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

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

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

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

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

### **1.10 Stock**

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

### **1.11 Investments**

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

### **1.12 Staff Holiday Accrual**

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

### **1.13 Research and Development**

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

### **1.14 Taxation**

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

### **1.15 Pensions**

Contributions to the National Museum of Wales Pension Scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees'

working lives. The charge to the Statement of Financial Activities is based on the current service cost as calculated by the scheme actuary.

#### **1.16 Contingent Assets and Liabilities**

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

#### **1.17 Severance costs**

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

#### **1.18 Financial instruments**

Trade debtors do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Cash comprises cash in hand and cash at bank and on short term deposit on instant access term. Cash on short term deposit which is not on instant access term is included in current asset investments.

Trade creditors are not interest bearing and are stated at their nominal value. Liabilities are recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligations can be measured reliably.

#### **1.19 Provisions**

Where either the timing or the amount of the future expenditure required to settle the obligation is uncertain this is recognised as a provision rather than a creditor. The amount recognised as a provision is the best estimate of the expenditure required to settle or to transfer it to a third party at the reporting date. Provisions are stated at their nominal value.

## 2. Statement of Financial Activities comparatives

	Public funds		Private Funds		Restated
	Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000	2019/20 Total £'000
<b>INCOME AND ENDOWMENTS FROM:</b>					
<b>Donations &amp; Legacies</b>					
Grants	1,957	23,633	0	0	25,590
Donations & Legacies	169	315	5,844	738	7,066
	<b>2,126</b>	<b>23,948</b>	<b>5,844</b>	<b>738</b>	<b>32,656</b>
<b>Other Trading Activities</b>	<b>0</b>	<b>3,957</b>	<b>0</b>	<b>0</b>	<b>3,957</b>
<b>Income from Investments</b>	<b>0</b>	<b>0</b>	<b>84</b>	<b>26</b>	<b>110</b>
<b>Other Income</b>	<b>0</b>	<b>1,577</b>	<b>32</b>	<b>10</b>	<b>1,619</b>
<b>TOTAL INCOME AND ENDOWMENTS</b>	<b>2,126</b>	<b>29,482</b>	<b>5,960</b>	<b>774</b>	<b>38,342</b>
<b>EXPENDITURE ON:</b>					
<b>Raising Funds:</b>					
Expenditure on Raising Donations & Legacies	0	766	7	92	865
Expenditure on Other Trading Activities	0	3,182	0	0	3,182
	<b>0</b>	<b>3,948</b>	<b>7</b>	<b>92</b>	<b>4,047</b>
<b>Charitable Activities:</b>					
Learning & Public Programmes	154	3,986	24	5	4,169
Collections & Research	822	6,746	224	4	7,796
Visitor Experience	763	14,349	14	11	15,137
Governance	0	694	0	0	694
	<b>1,739</b>	<b>25,775</b>	<b>262</b>	<b>20</b>	<b>27,796</b>
<b>Other:</b>					
<b>Pension Finance Costs</b>	<b>0</b>	<b>686</b>	<b>0</b>	<b>0</b>	<b>686</b>
<b>TOTAL EXPENDITURE</b>	<b>1,739</b>	<b>30,409</b>	<b>269</b>	<b>112</b>	<b>32,529</b>
<b>Share of Joint Venture</b>	<b>(108)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(108)</b>
<b>Net (Losses) on Investments</b>	<b>0</b>	<b>0</b>	<b>(290)</b>	<b>(135)</b>	<b>(425)</b>
<b>NET INCOME/EXPENDITURE</b>	<b>279</b>	<b>(927)</b>	<b>5,401</b>	<b>527</b>	<b>5,280</b>
<b>Transfers Between Funds</b>	<b>2,500</b>	<b>0</b>	<b>(2,500)</b>	<b>0</b>	<b>0</b>
<b>OTHER RECOGNISED GAINS/(LOSSES):</b>					
Gains on revaluation of fixed assets	3,483	23	39	12	3,557
Actuarial (Losses) on defined benefit pension scheme	0	(42,724)	0	0	(42,724)
<b>NET MOVEMENT IN FUNDS</b>	<b>6,262</b>	<b>(43,628)</b>	<b>2,940</b>	<b>539</b>	<b>(33,887)</b>
<b>RECONCILIATION OF FUNDS:</b>					
<b>Total Funds Brought Forward</b>	<b>131,394</b>	<b>(16,830)</b>	<b>14,913</b>	<b>2,546</b>	<b>132,023</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>137,656</b>	<b>(60,458)</b>	<b>17,853</b>	<b>3,085</b>	<b>98,136</b>

We have restated the prior year comparators for 2019/20 due to changes in the divisional structure and allocation of departmental and support costs to the different expenditure headings. This has resulted in an increase of £92,000 to Expenditure on Raising Donations & Legacies, and an overall decrease of £92,000 to Expenditure on Charitable Activities. There is no impact on net movement in funds.

### 3. Grants Receivable

	Public		<b>2020/21</b>	2019/20
	Restricted	Unrestricted		
	£'000	£'000	<b>£'000</b>	£'000
Revenue Grant-in-Aid	0	23,632	<b>23,632</b>	22,640
Specimen Purchase Grant-in-Aid	269	0	<b>269</b>	269
Capital Grant-in-Aid	3,998	0	<b>3,998</b>	1,517
Other government grant	(409)	3,930	<b>3,521</b>	1,164
	<b>3,858</b>	<b>27,562</b>	<b>31,420</b>	25,590

We received total Grant-in-Aid from the Welsh Government of £27,899,000 (£24,426,000 in 2019/20) which comprises the Revenue, Specimen Purchase and Capital Grant-in-Aid.

Other government grant included National Lottery Heritage Fund grant of £210,000 (£642,000 in 2019/20). There was also a reduction to National Lottery Heritage Fund grant recognised in 2016/17 and 2018/19 of £581,000 for the St Fagans redevelopment project, comprising £409,000 recognised under public restricted funds and £172,000 under public unrestricted funds, matching the allocation of project expenditure to those funds. With the project drawing to a close the final grant drawdown claim has now been calculated. Other government grant also included Welsh Government grants of £606,000 (£369,000 in 2019/20), Cardiff Council grant of £3,000 (£22,000 in 2019/20), Arts Council of Wales grant of £110,000 (£nil in 2019/20), and £3,173,000 receivable under the UK Government's Coronavirus Job Retention Scheme (£131,000 in 2019/20).

### 4. Donations & Legacies

	Public Funds		Private Funds		<b>2020/21</b>	2019/20
	Restricted	Unrestricted	Restricted	Unrestricted		
	£'000	£'000	£'000	£'000		
Donated Assets	0	0	50	0	<b>50</b>	5,460
Legacies	0	0	0	100	<b>100</b>	119
Other donations	118	0	488	578	<b>1,184</b>	1,487
	<b>118</b>	<b>0</b>	<b>538</b>	<b>678</b>	<b>1,334</b>	7,066

Donated assets include heritage assets valued at £50,000 (see note 11 for more details). All valuations of donated (or part-donated) assets in the year and the previous year were carried out by curatorial staff or other qualified staff, or by reference to invoices or acceptance in lieu correspondence.

Other donations includes gifts from trusts and foundations received as contributions towards our work, specific projects and specimen purchases. These included £350,000 from players of the People's Postcode Lottery (£375,000 in 2019/20), £300,000 from the Paul Hamlyn Foundation (£300,000 in 2019/20), £100,000 from the Garfield Weston Foundation (£nil in 2019/20) and £25,000 from the Clore Duffield Foundation (£150,000 in 2019/20).

## 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.

	2020/21	2019/20
	£ '000	£ '000
Turnover	421	3,656
Cost of sales	(814)	(2,769)
<b>Gross Profit</b>	<b>(393)</b>	887
Administrative expenses	(105)	(404)
Other operating income	0	284
<b>Profit on ordinary activities before interest</b>	<b>(498)</b>	767
Interest receivable	0	16
Interest payable	(6)	(8)
<b>Profit on ordinary activities before taxation</b>	<b>(504)</b>	775
Tax on profit on ordinary activities	0	0
<b>Profit for the financial year</b>	<b>(504)</b>	775
Gift aid payable to the Museum	0	(755)
<b>Retained profit for the financial year</b>	<b>(504)</b>	20
Total Assets	866	1,420
Total Liabilities	(1,256)	(1,307)
<b>Shareholders' Funds</b>	<b>(390)</b>	113

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. CJRS funding of £429,000 is included as grants income in the Statement of Financial Activities.

## 6. Other Income

	Public Funds		Private Funds		2021/21	Restated 2019/20
	Restricted	Unrestricted	Restricted	Unrestricted		
	£'000	£'000	£'000	£'000		
Learning & Public Programmes	0	86	0	0	86	448
Collections & Research	0	427	0	0	427	303
Visitor Experience	0	551	0	0	551	635
Support	0	33	5	2	40	233
	<b>0</b>	<b>1,097</b>	<b>5</b>	<b>2</b>	<b>1,104</b>	1,619

We have restated the prior year comparators for 2019/20 due to changes in the divisional structure and allocation of departmental income and expenditure. There is no change to total Other Income.

## 7. Total Expenditure

### (a) Amgueddfa Cymru

	Direct Costs £'000	Depre- ciation £'000	Impair- ment of fixed asset £'000	Marketing, Press & PR £'000	Support Costs Finance £'000	ICT £'000	Human Resources £'000	2020/21 £'000	Restated 2019/20 £'000
<b>Expenditure on Raising Funds</b>									
Raising Donations & Legacies	726	0	0	33	20	43	26	<b>848</b>	865
	726	0	0	33	20	43	26	<b>848</b>	865
<b>Expenditure on Charitable Activities</b>									
Learning & Engagement	3,509	210	420	108	65	140	86	<b>4,538</b>	4,169
Collections & Research	6,849	988	1,974	189	114	246	151	<b>10,511</b>	7,796
Visitor Experience	13,689	1,040	2,079	289	174	377	232	<b>17,880</b>	15,296
Governance	645	0	0	56	34	73	45	<b>853</b>	694
	24,692	2,238	4,473	642	387	836	514	<b>33,782</b>	27,955
<b>Pension Finance Costs</b>	1,210	0	0	0	0	0	0	<b>1,210</b>	686
<b>Total Expenditure</b>	<b>26,628</b>	<b>2,238</b>	<b>4,473</b>	<b>675</b>	<b>407</b>	<b>879</b>	<b>540</b>	<b>35,840</b>	29,506

### (b) Consolidated

	Direct Costs £'000	Depre- ciation £'000	Impair- ment of fixed asset £'000	Marketing, Press & PR £'000	Support Costs Finance £'000	ICT £'000	Human Resources £'000	2020/21 £'000	Restated 2019/20 £'000
<b>Expenditure on Raising Funds</b>									
Raising Donations & Legacies	726	0	0	33	20	43	26	<b>848</b>	865
Trading Subsidiary	1,330	25	0	0	0	0	0	<b>1,355</b>	3,182
	2,056	25	0	33	20	43	26	<b>2,203</b>	4,047
<b>Expenditure on Charitable Activities</b>									
Learning & Engagement	3,509	210	420	108	65	140	86	<b>4,538</b>	4,169
Collections & Research	6,849	988	1,974	189	114	246	151	<b>10,511</b>	7,796
Visitor Experience	13,683	1,040	2,079	289	174	377	232	<b>17,874</b>	15,137
Governance	645	0	0	56	34	73	45	<b>853</b>	694
	24,686	2,238	4,473	642	387	836	514	<b>33,776</b>	27,796
<b>Pension Finance Costs</b>	1,210	0	0	0	0	0	0	<b>1,210</b>	686
<b>Total Expenditure</b>	<b>27,952</b>	<b>2,263</b>	<b>4,473</b>	<b>675</b>	<b>407</b>	<b>879</b>	<b>540</b>	<b>37,189</b>	32,529

We have restated the prior year comparators for 2019/20 due to changes in the divisional structure and allocation of departmental expenditure and support costs to the different expenditure headings. There is no impact on total expenditure for 2019/20.

The amount of £41,348 (£42,178 in 2019/20) is included in resources expended for external auditors' remuneration. This includes £36,628 (£36,628 in 2019/20) for the

Amgueddfa Cymru audit fee, £4,120 (£4,950 in 2019/20) for the trading subsidiary audit fee and £600 (£600 in 2019/20) for other work for the trading subsidiary.

65.2% of total expenditure during the year was on staff costs (68.6% in 2019/20).

## 8. Staff Costs

### (a) Staff Costs during the year:

	2020/21	2019/20
	£'000	£'000
Salaries & Wages	16,616	16,642
Social Security Costs	1,288	1,391
Pension current service cost (note 17e)	5,574	4,074
Pension deficit contribution for past service (note 17e)	9	0
Pension scheme expenses (note 17e)	372	380
Pension FRS102 current service cost adjustment	(997)	(963)
Apprenticeship Levy	57	64
Severance Costs	111	33
	<b>23,030</b>	21,621
FRS102 Pension Finance Costs (note 17e)	<b>1,210</b>	686
	<b>24,240</b>	22,307

Included within the staff costs are £1,177,000 (£1,559,000 in 2019/20) relating to the trading subsidiary.

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

One employee (none in 2019/20) left Amgueddfa Cymru during the year under the Redundancy and Early Severance Agreement. Statutory payments are enhanced by a factor of 4 under this Agreement.

One employee left Amgueddfa Cymru under our Mutually Assured Resignation Scheme in 2020/21 (two in 2019/20). Severance payments under this scheme are calculated on the basis of one month's pay for each complete year of continuous service, up to a maximum of 12, capped at £40,000.

### (b) Members of the Board of Trustees

Trustees did not receive any emoluments during 2020/21 or 2019/20, with the exception of the President. Details of the President's remuneration can be found on page 26 of this report. The total amount of travel, subsistence and accommodation expenses reimbursed by us for our Board and committee members was £nil (£8,000 in 2019/20). This does not include any expenses waived by trustees as this is immaterial. No trustees were reimbursed expenses during the year (16 in 2019/20).

## 9. Share of Joint Venture

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

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

	Total Net Movement in Funds		Share of Net Movement in Funds	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Donations and Legacies	5	5	2	2
Other Income	0	0	0	0
<b>Total Incoming Resources</b>	<b>5</b>	<b>5</b>	<b>2</b>	<b>2</b>
Charitable activity expenditure	216	216	108	108
Governance Costs	5	5	3	2
<b>Total Resources expended</b>	<b>221</b>	<b>221</b>	<b>111</b>	<b>110</b>
Revaluation of Fixed assets	217	0	109	0
<b>Net Movement in Funds</b>	<b>1</b>	<b>(216)</b>	<b>0</b>	<b>(108)</b>

	Total Assets and Liabilities		Share of Assets and Liabilities	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Fixed Assets	18,249	18,248	9,124	9,124
Current Assets	5	5	3	2
Liabilities due within one year	-5	-5	-3	-2
Liabilities due after more than one year	-44	-44	0	0
<b>Net Assets</b>	<b>18,205</b>	<b>18,204</b>	<b>9,124</b>	<b>9,124</b>
<b>Funds</b>				
General Fund (unrestricted)	17,752	17,968	8,897	9,006
Revaluation reserve	451	234	226	117
Restricted Fund	2	2	1	1
	<b>18,205</b>	<b>18,204</b>	<b>9,124</b>	<b>9,124</b>

## 10. Tangible Fixed Assets

<b>(a) Amgueddfa Cymru</b>							
	Freehold Land	Freehold Buildings	Leasehold Properties	Plant & Vehicles	Fixtures, Fittings & Equipment	Assets Under Construction	<b>Total</b>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation</b>							
At 1 April 2020	1,806	40,729	70,702	3,570	6,380	2,537	<b>125,724</b>
Additions in Year	0	121	0	706	880	1,690	<b>3,397</b>
Disposals	0	(11)	0	(45)	0	(51)	<b>(107)</b>
Transfers	0	(75)	0	153	155	(233)	<b>0</b>
Impairment	78	(1,367)	(3,179)	0	0	0	<b>(4,468)</b>
Revaluation	75	(5,094)	(12,467)	0	0	0	<b>(17,486)</b>
<b>At 31 March 2021</b>	<b>1,959</b>	<b>34,303</b>	<b>55,056</b>	<b>4,384</b>	<b>7,415</b>	<b>3,943</b>	<b>107,060</b>
<b>Depreciation</b>							
At 1 April 2020	0	2,413	2,206	1,513	3,697	0	<b>9,829</b>
Charge for the Year	0	614	550	380	694	0	<b>2,238</b>
Disposals	0	(1)	0	(45)	0	0	<b>(46)</b>
Transfers	0	(45)	0	0	45	0	<b>0</b>
Revaluation	0	(2,981)	(2,749)	0	0	0	<b>(5,730)</b>
<b>At 31 March 2021</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>1,848</b>	<b>4,436</b>	<b>0</b>	<b>6,291</b>
<b>Net Book Value</b>							
At 1 April 2020	1,806	38,316	68,496	2,057	2,683	2,537	115,895
<b>At 31 March 2021</b>	<b>1,959</b>	<b>34,303</b>	<b>55,049</b>	<b>2,536</b>	<b>2,979</b>	<b>3,943</b>	<b>100,769</b>

<b>(b) Consolidated</b>							
	Freehold Land	Freehold Buildings	Leasehold Properties	Plant & Vehicles	Fixtures, Fittings & Equipment	Assets Under Construction	<b>Total</b>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation</b>							
At 1 April 2020	1,806	40,729	70,702	3,570	6,652	2,537	<b>125,996</b>
Additions in Year	0	121	0	706	887	1,690	<b>3,404</b>
Disposals	0	(11)	0	(45)	(4)	(51)	<b>(111)</b>
Transfers	0	(75)	0	153	155	(233)	<b>0</b>
Impairment	78	(1,367)	(3,179)	0	0	0	<b>(4,468)</b>
Revaluation	75	(5,094)	(12,467)	0	0	0	<b>(17,486)</b>
<b>At 31 March 2021</b>	<b>1,959</b>	<b>34,303</b>	<b>55,056</b>	<b>4,384</b>	<b>7,690</b>	<b>3,943</b>	<b>107,335</b>
<b>Depreciation</b>							
At 1 April 2020	0	2,413	2,206	1,513	3,876	0	<b>10,008</b>
Charge for the Year	0	614	550	380	719	0	<b>2,263</b>
Disposals	0	(1)	0	(45)	(1)	0	<b>(47)</b>
Transfers	0	(45)	0	0	45	0	<b>0</b>
Revaluation	0	(2,981)	(2,749)	0	0	0	<b>(5,730)</b>
<b>At 31 March 2021</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>1,848</b>	<b>4,639</b>	<b>0</b>	<b>6,494</b>
<b>Net Book Value</b>							
At 1 April 2020	1,806	38,316	68,496	2,057	2,776	2,537	115,988
<b>At 31 March 2021</b>	<b>1,959</b>	<b>34,303</b>	<b>55,049</b>	<b>2,536</b>	<b>3,051</b>	<b>3,943</b>	<b>100,841</b>

Our freehold and leasehold properties were professionally valued on 31 March 2021 by External Valuers, Elizabeth Hill BSc MRICS and Alan Jones BSc MRICS of Cooke and Arkwright Chartered Surveyors. The valuations were in accordance with the requirements of the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards (effective from 2020), the International Valuation Standards and the RICS Valuation, Global Standards – UK National Supplement. The valuation of each property was on the basis of being valued to Current Value in Existing Use using Depreciated Replacement Cost assuming that the properties would continue to be used to provide the service. In the intervening period those assets are revalued using indices. The index used for land and buildings is the BCIS All in Tender Price Index, estimated by Cooke and Arkwright Chartered Surveyors.

## 11. Heritage Assets

### (a) Collection Management Policies

Collections of specimens are the *raison d'être* of museums and provide the fundamental database for all their work and objectives. We are the national repository of material relating to Wales's natural and created heritage and international material that helps define Wales's place in the world. Our collections number approximately 5.3 million specimens or groups and are of international importance. We differ from other national museums and galleries in the UK by the range of our disciplines and by the number and range of sites that we operate.

We maintain and review our policies on acquisitions, disposals, care and conservation, documentation and access to the highest international standards. These policies can be found on our website or obtained on request from our Principal Office at National Museum Cardiff, Cathays Park, Cardiff CF10 3NP.

### (b) Collection Management Costs

These costs are recognised in the Statement of Financial Activities.

	2020/21	2019/20
	£'000	£'000
<b>Collection management costs</b>		
Conservation	788	801
Collections Information	269	260
Collection Services	255	241
Collection Centre	26	37
	<b>1,338</b>	<b>1,339</b>

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

	Art £'000	Historic Buildings £'000	Other £'000	Total £'000
Donated Assets	12,977	160	329	<b>13,466</b>
Purchased Assets	9,976	5,696	1,262	<b>16,934</b>
<b>Total at 31 March 2021</b>	<b>22,953</b>	<b>5,856</b>	<b>1,591</b>	<b>30,400</b>

**(i) Heritage Assets donated during the year:**

	Art £'000	Historic Buildings £'000	Other £'000	Total £'000
<i>Hardanger Fjord</i> , John Minton	15	0	0	<b>15</b>
<i>The House</i> , Henri Le Sidaner	35	0	0	<b>35</b>
<b>Total Additions in Year</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>50</b>
Total at 1 April 2020	12,935	160	329	<b>13,424</b>
<b>Total at 31 March 2021</b>	<b>12,985</b>	<b>160</b>	<b>329</b>	<b>13,474</b>

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>21 views of North Wales</i> , Paul Sandby	240	0	0	<b>240</b>
<i>A meteor fell from the sky</i> , Anna Boghiguan	60	0	0	<b>60</b>
Nine Groupings of tattoo flashes and drawings, Neil Hopkin Thomas	0	0	85	<b>85</b>
<b>Total Additions in Year</b>	<b>300</b>	<b>0</b>	<b>85</b>	<b>385</b>
Total at 1 April 2020	9,676	5,696	1,182	<b>16,554</b>
<b>Total at 31 March 2021</b>	<b>9,976</b>	<b>5,696</b>	<b>1,267</b>	<b>16,939</b>

(iii) Heritage Assets disposals and impairments during the year:

	Historic			Total £'000
	Art £'000	Buildings £'000	Other £'000	
<b>Disposals</b>				
New Palace Yard Westminster, 1771	8	0	0	<b>8</b>
<b>Total Disposals in Year</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>8</b>
<b>Impairments</b>				
Oxford Dictionary Of National Biography	0	0	5	<b>5</b>
<b>Total Impairments in Year</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>5</b>

There was an impairment of £73,000 to Historic Buildings in 2018/19. There have been no other impairments to or disposals of assets included in the Balance Sheet in the last 5 years.

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

	2020/21 £'000	2019/20 £'000	2018/19 £'000	2017/18 £'000	2016/17 £'000
<b>Donated Assets</b>					
Art	50	5,460	649	147	0
Historic Buildings	0	0	0	0	0
Other	0	0	0	0	0
<b>Total Donated Assets</b>	<b>50</b>	<b>5,460</b>	<b>649</b>	<b>147</b>	<b>0</b>
<b>Purchased Assets</b>					
Art	300	349	19	30	678
Historic Buildings	0	14	0	91	45
Other	85	45	60	0	0
<b>Total Purchased Assets</b>	<b>385</b>	<b>408</b>	<b>79</b>	<b>121</b>	<b>723</b>
<b>Total Capitalised Specimen Acquisition</b>	<b>435</b>	<b>5,868</b>	<b>728</b>	<b>268</b>	<b>723</b>

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

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

	2020/21 £'000	2019/20 £'000	2018/19 £'000	2017/18 £'000	2016/17 £'000
Art	24	85	34	28	54
Natural Sciences	18	33	30	47	60
Industry	0	0	3	0	0
Conservation	0	0	8	0	0
Library	31	59	65	40	85
History	25	46	9	200	116
Transfer from Art to Heritage Assets	(60)	0	0	0	0
	<b>38</b>	<b>223</b>	<b>149</b>	<b>315</b>	<b>315</b>

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. These costs are recognised in the Statement of Financial Activities.

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

<b>There are c. 5.3 million items in Amgueddfa Cymru's collections</b>	
Archaeology & Numismatics	1,304,364
Art	46,646
Natural Sciences	3,013,180
Industry	268,977
National Wool Museum	12,000
Library	265,159
Social & Cultural History	400,290
<b>Total</b>	<b>5,310,616</b>

(i) Archaeology & Numismatics: the Department holds a collection of 816,864 items at National Museum Cardiff, as well as 487,500 at the National Roman Legion Museum in Caerleon. Archaeology and Numismatics (the study of coins and medals) tell us about the archaeology and history of Wales from the first use of caves 250,000 years ago to the start of the industrial revolution.

(ii) Art: the Welsh national collection of fine and applied art is housed at National Museum Cardiff. This unique resource documents the history of art in Wales since the sixteenth century, and is a major international collection of British and European art, as well as holding art from other cultures.

(iii) Natural Sciences: a collection of 3,013,180 items held at National Museum Cardiff, on display in the natural history galleries, or viewable by appointment. The botany and zoology specimens cover the study of the earth’s biodiversity and of how organisms interact. This study is essential to our future wellbeing. The geology specimens 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.

(iv) Industry: 268,977 objects are held in collections at the National Slate Museum in Llanberis, Big Pit: National Coal Museum in Blaenafon, the National Waterfront Museum in Swansea and in our Collections Centre in Nantgarw, where they can be viewed by appointment. The collections include items from the coal, manufacturing, maritime and transport industries. The 1841 census records that Wales was the first nation in the world to have a higher proportion of its workforce employed in industry rather than agriculture – Wales was therefore ‘the world’s first industrial nation’.

(v) The National Wool Museum: this Museum holds 12,000 items in its collection, showcasing one of the most important and widespread industries in Wales. The Museum

follows the process from fleece to fabric through its collection of objects, restored listed buildings and working historic machinery.

(vi) Library: the main Library, housed at National Museum Cardiff, and the library housed at St Fagans: National History Museum, contain 265,159 books and periodicals. This includes a collection of rare and special edition books, particularly in natural history. The Library is also a source of information for staff, and items can be viewed by the public by appointment.

(vii) Social & Cultural History: this collection holds 400,290 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	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
At 1 April 2020	2,633	3,068	2,633	3,068
Additions to investments at cost	0	1	0	1
Disposals at market value	(8)	(11)	(8)	(11)
Net (Loss)/Gain on Revaluation	580	(425)	580	(425)
Market Value at 31 March 2021	<b>3,205</b>	<b>2,633</b>	<b>3,205</b>	<b>2,633</b>

Of total investments of £3,205,000, £2,647,000 (£2,266,000 at 31 March 2020) was held in Restricted Private Funds and £558,000 (£367,000 at 31 March 2020) in Unrestricted Private Funds.

The historic cost of investments at 31 March 2021 was £3,006,000 (£3,006,000 at 31 March 2020). The portfolio consists of Collective Investments (Unit Trusts) authorized by the Securities and Investments Board (these were professionally valued by our investment managers, Barclays) and shareholdings (bequested to us) listed on the London Stock Exchange.

The investments were held in the following asset classes:

	Amgueddfa Cymru		Consolidated	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
UK Listed Investments	1,396	1,202	1,396	1,202
Non UK Listed Investments	1,803	1,424	1,803	1,424
Cash & Cash Deposits	6	7	6	7
	<b>3,205</b>	<b>2,633</b>	<b>3,205</b>	<b>2,633</b>

### 13. Stock

	Amgueddfa Cymru		Consolidated	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Shop Goods for Sale	0	0	282	283
Publications stock held separately	48	48	48	48
Less: Provision for stock write-off	(32)	(32)	(43)	(49)
	<b>16</b>	<b>16</b>	<b>287</b>	<b>282</b>

### 14. Debtors

	Amgueddfa Cymru		Consolidated	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade Debtors	145	197	159	230
Amount due from trading subsidiary	887	867	0	0
Loan due from trading subsidiary	301	301	0	0
Other Debtors	3,496	2,898	3,496	3,007
Prepayments	948	271	975	301
	<b>5,777</b>	<b>4,534</b>	<b>4,630</b>	<b>3,538</b>
Balances with:				
Central government bodies	3,400	2,620	3,400	2,621
NHS bodies	0	0	0	0
Local authorities	0	64	0	69
Sub total intra government balances	<b>3,400</b>	<b>2,684</b>	<b>3,400</b>	<b>2,690</b>
Bodies external to government	<b>2,377</b>	<b>1,850</b>	<b>1,230</b>	<b>848</b>
Total	<b>5,777</b>	<b>4,534</b>	<b>4,630</b>	<b>3,538</b>

### 15. Creditors: Amounts falling due within one year

	Amgueddfa Cymru		Consolidated	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Loans	249	249	249	249
Trade Creditors	56	27	56	27
Accruals and Deferred Income	2,316	1,705	2,384	1,830
	<b>2,621</b>	<b>1,981</b>	<b>2,689</b>	<b>2,106</b>
Balances with:				
Central government bodies	138	169	138	169
Local authorities	-	9	-	9
Sub total intra government balances	<b>138</b>	<b>178</b>	<b>138</b>	<b>178</b>
Bodies external to government	<b>2,483</b>	<b>1,803</b>	<b>2,551</b>	<b>1,928</b>
Total	<b>2,621</b>	<b>1,981</b>	<b>2,689</b>	<b>2,106</b>

Accruals and Deferred Income includes £598,000 un-spent grant income deferred to the following year (£216,000 at 31 March 2020), and £nil (£71,000 at 31 March 2020) for premium payments buy-out instalments which were due in less than one year.

Loans due in less than one year are outstanding of £92,000 (£92,000 at 31 March 2020) to the Welsh Government's Invest-to-Save fund and of £157,000 (£157,000 at 31 March 2020) to the Welsh Government (assigned from Salix Finance Ltd, an independent, publicly funded company which provides the public sector with loans for energy efficiency projects, on 15 January 2021).

## 16. Creditors: Amounts falling due after one year

	Amgueddfa Cymru		Consolidated	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Loans	959	1,208	959	1,208

Loans of £249,000 (£341,000 at 31 March 2020) are outstanding to the Welsh Government's Invest-to-Save fund, repayable within 2 to 5 years. Loans are outstanding to the Welsh Government (assigned from Salix Finance Ltd on 15 January 2021) of £628,000 (£710,000 at 31 March 2020) repayable within 2 to 5 years, and of £82,000 (£157,000 at 31 March 2020) repayable in more than 5 years.

## 17. Pensions

We operate a defined benefit pension scheme in the UK, which is underwritten by a Crown Guarantee issued by the National Assembly for Wales. A full actuarial valuation was carried out at 31 March 2018. This was updated at 31 March 2021 by a qualified independent actuary using guidelines issued by HM Treasury.

The FRS102 valuation as at 31 March 2021 showed a decrease in the deficit from £69,237,000 to £58,885,000.

Our contribution to the scheme in the year to 31 March 2021 amounted to £5,118,000 (£4,164,000 to 31 March 2020). This included contributions at a rate of 21.3% of Pensionable Remuneration, salary forgone by members under salary-sacrifice arrangements which we paid over to the Scheme, and an additional payment of £800,000.

We expect to contribute £4,432,000 to the Scheme in 2021/22. The projected total charge to the Statement of Financial Activities in 2021/22 is £7,682,000, and the projected deficit at 31 March 2022 is £62,135,000.

**(a) Amounts in the balance sheet:**

	2021	2020
	£'000	£'000
Fair value of assets	153,815	126,755
Defined benefit obligation	(212,700)	(195,992)
<b>(Deficit)</b>	<b>(58,885)</b>	<b>(69,237)</b>

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

	2021	2020
	£'000	£'000
Opening fair value of assets	126,755	136,030
Interest income	2,278	3,948
Employer's contributions	5,118	4,164
Members' contributions	398	372
Scheme expenses	(372)	(380)
Actuarial experience gains/(losses)	24,415	(13,425)
Benefits paid	(4,777)	(3,954)
<b>Closing fair value of assets</b>	<b>153,815</b>	<b>126,755</b>

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

	2021	2020
	£'000	£'000
Opening defined benefit obligation	195,992	161,567
Current service cost	5,574	4,074
Past service cost	9	0
Members' contributions	398	372
Interest cost	3,488	4,634
Actuarial experience losses	12,016	29,299
Benefits paid	(4,777)	(3,954)
<b>Closing defined benefit obligation</b>	<b>212,700</b>	<b>195,992</b>

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

	2021	2020
	£'000	£'000
Actuarial experience gains/(losses) - fair value of assets (note 17b)	24,415	(13,425)
Actuarial (losses) - present value of obligations (note 17c)	(12,016)	(29,299)
<b>Actuarial gains/(losses)</b>	<b>12,399</b>	<b>(42,724)</b>

**(e) Amounts charged to resources expended:**

	2021		2020	
	£'000	£'000	£'000	£'000
Current service cost	5,574		4,074	
Past service cost	9		0	
Scheme expenses	372		380	
		<b>5,955</b>		<b>4,454</b>
Interest income	(2,278)		(3,948)	
Interest cost	3,488		4,634	
		<b>1,210</b>		<b>686</b>
<b>Total charge to resources expended</b>		<b>7,165</b>		<b>5,140</b>

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:**

	2021	2020
Equities	41.1%	36.3%
LDI	21.3%	24.5%
Multi-asset	26.7%	26.4%
Others	10.9%	12.8%

**(g) Principal actuarial assumptions:**

	2021	2020
Discount rate	1.25%	1.80%
Inflation - RPI short term	3.22%	3.35%
Inflation - RPI long term	2.32%	3.35%
Inflation - CPI	2.22%	2.35%
Pension increases in payment - pre 2000	3.00%	3.35%
Pension increases in payment - post 2000, pre 2016	2.22%	2.35%
Pension increases in payment - post 2016	1.94%	2.05%
Pension increases in deferment	2.22%	2.35%
Assumes life expectancy currently age 65		
Male	86.7	86.7
Female	89.1	89.0
Assumes life expectancy currently age 45		
Male	87.7	87.7
Female	90.2	90.2

**(h) Sensitivity analysis – Change in defined benefit obligation as at 31 March 2021:**

Increase/decrease discount rate by 50 bps	-10%/+11%
Increase/decrease assumed rate of inflation by 50 bps	+11%/-9%

## 18. Statement of Funds

(a) Movement in Funds	1 April	Incoming	Resources	Other	31 March
	2020	Resources	Expended	Movements	2021
	£'000	£'000	£'000	in Year	£'000
<b>Public Funds</b>					
Restricted - Capital Income	100,416	3,589	(7,348)	0	<b>96,657</b>
Restricted - Specimen Income	14,679	387	(81)	0	<b>14,985</b>
Restricted - Revaluation	22,561	0	0	(11,406)	<b>11,155</b>
<b>Total Restricted</b>	<b>137,656</b>	<b>3,976</b>	<b>(7,429)</b>	<b>(11,406)</b>	<b>122,797</b>
Unrestricted - Income	8,691	29,081	(27,681)	0	<b>10,091</b>
Unrestricted - Revaluation	88	0	0	(88)	<b>0</b>
Pension Reserve	(69,237)	0	(2,047)	12,399	<b>(58,885)</b>
<b>Total Unrestricted</b>	<b>(60,458)</b>	<b>29,081</b>	<b>(29,728)</b>	<b>12,311</b>	<b>(48,794)</b>
<b>Total Public Funds</b>	<b>77,198</b>	<b>33,057</b>	<b>(37,157)</b>	<b>905</b>	<b>74,003</b>
<b>Private Funds</b>					
Restricted - Income	17,537	600	(25)	388	<b>18,500</b>
Restricted - Revaluation	316	0	0	(201)	<b>115</b>
Unrestricted - Income	2,993	707	(7)	192	<b>3,885</b>
Unrestricted - Revaluation	92	0	0	(57)	<b>35</b>
<b>Total Private Funds</b>	<b>20,938</b>	<b>1,307</b>	<b>(32)</b>	<b>322</b>	<b>22,535</b>
<b>Total</b>	<b>98,136</b>	<b>34,364</b>	<b>(37,189)</b>	<b>1,227</b>	<b>96,538</b>

Funds recorded in our own non-consolidated accounts at 31 March 2021 were £96,931,000 with a deficit of £393,000 attributable to NMGW Enterprises Ltd.

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

Total revaluation reserves at 31 March 2021 were £11,305,000. 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		2021 £'000
	Restricted	Unrestricted	Restricted	Unrestricted	
	£'000	£'000	£'000	£'000	
Fixed Assets	124,245	3,721	14,789	815	<b>143,570</b>
Current Assets	(262)	8,832	3,826	3,105	<b>15,501</b>
Current Liabilities	(476)	(2,213)	0	0	<b>(2,689)</b>
Long term Liabilities	(710)	(249)	0	0	<b>(959)</b>
<b>Net Assets (before pension liabilities)</b>	<b>122,797</b>	<b>10,091</b>	<b>18,615</b>	<b>3,920</b>	<b>155,423</b>
Pension Liabilities	0	(58,885)	0	0	<b>(58,885)</b>
<b>Net Assets (after pension liabilities)</b>	<b>122,797</b>	<b>(48,794)</b>	<b>18,615</b>	<b>3,920</b>	<b>96,538</b>

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

	Amgueddfa Cymru		Consolidated	
	2020/21	2019/20	2020/21	2019/20
	£'000	£'000	£'000	£'000
Net Income/Expenditure	(1,738)	5,280	(2,245)	5,280
Share of Joint Venture	0	108	0	108
Unrealised (Gains)/Losses on market value investments	(580)	425	(580)	425
Donated Assets	(50)	(5,460)	(50)	(5,460)
Depreciation	2,238	1,985	2,263	2,016
Impairment of Fixed Asset	4,472	(29)	4,472	(29)
Loss on disposal	51	0	54	0
(Increase)/Decrease in Stocks	0	(7)	(5)	(46)
(Increase)/Decrease in Debtors	(1,243)	90	(1,092)	(599)
Increase/(Decrease) in Creditors	663	(350)	606	(418)
Provisions movement	0	0	0	0
FRS102 current year pension costs	2,047	976	2,047	976
<b>Net Cash Inflow from Operating Activities</b>	<b>5,860</b>	<b>3,018</b>	<b>5,470</b>	<b>2,253</b>

## 20. Analysis of Cash and Cash Equivalents

	Amgueddfa Cymru		Consolidated	
	2020/21	2019/20	2020/21	2019/20
	£'000	£'000	£'000	£'000
Cash in hand	9,305	7,471	9,783	8,345
Short term notice deposits	800	799	800	799
<b>Total cash and cash equivalents</b>	<b>10,105</b>	<b>8,270</b>	<b>10,583</b>	<b>9,144</b>

## 21. Capital Commitments

	2021	2020
	£'000	£'000
At the balance sheet date there were capital commitments of	<b>562</b>	<b>1,141</b>

Major commitments as at 31 March 2021 related to the essential backlog maintenance works programme, including £180,000 for lift works at National Museum Cardiff. Major commitments as at 31 March 2020 also related to the essential backlog maintenance works programme, including £657,000 for roof works at National Museum Cardiff.

## 22. Contingent Liabilities and Guarantees

As at 31 March 2021 there were no claims against us in respect of personal injury allegedly occurring at our Museums.

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.

### **23. Related Party Transactions**

We are a Welsh Government Sponsored Body. The Welsh Government is therefore regarded as a related party. During the year we received funding from the Welsh Government in the form of Grant-in-Aid and other grant referred to in note 3 to the accounts. We also received £600 in relation to service activities from the Welsh Government and made a payment of £11,264 reimbursed bank interest to them. Outstanding balances with the Welsh Government, including loans, are referred to in notes 14, 15 and 16 to the accounts.

We made the following payments to other related parties in 2020/21. Unless otherwise stated there were no outstanding balances at the end of the year.

- £4,158 to Prysg Cyf. The sister of Glenda Jones, Trustee until 24 September 2020, is a Director of Prysg Cyf.
- £736 to Pembrokeshire Coast National Park Authority. Dr Madeleine Havard, Trustee, is a member of Pembrokeshire Coast National Park Authority.
- £9,964 to Dyfed Archaeological Trust. Hywel John, Trustee, is a Trustee of Dyfed Archaeological Trust.
- £3,600 to Creative & Cultural Skills. David Anderson, Director General, is a Director of Creative & Cultural Skills.
- Baroness Kay Andrews, Trustee, is a trustee of the National Lottery Heritage Fund. Grants received from the National Lottery Heritage Fund are identified in note 3 to the accounts.

We received a total of £6,175 in donations from Trustees (£15,640 in 2019/20).

During the year Hywel John, Treasurer, Glenda Jones, Trustee until 24 September 2020, and Carys Howell, Trustee served as directors of NWMS Ltd referred to in note 9 to the accounts. None of the directors receive remuneration from this company.

### **24. Financial Instruments**

Amgueddfa Cymru has no borrowings other than interest-free loans from the Welsh Government, including from their Invest-to-Save Fund. We rely primarily on Welsh Government grant-in-aid drawn down on a monthly basis for our cash requirements which limits our liquidity risk. In 2020/21 £27.9m or 81.1% of our consolidated income derived from the Welsh Government (£24.8m or 64.8% in 2019/20). The balance of £6.5m or 18.9% (£13.5m or 35.2% in 2019/20) is derived from grants from other bodies, trading and income generating activities, donations and investments.

All assets and liabilities are denominated in sterling and so we are not exposed to currency risk. We mitigate exposure to market risk through diversification of our investment portfolio, managed by Barclays in line with the risk appetite and investment objectives we set.

## **25. Prior Year Adjustment**

We have restated the prior year comparators for 2019/20 on the Statement of Financial Activities due to changes in the divisional structure and allocation of departmental income and expenditure, and allocation of support costs to the different expenditure headings. This has resulted in an increase of £92,000 to the prior year comparator for Expenditure on Raising Donations & Legacies, and an overall decrease of £92,000 to Expenditure on Charitable Activities. There are also changes to the prior year comparators for Other Income in note 6 to these accounts, but no change to total Other Income on the Statement of Financial Activities. There is no impact on net movement in funds or funds brought forward.

## **26. Post Balance Sheet Events**

The Accounting Officer authorized these financial statements for issue on 12 January 2022. There were no post balance sheet events.