

Financial Report of the Board of Trustees of the National Museum of Wales

SECTION 1: PERFORMANCE

Section 1.1 Overview of Performance

Throughout 2022/23 it was fantastic to see so many visitors return to our museums, following the Covid-19 pandemic. Our staff worked hard to ensure that our museums across Wales were open, safe and welcoming to over 1.3 million visitors. Our digital reach grew too, with over 2.3 million visits to our website. 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.

Our museums continue to be open, safe and accessible spaces, and our staff provide a warm welcome to all our visitors. Our museums regularly feature in the top lists of museums across the UK. In 2023 St Fagans National History Museum was nominated number 1 “Best UK day out for free” by Which? magazine, with National Museum Cardiff at number 5.

Teachers and schools have been supported to deliver the new curriculum for Wales, and we reached over 214,000 learners through a hybrid school programme which provides exciting and meaningful digital and face-to-face learning experiences across the whole of Wales. We continued to develop programmes across our sites for people living with dementia, including Objects of Comfort, and we launched the Museum Inspiring Memories project with Alzheimer’s Society Cymru thanks to the support of National Lottery Community Fund.

Our museums and collections are an inspirational learning resource and provide an opportunity for us to recognise and celebrate the rich and diverse contributions of communities who experience inequalities. We are actively collecting new objects to help document and tell the story of Wales’ rich LGBTQ+ history, and delivering programmes which help to increase recognition of Amgueddfa Cymru as an inclusive organisation supportive of LGBTQ+ rights. The Reframing Picton exhibition opened at National Museum Cardiff in August 2022 and is due to close 12 January 2025. The exhibition is the culmination of over 2 years of community outreach between Amgueddfa Cymru and the Sub Sahara Advisory Panel.

We continued to build connections with people in Wales and across the world, making loans for exhibitions and research to the USA, Australia, the Netherlands, Spain, Italy, Ireland, and Sweden. We also supported research projects and exchange programmes with visiting researchers, including a collaborative research project with Iziko Museums of South Africa, and the restoration of Édouard Manet’s (1832-1883) Portrait de Monsieur Jules Dejouy (1879), thanks to

the TEFAF Museum Restoration Fund, The Finnis Scott Foundation and the Friends of National Museum Wales.

We delivered on key capital projects during the year, including the new accessible walkway and the lift refurbishment and installation at National Museum Cardiff. The initial phase of the Museum of North Wales development project continued in partnership with Gwynedd Council, including surveys and planning consultancy.

We continued our momentum on reducing energy consumption, with a reduction of 17% in purchased energy consumption in 2022/23, despite our museums fully re-opening. Four major projects are under way across our museums to help further improve energy efficiency, made possible through additional finance from Welsh Government and with close collaboration with the Welsh Government Energy Service.

In 2022/23 we were awarded Investors in Volunteering for the third time. This year the focus has been on rebuilding the Volunteer and Placement Programme following the impact of Covid-19. Whilst we have regained the number of volunteering hours to pre-pandemic levels, we are still building back the volunteer numbers.

We published our new Strategy to 2030, and with it a new brand, to ensure a sustainable future for Amgueddfa Cymru. Strategy 2030 and the Well-being of Future Generations Act are part of everything we do, from how our collections and museums are cared for and relevant for future generations, to how we support our Welsh language and shared culture.

We developed several key plans during the year which will help us meet the needs and challenges of the next few years whilst delivering on Strategy 2030. These include:

- The Strategy for Public Programmes 2022-27 which guides our work with people, communities and partners to ensure public benefit and learning. (<https://museum.wales/about/policy/strategy-for-public-programmes-2022-27/>)
- Widening and deepening engagement with communities right across Wales, a central strand within our Strategic Equality Action Plan (<https://museum.wales/about/policy/equality-diversity/>) and we have published the Widening Engagement Action Plan 2022-25 (<https://museum.wales/media/53766/Widening-Engagement-Action-Plan-2022-25.pdf>), in partnership with Arts Council of Wales.
- Our Foundational Sustainable Development action plan which outlines 4 key strands of work, from decarbonisation to land and nature recovery.
- The Digital, Data and Technology Strategy which puts digital at the heart of the organisation to ensure our users can discover and explore our museums digitally.

Over the next year we will continue to build on our projects and programmes to deliver world class visitor experiences, learning and public programmes, and collection and conservation practices.

Financial Results for the Year

	2022/23	2021/22
	£	£
Total income	40,993,000	38,300,000
Total expenditure	(44,017,000)	(38,830,000)
Other movements	(425,000)	15,000
Consolidated net (expenditure)/income	(3,449,000)	(515,000)
Net increase in funds (after all realised and unrealised gains and losses)	64,557,000	6,463,000
Total fund balances held in unrestricted and restricted public and private reserves at year end	167,558,000	103,001,000
Fund balances held for unrestricted public purposes at year end (excluding pension reserve)	8,822,000	9,089,000

Overall our net expenditure for the year was £3,449,000. While there were increases to both our Welsh Government grant income and non-government income, our expenditure also increased, driven by the full re-opening of our museums, salary increases and utilities inflation.

The net movement in funds for the year includes significant actuarial gains on the pension scheme of £59.3m, reducing the pension scheme deficit on the balance sheet to £2.4m. There were also £8.7m indexation gains on revaluation of land and buildings, resulting in an overall net increase in funds of £64.6m

With the full re-opening of our museums following the COVID-19 pandemic, trading and turnover of our trading company, NMGW Enterprises Ltd, returned to a profit-making position. Lower visitor numbers were reflected in lower profits compared with the pre-pandemic position. 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 profits of £515,000 for 2022/23 (losses of £51,000 for 2021/22).

Total Funds at 31 March 2023 were £167,558,000, with an analysis provided in note 19 to the accounts. Note 19 shows that over 90% of funds are represented by fixed assets. Unrestricted public funds, excluding the pension scheme deficit, were £8.8m, of which £3.2m is represented by fixed assets. The remaining unrestricted public funds of £5.6m are allocated to meeting funding shortfalls and future commitments. There is more information in the Policy on Reserves section.

Aims and Objectives

Our vision is to be an organisation that is Inspiring People, Changing Lives. This vision is at the heart of our Strategy 2030, which sets out how we continue to be a vital part of Wales' cultural infrastructure, crucial for the process of national healing and renewal. It includes 6 Commitments and 9 Enablers that encompass our work.

Our 6 Commitments until 2030 bring to life our ambitions, and how we plan to achieve them.

We'll work with people and communities across Wales, through collections, public programmes and partnerships, to:

1. Cynrychioli pawb / Make sure that everyone is represented
2. Ysbrydoli creadigrwydd a dysgu am oes / Inspire creativity and learning for life
3. Diogelu ac adfer natur a'r amgylchedd / Help protect and restore nature and our environment
4. Cefnogi lles trwy lefydd a phrofiadau sy'n ysbrydoli / Support well-being through inspirational spaces and experiences
5. Darganfod yr amgueddfa yn ddigidol / Discover and explore the museum digitally
6. Creu cysylltiadau ar draws y byd / Build global connections

To achieve these ambitious commitments our plans will be supported by 9 Enablers or ways of working. They are:

- Sustainability
- Income generation
- Research and evaluation
- Developing our people
- Good governance, shared decision making
- The Welsh language
- Clear, recognised brand
- Facilities that are fit for purpose
- Safe working

Our vision, strategy and its commitments, are mapped to the seven well-being national goals set out in the Well-being of Future Generations (Wales) Act 2015. We regularly report to the Future Generations Commissioner on our progress against the Act's goals. Our work also clearly aligns to the current Term of Government Remit Letter for Amgueddfa Cymru.

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 – 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 2022/23 we directly operated seven museums across Wales, and our National Collections Centre:

National Museum Cardiff, Cathays Park, Cardiff
<https://museum.wales/cardiff/>

St Fagans National Museum of History, St Fagans, Cardiff
<https://museum.wales/stfagans/>

Big Pit National Coal Museum, Blaenafon, Torfaen
<https://museum.wales/bigpit/>

The National Roman Legion Museum, Caerleon, Newport
<https://museum.wales/roman/>

The National Slate Museum, Llanberis, Gwynedd

<https://museum.wales/slate/>

The National Wool Museum, Dre-fach Felindre, Carmarthenshire

<https://museum.wales/wool/>

The National Waterfront Museum, Maritime Quarter, Swansea

<https://museum.wales/swansea/>

National Collections Centre, Nantgarw, Rhondda Cynon Taf (open to the public by appointment)

<https://museum.wales/collections-centre/>

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

Key Performance Indicator	2021/22 target	2021/22 out-turn	2022/23 target	2022/23 out-turn
Number of visits	672,000	674,814	1,000,040	1,308,628
Number of website visits	1,750,000	2,241,982	1,850,000	2,322,184
Number of formal education visits	70,000	122,707	90,000	214,902
Volunteer hours	15,000	23,138	22,000	26,273
Total net income from research and charging, trading company profits and recharges, and unrestricted revenue fundraising *	£1,640,000	£1,377,000	£1,104,000	£1,469,000

* Total net income in 2021/22 included income from Coronavirus Job Retention Scheme (CJRS) funding for staff on furlough, which was capped at losses on non-Grant-in-Aid income for the year. The 2022/23 target was lower as CJRS funding was no longer available although visitor numbers and therefore net income were still affected by the Covid-19 pandemic

We exceeded our 2022/23 targets for all the above key performance indicators.

Performance against our Commitments and Enablers

Commitment 1: Make sure that everyone is represented

We work with people and communities across Wales to include their voices and representation in our work and collections.

To help support decolonising our collections we have set up seven community research projects with diverse communities across Wales. We opened the *Reframing Picton* exhibition, and also displayed a new set of prints by artist Chris Ofili as part of the *Rules of Art?* Exhibition at National Museum Cardiff.

Several new displays opened to celebrate LGBTQ+ histories and creativity, including *Trawsnewid* at National Waterfront Museum and *Wales is... Proud* at St

Fagans National Museum of History. We also supported Pride festivals. We are actively collecting new objects to help document and tell the story of Wales' rich LGBTQ+ history, including a beautiful display of photographs donated by Mike Parker.

The Celf ar y Cyd project invited people in Wales to vote for their favourite artworks to go on tour to Aberystwyth Arts Centre, Y Gaer, Brecon and Oriol Môn, Llangefni. These artworks reflect the rich diversity, creativity and experience of life in Wales. The exhibition will be on display at National Museum Cardiff this summer as a final chance to view.

Commitment 2: Inspire creativity and learning for life

Over the last year we have run exciting and diverse programmes for learners of all ages.

Teachers and schools have been supported to deliver the new curriculum for Wales, and we reached over 214,000 learners digitally and in-person across all our museums.

We support young people to develop skills and create new opportunities with our youth forum and Amgueddfa Cymru Producers programme thanks to National Lottery Heritage Fund. We also collaborated with the Federation of Museum and Art Galleries of Wales engaging over 16,000 children and young people as part of the Welsh Government's Summer of Fun.

Opening the *BBC 100 in Wales* and the *Voices of the Red Wall* exhibitions were highlights, as was celebrating the return of our in-person events, including the Food Festival at St Fagans National Museum of History.

We were also awarded Investors in Volunteering for the third time. 604 Volunteers donated 26,273 hours to the museum. *Diolch o galon* to our volunteers who support our museums in so many ways.

Commitment 3: Help protect and restore nature and our environment

We are committed to caring for the environment and protecting nature, from how we look after our museums and collections to how we can work more sustainably and support staff and visitors to live more sustainably.

Four major projects are under way across our museums to help improve energy efficiency which has been made possible through additional finance from Welsh Government and through close collaboration with the Welsh Government Energy Service.

We have been awarded Silver as a Carbon Literate Organisation by The Carbon Trust, with over 321 staff trained in carbon literacy. We are also working hard to reuse items and reduce waste across the organisation.

To help people explore the environment we developed the *On Your Doorstep* exhibition in partnership with Oriol y Parc, St Davids, and produced Spotter Guides to help explore local nature, which can be downloaded from our website. The Spring Bulbs for Schools project is blooming year on year with 175 schools investigating the impact of climate change in an engaging and creative way.

Commitment 4: Support well-being through inspirational spaces and experiences

To support well-being and increase access we have been making improvements to our museums and offering activities for people with diverse needs.

We are committed to providing meaningful experiences for people living with dementia. We launched the Museum Inspiring Memories project with Alzheimer's Society Cymru, thanks to the National Lottery Community Fund.

We continued to develop the Objects of Comfort project and are a partner in the development of the House of Memories Wales digital resource, supported by Welsh Government. Across our sites we now offer Dementia Friendly experiences including the underground tours at Big Pit National Coal Museum, Caban workshops at National Slate Museum and Tea Dances at the National Waterfront Museum.

During the year we completed our brand-new accessible walkway for National Museum Cardiff, which has helped to transform the way people access the museum.

To continue to provide a warm welcome and accessible experience at all our museums our staff are building on their skills in visitor excellence, and one fifth of our visitor experience staff have now completed training in British Sign Language.

Commitment 5: Discover and explore the museum digitally

Digital experiences are helping to provide more access to our collections and spaces than ever before.

We have developed our digital networks, computers and storage this year so that we can make it easier for everyone to access and find out about our services. We are also working on digitising our collections so that they can be available online for people everywhere. Funding from the Art & Humanities Research Council has helped us purchase equipment to support this work and upgrade our 3D scanning photography.

Our digital events have continued to prove popular. We developed a new Roman sleepover digital event in 2022, which is now part of four different Sleepover@Home online events. Finally, we re-launched the virtual reality experience at National Museum Cardiff, where visitors can dive into Jurassic seas and walk with dinosaurs.

Commitment 6: Build global connections

We welcomed 1.3 million visitors through our doors, and 2.3 million digital visitors to our website throughout 2022/23.

We are building long-lasting relationships with museums across the world, including a collaborative research project with Iziko Museums of South Africa, and the restoration of Édouard Manet's (1832-1883) Portrait de Monsieur Jules Dejouy (1879), thanks to the TEFAF Museum Restoration Fund, The Finnis Scott Foundation and the Friends of National Museum Wales.

We had eleven object loans which went to seven different countries for exhibitions and on-going research, and forty international research loans.

In summer 2022 we brought together representatives from Celtic nations and Latin America to exchange experiences, ideas and outcomes to address challenges in society that museums can help address.

Finally, we kicked off our 2023 *Dydd Gŵyl Dewi* celebrations with our Wales Week London event in partnership with Football Association Wales, BBC Wales, and the Welsh Government, to discuss how sports and culture came together to celebrate modern Wales.

Delivering our Commitments

A huge amount of work goes on behind the scenes to care for the national collections and provide welcoming and accessible spaces. Our museums regularly feature in the top lists of museums across the UK.

We are making things easier for people to work with us from diverse backgrounds by improving our recruitment processes, and our mean gender pay gap at 1.8% is the lowest it has been since 2017.

We re-launched our Honorary Research Fellows programme, welcoming thirty-five fellows from across a range of disciplines and backgrounds, and at different stages in their research careers. We will be offering opportunities over the next year for fourteen new PhD studentships.

The Welsh language is embedded in everything we do, including our brand and the way we present our values and work to the world. Over 50% of our staff have Welsh language skills.

Fundraising

We achieved a high level of success when fundraising through charitable trusts and foundations, lottery and grant providers and individual supporters, raising £1.3m in 2022/23. We also received £250,000 of donated heritage assets and a number of government grants.

Significant gifts were received from the Paul Hamlyn Foundation, players of People's Postcode Lottery, National Lottery Heritage Fund, and National Lottery Community Fund and others. Other donations included gifts from trusts and foundations, received as contributions towards our work, specific projects and acquisitions. These included gifts from Swire Charitable Trust, Museums Association Collection Fund, Hartsheath Charitable Trust and WCVA: Landfill Disposals Tax Communities scheme grant.

We continued to develop and strengthen our income generating products, processes and people. Maintaining regular communications and delivering in-person events and experiences, such as behind the scenes tours, curator talks and events promoting gifts-in-wills, has helped our retention levels and secure new individual supporters and legators.

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.

Capital Investment

Underpinning the delivery of our vision, a programme of capital works continues, funded by Welsh Government grant-in-aid. In 2022/23 this again focused on progressing the essential maintenance works plan and accelerating our digital programme. At National Museum Cardiff major roof works were largely completed by the year end, including repairs to the damaged dome resulting from the fire in April 2021. In addition, the new accessible walkway and lifts were also completed, making a significant difference to access. Other projects included starting works on the National Waterfront Museum roof and chillers, renewal of equipment at Big Pit, and intruder and fire alarm system renewals at several sites. Various digital projects were progressed, such as further development to commercial platforms, our website and our intranet. Investment continued in the planning and implementing for the decarbonisation of Amgueddfa Cymru, with a number of projects completed or progressed. The initial phase of the Museum of North Wales development project continued, including surveys and planning consultancy. While increased grant-in-aid for the six years to 2022/23 represents total capital investment of £20m, over £60m of preventative and backlog maintenance has been identified as essential over the next 10 years.

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 our family of seven museums and the National Collections Centre, through our procurement and ways of working, and by promoting sustainable practice through our exhibitions, events and learning programmes. We work closely with partners such as Cynnal Cymru and Sustrans.

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 cross departmental Sustainability Compliance Group, led by a dedicated Sustainability Coordinator and supported by our Sustainable Development Forum. The Group drives forward a strategic and integrated approach to sustainability across all areas of our work and actively promotes sustainable development practices across the organisation.

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

Performance on Sustainability

Conserving the nation's treasures and opening our doors to over a million visitors a year uses a lot of energy. Our Energy Policy has been adopted and updated to ensure we continue to take major steps towards improving energy efficiency, and to demonstrate our support for a reduction in greenhouse gas emissions.

Following the Covid-19 pandemic our museums have fully re-opened in 2022/23, however we have continued our momentum through the reduction in overall energy consumption. In 2022/23 electricity consumption decreased by 5% and gas consumption (including LPG) decreased by 26%. Total purchased energy across all sites has therefore decreased by 17% compared with 2021/22. Waste has increased by 77% compared with 2021/22, although landfill waste remains 21% lower than 5 years ago. Water consumption has decreased slightly, by 3%.

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

Greenhouse Gas Emissions		2022/23	2021/22	2020/21	2019/20	2018/19
Non-financial indicators (tCO ₂)	Scope 1 (Direct) Emissions - gas	1,004	1,348	1,462	1,621	1,014
	Scope 2 (In-direct) Emissions – purchased electricity	1,151	1,104	975	1,259	1,582
	Scope 3 (Business travel) Emissions	14	8	1	24	25
	Total	2,169	2,460	2,438	2,904	2,621
Related energy consumption (kWh'000)	Gas	5,493	7,335	7,952	8,771	5,164
	Electricity	4,586	4,827	3,887	4,574	5,190
	Total	10,079	12,163	11,839	13,345	10,654
Financial indicators (£'000)	Gas	269	178	202	214	217
	Electricity	1,038	686	492	666	648
	CRC administration fee	0	0	0	0	1,290
	Official Business Travel	119	54	30	182	162
	Total	1,426	918	724	1,062	1,027
Targets and Performance						
<p>Our Environment Statement sets a target to reduce CO₂ produced by energy and transportation usage by 2% per annum. This year has seen a reduction of 12% in CO₂ emissions for purchased energy compared to 2021/22. This reduction is even greater when compared to pre-pandemic levels of 2019/20 where the decrease is 25%.</p> <p>Electricity consumption saw a small decrease despite an increase in events and more museum staff returning to the office, with the introduction of hybrid working, following the Covid-19 pandemic. Gas consumption continued to fall by a further 25% with the museum realising the benefits of its long-term strategy of energy consumption reductions.</p> <p>Whilst consumption has decreased, we have seen a significant increase expenditure due to worldwide market fluctuations in energy costs.</p> <p>As we continue to encourage sustainable travel modes for visitors and staff, we have continued to see a decrease of car hire CO₂ compared to pre-pandemic levels. This has been made possible by increasing remote working capabilities and reducing travel requirements.</p>						

Waste		2022/23	2021/22	2020/21	2019/20	2018/19
Non-financial indicators (tonnes)	Hazardous waste	0.6	0.0	0.0	0.5	0.3
	Non-hazardous waste:					
	- Landfill	992.0	846.1	311.6	1,218.1	1,262.6
	- Reused/Recycled	2761.2	1,263.7	807.4	1,911.6	1,948.6
	- Incinerated	38.9	27.2	8.7	37.5	43.9
	Total waste	3,792.6	2,137.0	1,127.8	3,167.7	3,255.3
Financial indicators (£)	Total disposal cost	71,297	59,789	31,084	57,619	56,923
Targets and Performance						
We actively encourage the minimisation of waste across all the organisation through increased recycling and the promotion of circular economy principles. Our total waste has increased against pre-Covid-19 pandemic levels but there is a significant reduction in landfill waste of 21% compared with 2018/19.						

Finite Resource Consumption		2022/23	2021/22	2020/21	2019/20	2018/19
Non-financial indicators ('000m ³)	Total Water consumption	21,878	22,572	19,601	23,444	23,463
Financial indicators (£)	Total Water supply costs	75,165	60,939	45,427	67,067	79,828
Targets and Performance						
In 2022/23 water consumption decreased slightly, by 3%, compared with the previous year, reflecting ongoing efforts to reduce finite resource consumption.						

Future strategy

Our Strategy 2030 gives prominence to developing and promoting sustainable practice, and to addressing climate change and the biodiversity emergency.

In 2023/24 we will build on progress already achieved in reducing greenhouse gas emissions, waste and water consumption. This momentum must be continued to achieve our ambition to be Carbon Neutral by 2030. The Sustainable Development Forum will continue to explore further energy saving works across our sites.

The Carbon Literacy training developed in 2020/21, and accredited by the Carbon Trust, has now been passed by 320 staff members, with many more in the process of completing. This training is being developed onto an online learning platform to enable even more staff to undertake this training and make their pledges. In March 2023 we achieved silver accreditation for our training, and we are now working on achieving gold level status.

Biodiversity

We have continued to develop 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. Cardiff as well identify future opportunities for us to explore.

Sustainable Procurement

We have developed a new Sustainable Procurement Action Plan following collaborative work with WRAP Cymru as we look to reach an established level within Wales and utilise procurement to accelerate our journey to be a Net Zero Carbon Museum. This action plan will put sustainability and carbon reduction at the forefront of all procurement activity across the museum as well as working collaboratively with suppliers to increase their capacity and join us on this journey.

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. They 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 last professionally revalued at 31 March 2021.

Amgueddfa Cymru has not capitalised heritage assets acquired prior to 1 April 2001. This is because comprehensive valuation, as illustrated below, would not provide a meaningful figure for users of the financial statements and the cost of doing so is not commensurate with the benefits to users of the financial statements.

Historic Cost – while it may be possible to assign a cost to items purchased within a financial year, historic cost quickly becomes obsolete and meaningless, not only because of general price movements where markets for similar items do exist, but also because of changing opinions about attribution and authenticity, subsequent research into objects that reveals new value, the emergence of new information about the provenance of an item or changes in taste.

Valuation – attempting to value heritage assets acquired historically raises a number of further conceptual concerns. Valuation of heritage assets is complicated by the nature of many such assets. They are rarely sold and often have a value enhanced above the intrinsic through their association with a person, event or collection, there are a very limited number of buyers, no homogeneous population of assets on the market, and imperfect information about the items for sale. In contrast with many commercial assets therefore, there is seldom an active market to provide indicative values of similar objects. This makes materially accurate valuations impossible to achieve for many heritage assets.

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 2022/23 was seven calendar days (seven days in 2021/22), which includes 96.5% (by number) of invoices settled within 30 days (97.4% in 2021/22). There were no payments of interest under the Late Payment of Commercial Debts (Interest) Act 1998 (£Nil in 2020/21).

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 2022/23 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.

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 presented new challenges, but we mitigated our income losses in 2020/21 and 2021/22 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, and we have 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, 2021/22 and 2022/23, enabling us to balance our budgets for those years. However, based on our current operating models and structures, and our confirmed revenue grant-in-aid, our available revenue (public unrestricted) reserves are sustainable for the next two years only. 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 2023 were £167,558,000, with an analysis provided in note 19 to the accounts. Unrestricted private funds were £6,928,000, of which £0.8m is represented by fixed assets, leaving £6.1m disposable cash reserves. Unrestricted public funds, excluding the pension reserve, were £8,821,000 of which £3.2m is represented by fixed assets, leaving £5.6m which has been allocated to meeting funding shortfalls 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.

The value of the investment portfolio decreased during the year from £3,361,000 to £3,217,000.

We also hold, from bequests, an equity investment in eleven blue chip companies. The value of this portfolio decreased during the year from £103,000 to £82,000.

The total value of investments held at 31 March 2023 was therefore £3,299,000.

Pension Liability

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

The valuation shown on this year's balance sheet, as calculated under FRS102, shows a decrease in the deficit from £57.3m to £2.4m, a positive movement of £54.9m. The Scheme's obligations decreased by £88.4m due to actuarial gains, resulting from an increase in the HM Treasury-mandated discount rate used and a decrease in future inflation assumptions. The value of the Scheme's assets decreased by £33.5m due to actuarial losses, also resulting from the change in

assumptions on discount rate and inflation. 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 18 to the accounts.

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 2021, was agreed by Amgueddfa Cymru and the Scheme Trustees on 29 June 2022, 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 2024.

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. We produce an annual report on compliance with the Welsh Language Standards, which is published on our website at <https://museum.wales/about/policy/welsh-language-policy/>.

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 and learning programmes are delivered bilingually and our website is fully bilingual.

Jane Richardson
Accounting Officer and
Chief Executive
Approved and signed on
24 January 2024

Hywel John
Treasurer, on behalf of the Board of
Trustees
Approved and signed on
24 January 2024

SECTION 2: ACCOUNTABILITY

Section 2.1: CORPORATE GOVERNANCE REPORT

2.1.1 DIRECTORS REPORT

BOARD OF TRUSTEES (From 1 April 2022 onwards)

PRESIDENT

Roger Lewis * (retired 31 December 2022)

Dr Carol Bell * (appointed Acting President from 1 January 2023, retired 29 September 2023)

VICE PRESIDENT

Dr Carol Bell * (retired 29 September 2023)

TREASURER

Hywel John, FCA *

APPOINTED BY THE WELSH GOVERNMENT

Carys Howell (retired 31 December 2022)

Rachel Hughes, MBA FInstLM (retired 31 December 2022)

Michael Prior, BA Solicitor (retired 31 December 2023)

Dr Catherine Duigan (retired 31 December 2023)

Gwyneth Hayward (retired 14 April 2023)

Freya Stannard

Cai Wilshaw

Professor John Hunt (appointed 1 January 2023)

Ameerah Mai (appointed 1 January 2023)

Owen Hathway (appointed 15 April 2023)

Kate Eden (appointed 1 September 2023)

Rhys Evans (appointed 1 October 2023)

APPOINTED BY THE NATIONAL MUSEUM OF WALES

Dr Hywel Ceri Jones, CMG (retired 31 August 2022)

Baroness Kay Andrews, OBE (retired 30 November 2022)

Robert Humphreys (retired 18 September 2023)

Dr Madeleine Havard * (retired 14 April 2023)

Abigail Lawrence

Richard Thomas *

Rachel Hughes, MBA FInstLM (appointed 1 January 2023, retired 31 December 2023)

Llion Iwan (appointed 1 January 2024)

* 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 (retired 23 October 2022)

Dr Vivek Goel, BBS, MD, FRCP (retired 6 November 2022)

Spencer John (appointed 1 January 2024)

Richard Houdmont (appointed 1 January 2024)

DIRECTORATE (SENIOR EXECUTIVE TEAM) (From 1 April 2022 onwards)

Director General

David Anderson (resigned as Director General 31 March 2023)

Director of Corporate Resources

Philip Bushby

Director of Collections & Research

Kath Davies

Director of Business Development

Nia Elias

Interim Chief Operating Officer

Peter Holt (from 9 September 2022)

Director of Visitor Experience
Chief Executive

Janice Lane
Jane Richardson (from 11 September
2023)
Neil Wicks (retired 31 July 2022)
Nia Williams

Chief Operating Officer and Deputy Director General
Director of Learning & Public Programmes

Details of transactions with related parties involving directors or Trustees, including donations from Trustees, are disclosed in note 24 to the Accounts.

BOARD OF NMGW ENTERPRISES LTD (From 1 April 2022 onwards)

David Anderson (retired 10 December 2022)
Marc Simcox (appointed 8 September 2022)
Neil Wicks (retired 31 July 2022)
Nia Elias
Philip Bushby (appointed 6 April 2023)
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 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 2023 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:	TIAA Ltd, Cardiff
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, now replaced by the Chief Executive, 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.

The Director General was the Accounting Officer until December 2022, when this responsibility was assigned to the Interim Chief Operating Officer, with the Director General subsequently resigning from his post effective from 31 March 2023. The Interim Chief Operating Officer retained responsibility as Accounting Officer until the appointment of Jane Richardson as Chief Executive on 11 September 2023.

Statement of Disclosure of Information to Auditors

So far as the Accounting Officer 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 2023, and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

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 20223 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)

2022/23 has been the eighth 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. This vision is at the heart of our Strategy 2030, which sets out how we continue to be a vital part of Wales' cultural infrastructure, crucial for the process of national healing and renewal.

Our performance against our 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 normally 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 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. The President receives no pension or other benefits. During 2022/23 Roger Lewis received £26,387 as President (£35,183 in 2021/22) and Dr. Carol Bell received £8,796 as Acting President (£nil in 2021/22). Roger Lewis was reimbursed for expenses of £38,884 during 2022/23 (£nil in 2021/22).

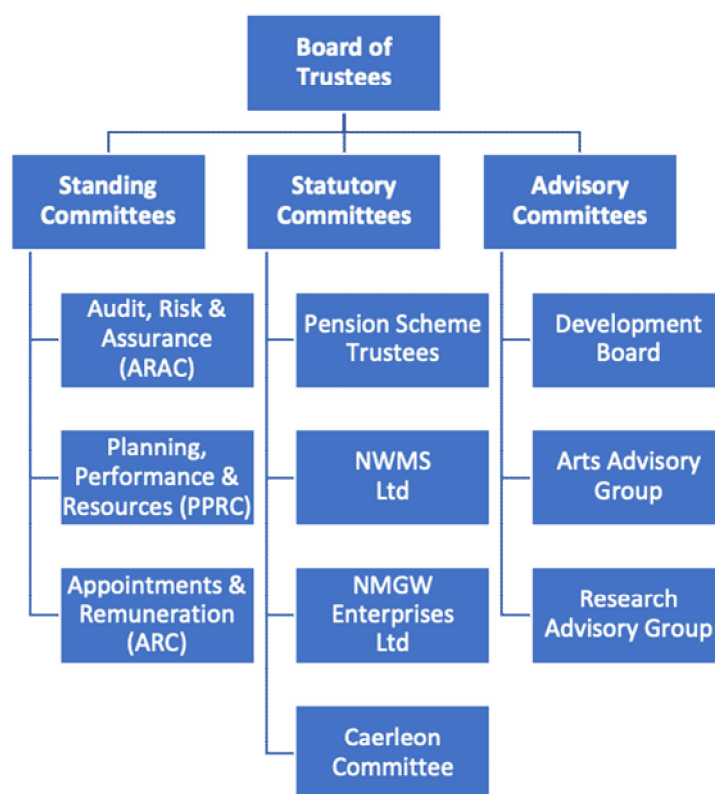
No other members of the Board of Trustees were remunerated during the year. Details of Trustees' company directorships and other significant interests are maintained in a Register of Interests, which is available to the public and held at National Museum Cardiff.

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	30/06/22	29/09/22	15/12/22	23/03/23	Number of Hybrid meetings	Percentage attendance
Roger Lewis	✓	✓	Apologies	Retired	2	66%
Dr Carol Bell	✓	✓	✓	✓	4	100%
Hywel John	✓	✓	✓	✓	4	100%
Michael Prior	✓	✓	✓	✓	4	100%
Dr Catherine Duigan	✓	✓	✓	✓	4	100%
Gwyneth Hayward	✓	✓	✓	✓	4	100%
Cai Wilshaw	✓	✓	Apologies	Apologies	2	50%
Freya Stannard	✓	✓	✓	✓	4	100%
Robert Humphreys	✓	✓	✓	✓	4	100%
Dr Madeleine Havard	Apologies	✓	✓	✓	3	75%
Richard Thomas	✓	✓	✓	✓	4	100%
Abigail Lawrence	Apologies	✓	✓	✓	3	75%
Rachel Hughes	✓	✓	✓	✓	4	100%
Kay Andrews	✓	Apologies	Retired	Retired	1	50%
Carys Howell	✓	✓	✓	Retired	3	100%
Hywel Ceri Jones	Apologies	Retired	Retired	Retired	1	0%
John Hunt				✓	1	100%
Ameerah Mai				✓	1	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 strive 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 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.

One matter was raised during the year under our Whistleblowing Policy. This was reported to the Audit, Risk & Assurance Committee in May 2022 and dealt with in line with our internal processes, and is now concluded. Our Whistleblowing and Fraud & Corruption policies will next be reviewed by the Audit, Risk & Assurance Committee in February 2024, 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.

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. There are also closed sessions of the Board where more confidential or personal matters are discussed and determined.

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 2021. During 2021/22 a sub-group also reviewed a number of specific areas, relating to:

- Reviewing the policy and associated guidance
- Procuring a system to better record and present risks
- Developing risk training/ workshops for Managers and Trustees
- Developing Risk concepts such as 'velocity', 'appetite' and positive risks
- Re-establishing Annual Assurance Statements

These changes and improvements will be agreed by the Risk management Group and approval sought from the Audit, Risk & Assurance Committee during 2023/24.

A robust Risk Management review is conducted on a quarterly basis 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 rolling audit programme. The most recent review was completed in March 2023. This concluded that we have effective risk management processes in place. The review provided a 'reasonable' level of assurance with three identified routine actions to be undertaken. These will be completed during the 2023/24. The Risk Management and Assurance Framework remains in place.

The major risks on the Strategic Risk Register are security of our assets due to fire, maintenance backlog and cyber security. Mitigating actions are in place, and these risks are regularly reviewed by Internal Audit, the Risk Management Group and the Board of Trustees. Other sessions are also planned this year to re-assess the main strategic risks as well as updating the risk appetite of the organisation.

3.4.2 Information Security and Management

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 2000. These include:

- § Information Security Policy
- § Cyber Incident Response Plan
- § Published Data Classifications, in-line with Government Standards
- § 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 Digital Board group, with oversight of information security

We are also a member of the National Cyber Security Centre (NCSC) Active Cyber Defence Hub. The Active Cyber Defence Hub helps protect our critical services from cyber-attacks. These include:

- § Web Check – helps identify and fix common security issues affecting our Websites and Internet Domains.
- § Mail Check - prevent abuse of email domains and implement email security standards.
- § Early Warning - notifications of malicious activity to help investigate attacks on our network quickly.

Following several improvements to our Monitoring and Cyber Security solutions during 2021/22, in 2022/23 we have also added Microsoft Defender licences to all users.

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

No personal data incidents occurred in 2022/23 or 2021/22 which require informing the Information Commissioner's Office (ICO). The number of minor incidents decreased from 9 in 2021/22 to 7 in 2022/23.

The year has seen a decrease in the number of Freedom of Information (FOI) requests we receive, from 26 in 2021/22 to 17 in 2022/23. The majority of requests received were related to funding, procurement and collections.

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

The Trustees are appointed by either the Welsh Government or 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 next reviews will be carried out in 2023/24.

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.

In 2022/23 we launched our new strategy - Strategy 2030. The strategy was developed through consultations with staff, trustees, partners, stakeholders and the public, and was our largest public consultation to date. Discussions with the Wellbeing of Future Generations Team ensured that the Wellbeing Goals and Sustainability Principle were embedded.

We also launched our new Brand, which embodies Strategy 2030 and our vision. The brand will help frame our approach to communications and marketing and is embedded through our values and our work across the organisation.

During the year we continued to deliver digital events and virtual learning programmes alongside our in-person programme. Examples of our work are discussed in the earlier Performance Section of the Financial Report. In partnership with Arts Council of Wales we continued to deliver our [Widening Engagement Action Plan](#) to directly address and take forward recommendations made in the Widening Engagement Reports, published in August 2021.

We engaged with people and communities on a number of projects throughout 2022/23. This collaboration and involvement is part of our way of working:

- The *Reframing Picton* exhibition was the culmination of over 2 years of community outreach between Amgueddfa Cymru and the Sub Sahara Advisory Panel.
- The Valley's Re-told project is a co-created art and heritage engagement program with a core emphasis on discovering and sharing new knowledge and interpretations with people of the south Wales Valleys.
- Celf ar y Cyd project features voices from across Wales's vibrant society, engaging in different responses to the collection and sharing knowledge and thoughts on the contemporary art collection.

Our digital presence has grown during the last two years, with more of a focus on creating content for our social media platforms. We share the stories of those who are inspired by our museums, to encourage others to do the same. Through our collective, Bloedd Amgueddfa Cymru, we work alongside 16–25 year olds to experiment, create and innovate, and Bloedd Instagram shares their voice.

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 of the Board of Trustees and trade 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 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 section 6 on Future Improvements below, which also notes a significant issue relating to the governance of the organization.

Evaluation questionnaires are completed by the Board and the Audit, Risk & Assurance Committee, normally on a biannual basis. They were most recently completed in 2020 and the findings were overall very positive.

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 2023, the Internal Auditor concluded that we have reasonable and effective risk management, control and governance processes in place.
- § 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

In 2020/21 some concerns were raised by senior executives about the clarity of the respective roles and responsibilities of the Board and the Executive. These concerns continued throughout 2021/22 and into 2022/23, and were drawn to the attention of Audit Wales, the Welsh Government and the Welsh Government's Additional Accounting Officer.

These matters had a significant impact in 2021/22 and 2022/23 and demanded time from senior members of staff and Trustees. There were several processes invoked, including grievances, employment tribunal claims and an issue raised under our whistleblowing procedure. All of these processes were brought to the attention of both the internal and external auditors. There was a requirement to rely on legal support and advice which resulted in significant cost in both 2021/22 and 2022/23. The tribunal claims were settled in 2022/23 and as the originating events were in 2021/22, the settlement amounts of all these claims were included within the 2021/22 accounts. These settlement agreements were complex and were discussed fully with Audit Wales, to ensure that matters had been properly and fully disclosed in the 2021/22 accounts. It is for this reason that the publishing of the 2021/22 Financial Report and Accounts was delayed.

6. Future Improvements

During 2022/23, as well as the ongoing challenge to deliver our vision with diminishing reserves, like all other organizations we continued to face challenges 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 5, agreed by the Board. We will continue to implement our vision in 2023/24.

In 2022/23 Welsh Government commissioned a Tailored Review of Amgueddfa Cymru, which was undertaken during the year by a panel of independent experts and published in July 2023. The review was part of a planned programme of reviews across all arm's length bodies, led by the Welsh Government Public Bodies Unit, to provide assurance that appropriate governance arrangements remain in place and that our work continues to be aligned with best practice. The report celebrated our valuable contribution to the cultural landscape in Wales and across the world.

The Tailored Review report's recommendations provide constructive guidance on how Amgueddfa Cymru and Welsh Government can build on their good work and continue to work in partnership to create a sustainable future. Many of the recommendations are aligned with the commitments we have set out in our Strategy 2030, and are already in our plans and underway. A working group of trustees and directors has been set up to oversee the recommendations. During 2023/24 a new Chief Executive, Chair and Vice Chair have been appointed, all of whom will be focused on implementing recommendations and improvements.

Moving forward we will:

- § Implement our new Strategy to 2030 and Brand, including:
 - Addressing the climate change and biodiversity emergency
 - developing our efforts in tackling inequalities including actions highlighted through our published Widening Engagement Plan
- § Implement our Income Generation Strategy, and continue discussions with Welsh Government on funding to support achievement of our Strategy to 2030
- § Continue to bring Museum operations back to normal following Covid-19 Pandemic. This will include new ways of working for our staff, with hybrid working being trialled throughout 2023.
- § Support the main elements of the Programme for Government, covering the redevelopment of the National Slate Museum and the introduction of the National Contemporary Art Gallery.
- § Implementation of our Digital Strategy phase 1 action plan,
- § Continue to implement our Carbon Management Plan, ensuring that we contribute to the net carbon zero plans for 2030.

- § Implement the 5-year Buildings & Estates strategy for delivery of priority essential maintenance works and continue to implement the existing Essential Maintenance Programme.
- § Implement our Public Programme Strategy and Action Plan
- § Work towards achieving a higher accreditation level for Investors in People
- § Continue to deliver leadership development programmes for a wider range of Amgueddfa Cymru staff.
- § Improve business systems and processes across the organization

7. 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.

Jane Richardson
Accounting Officer and
Chief Executive
Approved and signed on
24 January 2024

Hywel John
Treasurer, on behalf of the Board of
Trustees
Approved and signed on
24 January 2024

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 2022-2025, which are published on our website at <https://museum.wales/about/policy/equality-diversity/> along with our Widening Engagement Action Plan: <https://museum.wales/aims/vision-commitments-and-values/widening-engagement-research/>. These documents outline our priorities in delivering equality and inclusion to staff and visitors.

We are committed to tackling inequalities, specifically racism, in the wake of the Black Lives Matter movement and are sourcing Anti-Racism Training for all staff. We have also included a section in our Excellence in Visitor Care Training about hidden disabilities and helping visitors that have access needs.

Our most recently reported mean gender pay gap (the difference between men and women's hourly pay) was 0.90% for 2021/22 (2.67% for 2020/21), and the median gender pay gap was 1.77% (2.38% for 2020/21), a significant decrease over 3 years from 9.34% in 2018/19. During this period, we saw more women recruited in the third and upper quartile which has positively influenced the resulting data. This has been achieved through our recruitment work to improve a diverse candidate base, and changes to our systems to remove identifiers and potentially remove any bias. We have identified a number of actions that will reduce the pay gap further, including actions around pay, policy, recruitment, learning and development, flexible working, and gathering data.

We continue to create and offer paid internships and placements as pathways into the cultural and heritage sector and continue to make improvements to our recruitment processes in this area.

Policies for Disabled Employees

We continue to operate our guaranteed interview scheme for disabled applicants in the recruitment process. During the year there was a 6% increase in candidates identifying as disabled and a 7% increase in those participating in the guaranteed interview scheme. 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. We have made reasonable adjustments to our interview processes and have provided interview questions in advance to candidates who are neurodivergent.

We have also focused on training in British Sign Language for staff to help support BSL as our third language. By the end of the year ninety-seven employees had attended Deaf Awareness training, and thirty-four employees across Amgueddfa Cymru had completed the 6-week BSL course with further courses planned.

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, and our new Learning Management System, Twf, has greatly advanced this work.

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, policies and future planning. 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. 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 and amendments to policies.

Monthly staff briefings are held by the directors, supported by recordings and regular email 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 continue to work on our Investors in People status to build on past achievements and use the data that is collected as part of the regular surveys to track improvements.

We have recognised that leadership skills are paramount to the successful delivery of our future aims and as such have delivered leadership programme training and aspiring leader training.

Apprenticeships continue to be offered at Big Pit National Coal Museum to train Miner Guides and Mechanical and Electrical Engineers. We recognise that Apprenticeships help to address skills shortages and to implement succession plans in these areas.

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 2023 was 4.81% or 10.67 days (3.66% or 8.90 days in 2021/22). We have worked with line managers to address high rates of absence and have supported managers to conduct wellbeing case conferences with staff who have reached the sickness absence trigger and ensure our policies, including return to work interviews, are consistently implemented.

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 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 21 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 (resigned 31 March 2023)
Philip Bushby	4 January 2021
Kath Davies	6 January 2020
Nia Elias	12 April 2021
Peter Holt **	9 September 2022
Janice Lane	3 September 2012
Jane Richardson (Chief Executive)	11 September 2023
Neil Wicks	27 June 2011 (retired 31 July 2022)
Nia Williams	17 October 2016

* David Anderson stepped back from his role as Director General from 17 November 2022

** Peter Holt is employed on a fixed-term contract as Interim Chief Operating Officer.

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 £67,000 (£59,000 in 2021/22) for agency staff and £52,000 (£5,000 in 2021/22) for consultancy staff. No individuals were employed in 2021/22 or 2022/23 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 their remuneration can be found on page 25 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
	2022/23	2022/23	2022/23	2022/23	2022/23
	(2021/22)	(2021/22)	(2021/22)	(2021/22)	(2021/22)
	£'000	£'000	£'000	£'000	£'000
David Anderson <i>Note 1</i>	105-110	-	-	14	120-125
Director General	(305-310)	-	-	(20)	(325-330)
Neil Wicks <i>Note 2</i>	40-45	-	-	3	40-45
Chief Operating Officer & Deputy Director General	(100-105)	-	-	(13)	(110-115)
Janice Lane	80-85	-	-	6	85-90
Director of Visitor Experience	(80-85)	-	-	(12)	(90-95)
Nia Williams	80-85	-	-	4	85-90
Director of Learning & Public Programmes	(80-85)	-	-	(11)	(90-95)
Kath Davies	80-85	-	-	5	85-90
Director of Collections & Research	(80-85)	-	-	(9)	(85-90)
Philip Bushby	80-85	-	-	2	85-90
Director of Corporate Resources	(80-85)	-	-	(8)	(85-90)
Nia Elias	80-85	-	-	-2	80-85
Director of Business Development	(75-80)	-	-	(3)	(80-85)
Peter Holt	50-55	-	-	6	55-60
Interim Chief Operating Officer	-	-	-	-	-

Note 1: The emoluments of the Director General in 2022/23 consisted of a basic salary of £108,933. The emoluments of the Director General in 2021/22 consisted of a basic salary of £108,934, and accrued amounts totalling £200,613 for ex-gratia payments, termination payments, settlement payments and contractual notice payments, which were paid in 2022/23 or will be paid in 2023/24 and 2024/25.

Note 2: The 2021/22 salary includes a £12,000 ex-gratia payment, accrued in 2021/22 and paid in 2022/23.

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 2022/23 and 2021/22, except for:

- Neil Wicks retired on 31 July 2022. His emoluments as Chief Operating Officer & Deputy Director General consisted of a basic salary including contractual notice as shown above. His annualised salary for 2022/23 was between £85,000 and £90,000.

- Peter Holt took up office on 9 September 2022. His emoluments as Interim Chief Operating Officer consisted of a basic salary as shown above. His annualised salary for 2022/23 was between £95,000 and £100,000.

Pension Benefits					
	Real increase/ (decrease) in pension and related lump sum at age 60 £	Accrued pension at age 60 at 31 March 2023 and related lump sum £	CETV at 31 March 23 £'000	CETV at 31 March 22 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 2,500-5,000 lump sum	20,000-25,000 plus 60,000-65,000 lump sum	364	393	(78)
Neil Wicks Chief Operating Officer & Deputy Director General	(0-2,500) plus (5,000-7,500) lump sum	45,000-50,000 plus 135,000-140,000 lump sum	695	887	(289)
Janice Lane Director of Visitor Experience	(0-2,500) plus (0-2,500) lump sum	30,000-35,000 plus 95,000-100,000 lump sum	492	629	(208)
Nia Williams Director of Learning & Public Programmes	0-2,500 plus 0-2,500 lump sum	15,000-20,000 plus 55,000-60,000 lump sum	310	401	(139)
Kath Davies Director of Collections & Research	0-2,500 plus 2,500-5,000 lump sum	0-5,000 plus 5,000-10,000 lump sum	40	37	(8)
Philip Bushby Director of Corporate Resources	0-2,500 plus 2,500-5,000 lump sum	0-5,000 plus 5,000-10,000 lump sum	22	18	(6)
Nia Elias Director of Business Development	0-2,500 plus 2,500-5,000 lump sum	0-5,000 plus 5,000-10,000 lump sum	11	10	(8)
Peter Holt Interim Chief Operating Officer	0-2,500 plus 0-2,500 lump sum	0-5,000 plus 0-5,000 lump sum	11	0	6

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 2022/23, excluding workers engaged under our pool arrangements, was 710 (686 in 2021/22). Including workers engaged under our pool arrangements, the average number was 845 (812 in 2021/22).

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

			2022/23 Number	2021/22 Number
	Permanent Staff	Other Staff		
Trading Subsidiary	33	7	40	38
Fundraising	12	0	12	8
Learning and Public Programmes	53	8	61	61
Collections and Research	77	19	96	93
Visitor Experience	243	45	288	270
Support	78	16	94	89
	496	95	591	559
	Female Staff	Male Staff	2022/23 Number	2021/22 Number
Directors	4	3	7	7
Employees	316	268	584	552
	320	271	591	559

The increase in overall number of employees compared with the previous year is as expected, given there were fewer closures of our museums.

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

There were seventeen employees (seventeen in 2021/22) whose emoluments for the year were between £60,001 and £69,999, and one (one in 2021/22) 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 25th percentile, median and 75th percentile remuneration of the organization's workforce. The banded remuneration of the Director General, who was the highest-paid director in 2022/23, was £105,000-£110,000 (2021/22 £105,000-£110,000). The percentile remuneration and ratios are set out in the table below. No employees received remuneration in excess of the Director General in 2022/23 or 2021/22. Remuneration (including directors and the highest-paid

director) ranged from £22,150 to £108,933 (2021/22 £20,292 to £108,934). 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. In 2022/23 and 2021/22 no employees received any non-consolidated performance-related pay or benefits-in-kind, so the total pay figures disclosed in the table below are for total salary, which is total remuneration.

	2022/23	2021/22
Band of Highest Paid Individual's Remuneration	105,000-110,000	105,000-110,000
25th Percentile Total Pay	23,985	21,995
25th Percentile Pay Ratio	4.5	4.9
Median Total Pay	26,609	25,585
Median Pay Ratio	4.0	4.2
75th Percentile Total Pay	34,098	32,460
75th Percentile Pay Ratio	3.2	3.3

The percentage change in salary for the highest-paid individual, the Director General, based on the midpoint of the salary band was 0% (0% in 2021/22), and based on actual salary was 0% (1.9% in 2021/22). The average percentage change in salary for all employees, excluding the Director-General, was 6.3% (3.3% in 2021/22). This includes a 4% pay increase award for all staff and the implementation of pay parity with Welsh Government pay scales. The slight fall in the 25th percentile, median and 75th percentile pay ratios is explained by the implementation of pay parity in 2022/23 which impacted more staff on lower grades. We believe that the median pay ratio for 2022/23 is consistent with the pay, reward and progression policies for our workforce.

Staff furloughed under the Coronavirus Job Retention Scheme (CJRS)

No staff were furloughed under CJRS in 2022/23. In 2021/22 a total of 411 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 from the start of the year until the end of the scheme on 30 September 2021 was 137, and the average number of staff furloughed per month for whom CJRS claims were submitted was 88. A total of £356,000 CJRS funding was claimed, covering periods from 1 April 2021 to 31 May 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.

Jane Richardson
Accounting Officer and
Chief Executive
Approved and signed on
24 January 2024

Hywel John
Treasurer, on behalf of the Board of
Trustees
Approved and signed on
24 January 2024

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 2023 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, in all material respects 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 2023;
- 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 certificate.

My staff and I are 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 certificate.

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 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 Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- Maintaining sufficient accounting records;
- The preparation of the financial statements in accordance with the Museums and Galleries Act 1992 and Welsh Ministers' directions made there under, and for being satisfied that they give a true and fair view;
- Ensuring the regularity of financial transactions;
- Internal controls as the Accounting Officer determines are necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- Assessing National Museum of Wales' ability to continue as a going concern, disclosing as applicable, matters relating to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by National Museum of Wales will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Museums and Galleries Act 1992.

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 certificate 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, the audited entity's Head of Internal Audit 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, expenditure 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 that the National Museum of Wales operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of National Museum of Wales;
- Obtaining an understanding of related party relationships.

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 those charged with governance about actual and potential litigation and claims;
- reading minutes of meetings of Audit, Risk and Assurance Committee, Planning, Performance and Resources Committee, and the;
in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members 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. This description forms part of my auditor's report.

Other Auditor's Responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

I have no observations to make on these financial statements.

Adrian Crompton
Auditor General for Wales
26 January 2024

24 Cathedral Road
Cardiff
CF11 9LJ

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31 MARCH 2023

	Notes	Public funds		Private Funds		2022/23	2021/22
		Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000	Total £'000	Total £'000
INCOME AND ENDOWMENTS FROM:							
Donations & Legacies							
Grants	3	4,975	29,367	0	0	34,342	33,280
Donations & Legacies	4	68	0	676	819	1,563	1,342
		<u>5,043</u>	<u>29,367</u>	<u>676</u>	<u>819</u>	<u>35,905</u>	<u>34,622</u>
Other Trading Activities	5	0	3,465	0	0	3,465	1,907
Income from Investments		0	0	44	54	98	86
Other Income	6	35	1,479	5	6	1,525	1,685
TOTAL INCOME AND ENDOWMENTS		<u>5,078</u>	<u>34,311</u>	<u>725</u>	<u>879</u>	<u>40,993</u>	<u>38,300</u>
EXPENDITURE ON:							
Raising Funds:							
Expenditure on Raising Donations & Legacies		0	1,210	4	49	1,263	1,044
Expenditure on Other Trading Activities	5	0	2,950	0	0	2,950	1,991
		<u>0</u>	<u>4,160</u>	<u>4</u>	<u>49</u>	<u>4,213</u>	<u>3,035</u>
Charitable Activities:							
Learning & Public Programmes		400	5,545	332	78	6,355	5,408
Collections & Research		2,077	8,643	8	1	10,729	10,338
Visitor Experience		1,981	18,819	5	1	20,806	18,189
Governance		0	1,063	0	0	1,063	1,150
		<u>4,458</u>	<u>34,070</u>	<u>345</u>	<u>80</u>	<u>38,953</u>	<u>35,085</u>
Other:							
Pension Finance Costs	18e	0	851	0	0	851	710
TOTAL EXPENDITURE		<u>4,458</u>	<u>39,081</u>	<u>349</u>	<u>129</u>	<u>44,017</u>	<u>38,830</u>
Share of Joint Venture	9	(174)	0	0	0	(174)	(171)
Net Gains/(Losses) on Investments	12	0	0	(104)	(147)	(251)	186
NET (EXPENDITURE)/INCOME		<u>446</u>	<u>(4,770)</u>	<u>272</u>	<u>603</u>	<u>(3,449)</u>	<u>(515)</u>
OTHER RECOGNISED GAINS/(LOSSES):							
Gains/(losses) on revaluation of fixed assets	10	8,500	53	92	28	8,673	3,013
Actuarial Gains on defined benefit pension scheme	18d	0	59,333	0	0	59,333	3,965
NET MOVEMENT IN FUNDS		<u>8,946</u>	<u>54,616</u>	<u>364</u>	<u>631</u>	<u>64,557</u>	<u>6,463</u>
RECONCILIATION OF FUNDS:							
Total Funds Brought Forward	19	127,545	(48,226)	17,378	6,304	103,001	96,538
TOTAL FUNDS CARRIED FORWARD	19	<u>136,491</u>	<u>6,390</u>	<u>17,742</u>	<u>6,935</u>	<u>167,558</u>	<u>103,001</u>

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

All activities are continuing.

The non-consolidated net increase in funds recorded in Amgueddfa Cymru's own Statement of Financial Activities during 2022/23 was £64,087,000 (net increase of funds of £6,514,000 in 2021/22).

The notes on pages 54 to 78 form part of these accounts.

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023

	Notes	Amgueddfa Cymru		Consolidated	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
FIXED ASSETS					
Tangible Assets	10	114,896	105,561	114,933	105,612
Heritage Assets	11	30,961	30,640	30,961	30,640
Share of Joint Venture:	9				
Share of gross assets		8,780	8,954	8,780	8,954
Share of gross liabilities		(1)	(1)	(1)	(1)
		<u>8,779</u>	<u>8,953</u>	<u>8,779</u>	<u>8,953</u>
Investments	12	3,299	3,464	3,299	3,464
		<u>157,935</u>	<u>148,618</u>	<u>157,972</u>	<u>148,669</u>
CURRENT ASSETS					
Stock	13	19	6	304	201
Debtors due within one year	14	3,840	4,512	3,422	3,503
Investments	21	5,811	801	5,811	801
Cash at bank and in hand	21	5,536	10,083	5,879	10,514
		<u>15,206</u>	<u>15,402</u>	<u>15,416</u>	<u>15,019</u>
CURRENT LIABILITIES					
Creditors due within one year	15	(2,616)	(2,343)	(2,794)	(2,455)
NET CURRENT ASSETS		<u>12,590</u>	<u>13,059</u>	<u>12,622</u>	<u>12,564</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>170,525</u>	<u>161,677</u>	<u>170,594</u>	<u>161,233</u>
CREDITORS					
Amounts falling due after one year	16	(416)	(729)	(416)	(729)
Provisions	17	(188)	(188)	(188)	(188)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY		<u>169,921</u>	<u>160,760</u>	<u>169,990</u>	<u>160,316</u>
Defined benefit pension scheme deficit	18a	(2,432)	(57,315)	(2,432)	(57,315)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY		<u>167,489</u>	<u>103,445</u>	<u>167,558</u>	<u>103,001</u>
FUNDS	19				
Public Funds Restricted - Income		113,882	113,437	113,882	113,437
Public Funds Restricted - Revaluation		22,609	14,108	22,609	14,108
Total Public Funds Restricted		<u>136,491</u>	<u>127,545</u>	<u>136,491</u>	<u>127,545</u>
Public Funds Unrestricted - Income		8,683	9,515	8,752	9,071
Public Funds Unrestricted - Revaluation		70	18	70	18
Pension Reserve		(2,432)	(57,315)	(2,432)	(57,315)
Total Public Funds Unrestricted		<u>6,321</u>	<u>(47,782)</u>	<u>6,390</u>	<u>(48,226)</u>
Private Funds Restricted - Income		17,503	18,796	17,503	17,231
Private Funds Restricted - Revaluation		239	147	239	147
Total Private Funds Restricted		<u>17,742</u>	<u>18,943</u>	<u>17,742</u>	<u>17,378</u>
Private Funds Unrestricted - Income		6,862	4,694	6,862	6,259
Private Funds Unrestricted - Revaluation		73	45	73	45
Total Private Funds Unrestricted		<u>6,935</u>	<u>4,739</u>	<u>6,935</u>	<u>6,304</u>
		<u>167,489</u>	<u>103,445</u>	<u>167,558</u>	<u>103,001</u>

Signed on behalf of the Trustees by

Jane Richardson
Accounting Officer and Chief Executive
Approved and signed on 24 January 2024

Hywel John
Treasurer, on behalf of the Board of Trustees
Approved and signed on 24th January 2024

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

Consolidated Cash Flow Statement							
Notes	Public funds		Private Funds		2022/23	2021/22	
	Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000	Total £'000	Total £'000	
Net Cash Inflow/(Outflow) from Operating Activities	20	2,681	468	136	754	4,039	5,288
Cashflows from Investing Activities:							
Purchase of tangible fixed assets		(3,146)	(148)	0	0	(3,294)	(4,008)
Purchase of heritage assets		(71)	0	0	0	(71)	(225)
Disposal of tangible fixed assets		36	0	0	0	36	0
Disposal of heritage assets		0	0	0	0	0	0
Net purchase/sale of investments		0	0	(36)	(50)	(86)	(73)
Net Cash (used in)/provided by Investing Activities		(3,181)	(148)	(36)	(50)	(3,415)	(4,306)
Cashflows from Financing Activities:							
Loan repayments		(157)	(92)	0	0	(249)	(250)
Net Cash (used in)/provided by Financing Activities		(157)	(92)	0	0	(249)	(250)
Increase/(Decrease) in Cash		(657)	228	100	704	375	732
Cash and cash equivalents at start of year		(924)	4,474	3,953	3,812	11,315	10,583
Cash and cash equivalents at end of year	21	(1,581)	4,702	4,053	4,516	11,690	11,315

Amgueddfa Cymru Cash Flow Statement							
Notes	Public funds		Private Funds		2022/23	2021/22	
	Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000	Total £'000	Total £'000	
Net Cash Inflow/(Outflow) from Operating Activities	20	2,681	553	136	754	4,124	5,335
Cashflows from Investing Activities:							
Purchase of tangible fixed assets		(3,143)	(148)	0	0	(3,291)	(4,008)
Purchase of heritage assets		(71)	0	0	0	(71)	(225)
Disposal of tangible fixed assets		36	0	0	0	36	0
Disposal of heritage assets		0	0	0	0	0	0
Net sale of investments		0	0	(36)	(50)	(86)	(73)
Net Cash (used in)/provided by Investing Activities		(3,178)	(148)	(36)	(50)	(3,412)	(4,306)
Cashflows from Financing Activities:							
Loan repayments		(157)	(92)	0	0	(249)	(250)
Net Cash (used in)/provided by Financing Activities		(157)	(92)	0	0	(249)	(250)
Increase/(Decrease) in Cash		(654)	313	100	704	463	779
Cash and cash equivalents at start of year		(924)	4,043	3,953	3,812	10,884	10,105
Cash and cash equivalents at end of year	21	(1,578)	4,356	4,053	4,516	11,347	10,884

The notes on pages 54 to 78 form part of these accounts.

Notes to the Accounts for the Year Ended 31 March 2023

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 2023 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 2023 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 Public Programmes; 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 disclosed 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		2021/22
	Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000	Total £'000
INCOME AND ENDOWMENTS FROM:					
Donations & Legacies					
Grants	6,697	26,583	0	0	33,280
Donations & Legacies	131	0	501	710	1,342
	6,828	26,583	501	710	34,622
Other Trading Activities	0	1,907	0	0	1,907
Income from Investments	0	0	52	34	86
Other Income	7	1,678	0	0	1,685
TOTAL INCOME AND ENDOWMENTS	6,835	30,168	553	744	38,300
EXPENDITURE ON:					
Raising Funds:					
Expenditure on Raising Donations & Legacies	0	1,036	5	3	1,044
Expenditure on Other Trading Activities	0	1,991	0	0	1,991
	0	3,027	5	3	3,035
Charitable Activities:					
Learning & Public Programmes	453	4,767	188	0	5,408
Collections & Research	2,172	8,012	153	1	10,338
Visitor Experience	2,244	15,917	24	4	18,189
Governance	0	1,150	0	0	1,150
	4,869	29,846	365	5	35,085
Other:					
Pension Finance Costs	0	710	0	0	710
TOTAL EXPENDITURE	4,869	33,583	370	8	38,830
Share of Joint Venture	(171)	0	0	0	(171)
Net Gains on Investments	0	0	113	73	186
NET (EXPENDITURE)/INCOME	1,795	(3,415)	296	809	(515)
Transfers Between Funds	0	0	(1,565)	1,565	0
OTHER RECOGNISED GAINS/(LOSSES):					
Gains/(losses) on revaluation of fixed assets	2,953	18	32	10	3,013
Actuarial Gains on defined benefit pension scheme	0	3,965	0	0	3,965
NET MOVEMENT IN FUNDS	4,748	568	(1,237)	2,384	6,463
RECONCILIATION OF FUNDS:					
Total Funds Brought Forward	122,797	(48,794)	18,615	3,920	96,538
TOTAL FUNDS CARRIED FORWARD	127,545	(48,226)	17,378	6,304	103,001

3. Grants Receivable

	Public		2022/23	2021/22
	Restricted	Unrestricted		
	£'000	£'000	£'000	£'000
Revenue Grant-in-Aid	0	27,724	27,724	24,802
Specimen Purchase Grant-in-Aid	269	0	269	269
Capital Grant-in-Aid	4,481	0	4,481	6,428
Other government grant	225	1,643	1,868	1,781
	<u>4,975</u>	<u>29,367</u>	<u>34,342</u>	<u>33,280</u>

We received total Grant-in-Aid from the Welsh Government of £32,474,000 (£31,499,000 in 2021/22) which comprises the Revenue, Specimen Purchase and Capital Grant-in-Aid.

Other government grant included Welsh Government grants of £1,497,000 (£1,180,000 in 2021/22), comprising £1,272,000 public unrestricted grants and £225,000 public restricted grants; and National Lottery Heritage Fund grant of £371,000 (£230,000 in 2021/22). Other government grant in the previous year, 2021/22, also included Cardiff Council grant of £12,000, Newport City Council grant of £3,000, and £356,000 receivable under the UK Government's Coronavirus Job Retention Scheme.

4. Donations & Legacies

	Public Funds		Private Funds		2021/22	2021/22
	Restricted	Unrestricted	Restricted	Unrestricted		
	£'000	£'000	£'000	£'000	£'000	£'000
Donated Assets	0	0	250	0	250	15
Legacies	0	0	22	1	23	64
Other donations	68	0	404	818	1,290	1,263
	<u>68</u>	<u>0</u>	<u>676</u>	<u>819</u>	<u>1,563</u>	<u>1,342</u>

Donated assets include heritage assets valued at £250,000 (£15,000 in 2021/22) (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. Major gifts included £600,000 from players of the People's Postcode Lottery (£500,000 in 2021/22) and £350,000 from the Paul Hamlyn Foundation (£317,000 in 2021/22).

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.

	2022/23	2021/22
	£ '000	£ '000
Turnover	3,215	1,843
Cost of sales	(2,471)	(1,690)
Gross Profit/(Loss)	744	153
Administrative expenses	(473)	(262)
Other operating income	250	64
Profit/(loss) on ordinary activities before interest	521	(45)
Interest receivable	0	0
Interest payable	(6)	(6)
Profit/(loss) on ordinary activities before taxation	515	(51)
Tax on profit on ordinary activities	0	0
Profit/(loss) for the financial year	515	(51)
Gift aid payable to the Museum	0	0
Retained profit/(loss) for the financial year	515	(51)
Total Assets	823	778
Total Liabilities	(749)	(1,220)
Shareholders' Funds	74	(442)

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

6. Other Income

	Public Funds		Private Funds		2022/23 £'000	2021/22 £'000
	Restricted	Unrestricted	Restricted	Unrestricted		
	£'000	£'000	£'000	£'000		
Learning & Public Programmes	0	315	0	0	315	217
Collections & Research	0	315	0	0	315	707
Visitor Experience	0	767	0	0	767	691
Support	35	82	5	6	128	70
	35	1,479	5	6	1,525	1,685

7. Total Expenditure

(a) Amgueddfa Cymru

	Direct Costs £'000	Depre- ciation £'000	Marketing, Press & PR £'000	Support Costs			2022/23 £'000	2021/22 £'000
				Finance £'000	ICT £'000	Human Resources £'000		
Expenditure on Raising Funds								
Raising Donations & Legacies	1,070	0	51	21	50	70	1,262	1,044
	1,070	0	51	21	50	70	1,262	1,044
Expenditure on Charitable Activities								
Learning & Public Programmes	5,556	239	148	61	146	205	6,355	5,408
Collections & Research	8,677	1,123	245	102	242	340	10,729	10,338
Visitor Experience	18,022	1,182	457	190	451	634	20,936	18,319
Governance	736	0	86	36	85	120	1,063	1,150
	32,991	2,544	936	389	924	1,299	39,083	35,215
Pension Finance Costs	851	0	0	0	0	0	851	710
Total Expenditure	34,912	2,544	987	410	974	1,369	41,196	36,969

(b) Consolidated

	Direct Costs £'000	Depre- ciation £'000	Marketing, Press & PR £'000	Support Costs			2022/23 £'000	2021/22 £'000
				Finance £'000	ICT £'000	Human Resources £'000		
Expenditure on Raising Funds								
Raising Donations & Legacies	1,071	0	51	21	50	70	1,263	1,044
Trading Subsidiary	2,933	17	0	0	0	0	2,950	1,991
	4,004	17	51	21	50	70	4,213	3,035
Expenditure on Charitable Activities								
Learning & Public Programmes	5,556	239	148	61	146	205	6,355	5,408
Collections & Research	8,677	1,123	245	102	242	340	10,729	10,338
Visitor Experience	17,892	1,182	457	190	451	634	20,806	18,189
Governance	736	0	86	36	85	120	1,063	1,150
	32,861	2,544	936	389	924	1,299	38,953	35,085
Pension Finance Costs	851	0	0	0	0	0	851	710
Total Expenditure	37,716	2,561	987	410	974	1,369	44,017	38,830

The amount of £101,033 (£59,975 in 2021/22) is included in resources expended for external auditors' remuneration. This includes £47,240 (£41,182 in 2021/22) for the Amgueddfa Cymru audit fee, £ 48,818 fees for additional Amgueddfa Cymru audit work related to 2021/22, £4,375 (£4,375 in 2021/22) for the trading subsidiary audit fee and £600 (£600 in 2021/22) for other work for the trading subsidiary.

69.0% of total expenditure during the year was on staff costs (67.1% in 2021/22).

8. Staff Costs

(a) Staff Costs during the year:

	2022/23	2021/22
	£'000	£'000
Salaries & Wages	19,985	17,794
Social Security Costs	1,754	1,450
Pension current service cost (note 18e)	8,335	6,610
Pension scheme expenses (note 18e)	349	333
Pension FRS102 current service cost adjustment	(1,173)	(1,038)
Apprenticeship Levy	80	75
Severance Costs	81	124
	<u>29,411</u>	<u>25,348</u>
FRS102 Pension Finance Costs (note 18e)	851	710
	<u>30,262</u>	<u>26,058</u>

Included within the staff costs are £1,415,000 (£1,192,000 in 2021/22) 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 (one in 2021/22) left Amgueddfa Cymru during the year under the Redundancy and Early Severance Agreement, at the end of a fixed term contract. Under this agreement employees receive one month's gross pay per year of service, up to a maximum 12 months, or maximum of 6 months for employees over normal pension age.

Two employees (one in 2021/22) left Amgueddfa Cymru during the year under our Mutually Assured Resignation Scheme. 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 2022/23 or 2021/22, with the exception of the President and Acting President. Details of their remuneration can be found on page 25 of this report. The total amount of travel, subsistence and accommodation expenses reimbursed by us for our Board and committee members was £2,788 (£nil in 2021/22). This does not include any expenses waived by trustees as this is immaterial. Eighteen trustees were reimbursed expenses during the year (none in 2021/22).

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	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Donations and Legacies	5	5	3	3
Other Income	0	0		0
Total Incoming Resources	5	5	3	3
Charitable activity expenditure	345	345	174	172
Governance Costs	5	5	3	2
Total Resources expended	350	350	177	174
Net Movement in Funds	(345)	(345)	(174)	(171)

	Total Assets and Liabilities		Share of Assets and Liabilities	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Fixed Assets	17,558	17,903	8,779	8,951
Current Assets	2	6	1	3
Liabilities due within one year	(2)	(6)	(1)	(1)
Liabilities due after more than one year	(43)	(43)	0	0
Net Assets	17,515	17,860	8,779	8,953
Funds				
General Fund (unrestricted)	17,062	17,407	8,552	8,726
Revaluation reserve	451	451	226	226
Restricted Fund	2	2	1	1
	17,515	17,860	8,779	8,953

10. Tangible Fixed Assets

(a) Amgueddfa Cymru							
	Freehold Land	Freehold Buildings	Leasehold Properties	Plant & Vehicles	Fixtures, Fittings & Equipment	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation							
At 1 April 2022	2,024	35,446	56,891	5,020	8,767	5,943	114,091
Additions in Year	0	30	0	645	503	2,083	3,261
Disposals	0	0	0	(122)	(336)	0	(458)
Transfers	0	0	0	406	1,163	(1,569)	0
Impairment	0	0	0	0	0	0	0
Revaluation	190	3,326	5,336	0	0	0	8,852
At 31 March 2023	2,214	38,802	62,227	5,949	10,097	6,457	125,746
Depreciation							
At 1 April 2022	0	519	445	2,278	5,288	0	8,530
Charge for the Year	0	522	439	550	1,033	0	2,544
Disposals	0	0	0	(81)	(322)	0	(403)
Transfers	0	0	0	0	0	0	0
Revaluation	0	97	82	0	0	0	179
At 31 March 2023	0	1,138	966	2,747	5,999	0	10,850
Net Book Value							
At 1 April 2022	2,024	34,927	56,446	2,742	3,479	5,943	105,561
At 31 March 2023	2,214	37,664	61,261	3,202	4,098	6,457	114,896

(b) Consolidated							
	Freehold Land	Freehold Buildings	Leasehold Properties	Plant & Vehicles	Fixtures, Fittings & Equipment	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation							
At 1 April 2022	2,024	35,446	56,891	5,020	8,931	5,943	114,255
Additions in Year	0	30	0	645	506	2,083	3,264
Disposals	0	0	0	(122)	(336)	0	(458)
Transfers	0	0	0	406	1,163	(1,569)	0
Impairment	0	0	0	0	0	0	0
Revaluation	190	3,326	5,336	0	0	0	8,852
At 31 March 2023	2,214	38,802	62,227	5,949	10,264	6,457	125,913
Depreciation							
At 1 April 2022	0	519	445	2,278	5,401	0	8,643
Charge for the Year	0	522	439	550	1,050	0	2,561
Disposals	0	0	0	(81)	(322)	0	(403)
Transfers	0	0	0	0	0	0	0
Revaluation	0	97	82	0	0	0	179
At 31 March 2023	0	1,138	966	2,747	6,129	0	10,980
Net Book Value							
At 1 April 2022	2,024	34,927	56,446	2,742	3,530	5,943	105,612
At 31 March 2023	2,214	37,664	61,261	3,202	4,135	6,457	114,933

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. The estimated index value was 373 in March 2023 (341 in March 2022).

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.

	2022/23	2021/22
	£'000	£'000
Collections management costs		
Conservation	891	803
Collections Information	288	263
Collections Services	407	363
Collections Centre	17	39
	<u>1,603</u>	<u>1,468</u>

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

	Historic			Total
	Art	Buildings	Other	
	£'000	£'000	£'000	£'000
Donated Assets	12,992	160	579	13,731
Purchased Assets	10,272	5,696	1,262	17,230
Total at 31 March 2023	<u>23,264</u>	<u>5,856</u>	<u>1,841</u>	<u>30,961</u>

(i) Heritage Assets donated during the year:

	Historic			Total
	Art	Buildings	Other	
	£'000	£'000	£'000	£'000
NHS Wales George Cross	0	0	250	250
Total Additions in Year	<u>0</u>	<u>0</u>	<u>250</u>	<u>250</u>
Total at 31 March 2022	12,992	160	329	13,481
Total at 31 March 2023	<u>12,992</u>	<u>160</u>	<u>579</u>	<u>13,731</u>

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:

	Historic			Total £'000
	Art £'000	Buildings £'000	Other £'000	
Group of five works by Sean Edwards <i>Blod</i> (2022), Anya Paintsil	51	0	0	51
Total Additions in Year	71	0	0	71
Total at 1 April 2022	10,196	5,696	1,267	17,159
Total at 31 March 2023	10,267	5,696	1,267	17,230

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

There were no disposals or impairments during the year. 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:

	2022/23 £'000	2021/22 £'000	2020/21 £'000	2019/20 £'000	2018/19 £'000
Donated Assets					
Art	0	15	50	5,460	649
Historic Buildings	0	0	0	0	0
Other	250	0	0	0	0
Total Donated Assets	250	15	50	5,460	649
Purchased Assets					
Art	71	225	300	349	19
Historic Buildings	0	0	0	14	0
Other	0	0	85	45	60
Total Purchased Assets	71	225	385	408	79
Total Capitalised Specimen Acquisition	321	240	435	5,868	728

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

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

	2022/23	2021/22	2020/21	2019/20	2018/19
	£'000	£'000	£'000	£'000	£'000
Art	45	14	24	85	34
Natural Sciences	29	38	18	33	30
Industry	0	0	0	0	3
Conservation	7	25	0	0	8
Library	22	21	31	59	65
History	95	54	25	46	9
Transfer from Art to Heritage Assets	0	0	(60)	0	0
	198	152	38	223	149

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

There are c. 5.3 million items in Amgueddfa Cymru's collections

Archaeology & Numismatics	1,306,174
Art	46,785
Natural Sciences	3,018,657
Industry	268,977
National Wool Museum	12,000
Library	265,159
Social & Cultural History	401,833
Total	5,319,585

(i) Archaeology & Numismatics: the Department holds a collection of 818,674 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 3,018,657 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 401,833 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	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
At 1 April	3,464	3,205	3,464	3,205
Additions to investments at cost	86	78	86	78
Disposals at market value	0	(5)	0	(5)
Net Gain on Revaluation	(251)	186	(251)	186
Market Value at 31 March	<u>3,299</u>	<u>3,464</u>	<u>3,299</u>	<u>3,464</u>

Of total investments of £3,299,000, £2,736,000 (£2,804,000 at 31 March 2022) was held in Restricted Private Funds and £563,000 (£660,000 at 31 March 2022) in Unrestricted Private Funds.

The historic cost of investments at 31 March 2023 was £3,158,000 (£3,070,000 at 31 March 2022). 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	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
UK Listed Investments	1,501	1,330	1,501	1,330
Non UK Listed Investments	1,791	2,124	1,791	2,124
Cash & Cash Deposits	7	10	7	10
	<u>3,299</u>	<u>3,464</u>	<u>3,299</u>	<u>3,464</u>

13. Stock

	Amgueddfa Cymru		Consolidated	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Shop Goods for Sale	0	0	290	199
Publications stock held separately	51	39	51	39
Less: Provision for stock write-off	(32)	(33)	(37)	(37)
	<u>19</u>	<u>6</u>	<u>304</u>	<u>201</u>

14. Debtors

	Amgueddfa Cymru		Consolidated	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade Debtors	147	230	216	270
Amount due from trading subsidiary	272	808	0	0
Loan due from trading subsidiary	301	301	0	0
Other Debtors	2,585	2,561	2,586	2,562
Prepayments	535	612	620	671
	<u>3,840</u>	<u>4,512</u>	<u>3,422</u>	<u>3,503</u>
Balances with:				
Central government bodies	2,487	2,496	2,490	2,497
Local authorities	18	0	20	0
Sub total intra government balances	<u>2,505</u>	<u>2,496</u>	<u>2,510</u>	<u>2,497</u>
Bodies external to government	1,335	2,016	912	1,006
Total	<u>3,840</u>	<u>4,512</u>	<u>3,422</u>	<u>3,503</u>

15. Creditors: Amounts falling due within one year

	Amgueddfa Cymru		Consolidated	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Loans	313	249	313	249
Trade Creditors	176	165	195	174
Accruals and Deferred Income	2,127	1,929	2,286	2,032
	<u>2,616</u>	<u>2,343</u>	<u>2,794</u>	<u>2,455</u>
Balances with:				
Central government bodies	193	119	193	119
Local authorities	0	4	0	4
Sub total intra government balances	<u>193</u>	<u>123</u>	<u>193</u>	<u>123</u>
Bodies external to government	2,423	2,220	2,601	2,332
Total	<u>2,616</u>	<u>2,343</u>	<u>2,794</u>	<u>2,455</u>

Accruals and Deferred Income includes £539,000 un-spent grant income deferred to the following year (£217,000 at 31 March 2022).

Loans due in less than one year are outstanding of £156,000 (£92,000 at 31 March 2022) to the Welsh Government's Invest-to-Save fund and of £157,000 (£157,000 at 31 March 2022) 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	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Loans	396	709	396	709
Accruals and Deferred Income	20	20	20	20
	<u>416</u>	<u>729</u>	<u>416</u>	<u>729</u>

Loans of £396,000 (£553,000 at 31 March 2022) are outstanding to the Welsh Government (assigned from Salix Finance Ltd on 15 January 2021) repayable within 2 to 5 years. Loans of £nil (£156,000 at 31 March 2022) are outstanding to the Welsh Government's Invest-to-Save fund, repayable within 2 to 5 years.

An accrual of £20,000 has been made for an ex-gratia payment as part of a settlement agreement regarding tribunal claims, payable in 2024/25.

17. Provisions

	Amgueddfa Cymru		Consolidated	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Provisions	<u>188</u>	<u>188</u>	<u>188</u>	<u>188</u>

Provisions of £188,000 have been made for staff costs (£173,000) and travel costs (£15,000) as part of settlement agreements regarding tribunal claims, with £152,000 payable in 2023/24 and £36,000 in 2024/25.

18. Pensions

We operate a defined benefit pension scheme in the UK, which is underwritten by a Crown Guarantee issued by the National Assembly for Wales. A full actuarial valuation was carried out at 31 March 2021. This was updated at 31 March 2023 by a qualified independent actuary using guidelines issued by HM Treasury.

The FRS102 valuation as at 31 March 2023 showed a decrease in the deficit from £57,315,000 to £2,432,000.

Our contribution to the scheme in the year to 31 March 2023 amounted to £5,085,000 (£5,258,000 in 2021/22). This included contributions at a rate of 21.3% of Pensionable Remuneration and salary forgone by members under salary-

sacrifice arrangements which we paid over to the Scheme. There were no additional payments in 2022/23, (£750,000 in 2021/22).

We expect to contribute £5,540,000 to the Scheme in 2023/24. The projected total charge to the Statement of Financial Activities in 2022/23 is £4,010,000, and the projected deficit at 31 March 2023 is £902,000.

(a) Amounts in the balance sheet:

	2023	2022
	£'000	£'000
Fair value of assets	141,421	174,928
Defined benefit obligation	(143,853)	(232,243)
(Deficit)	(2,432)	(57,315)

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

	2023	2022
	£'000	£'000
Opening fair value of assets	174,928	153,815
Interest income	2,712	1,923
Employer's contributions	5,085	5,258
Members' contributions	450	398
Scheme expenses	(349)	(333)
Actuarial experience gains/(losses)	(36,265)	18,346
Benefits paid	(5,140)	(4,479)
Closing fair value of assets	141,421	174,928

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

	2023	2022
	£'000	£'000
Opening defined benefit obligation	232,243	212,700
Current service cost	8,335	6,610
Members' contributions	450	398
Interest cost	3,563	2,633
Actuarial experience losses	(95,598)	14,381
Benefits paid	(5,140)	(4,479)
Closing defined benefit obligation	143,853	232,243

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

	2023	2022
	£'000	£'000
Actuarial experience gains/(losses) - fair value of assets (note 18b)	(36,265)	18,346
Actuarial (losses) - present value of obligations (note 18c)	95,598	(14,381)
Actuarial gains/(losses)	59,333	3,965

(e) Amounts charged to resources expended:

	2023		2022	
	£'000	£'000	£'000	£'000
Current service cost	8,335		6,610	
Scheme expenses	349		333	
		<u>8,684</u>		<u>6,943</u>
Interest income	(2,712)		(1,923)	
Interest cost	<u>3,563</u>		<u>2,633</u>	
		851		710
Total charge to resources expended		<u>9,535</u>		<u>7,653</u>

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

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

	2023	2022
Equities	34.7%	39.1%
LDI	33.9%	20.0%
Multi-asset	30.4%	28.2%
Others	1.0%	12.7%

(g) Principal actuarial assumptions:

	2023	2022
Discount rate	4.15%	1.55%
Inflation - RPI short term	3.40%	3.90%
Inflation - RPI long term	2.50%	3.00%
Inflation - CPI	2.40%	2.90%
Pension increases in payment - pre 2000	3.20%	3.70%
Pension increases in payment - post 2000, pre 2016	2.40%	2.90%
Pension increases in payment - post 2016	2.06%	2.31%
Pension increases in deferment	2.40%	2.90%
Assumes life expectancy currently age 65		
Male	86.8	86.8
Female	89.2	89.1
Assumes life expectancy currently age 45		
Male	87.8	87.7
Female	90.3	90.3

(h) Sensitivity analysis – Change in defined benefit obligation as at 31 March 2022:

Increase/decrease discount rate by 50 bps	-7%/+8%
Increase/decrease assumed rate of inflation by 50 bps	+7%/-6%

19. Statement of Funds

(a) Movement in Funds	1 April	Incoming	Resources	Other	Transfer	31
	2022	Resources	Expended	Movements	Between	March
	£'000	£'000	£'000	in Year	Funds	2023
				£'000	£'000	£'000
Public Funds						
Restricted - Capital Income	98,138	4,741	(4,209)	(174)	0	98,496
Restricted - Specimen Income	15,299	337	(249)	0	0	15,387
Restricted - Revaluation	14,108	0	0	8,500	0	22,608
Total Restricted	127,545	5,078	(4,458)	8,326	0	136,491
Unrestricted - Income	9,071	34,311	(34,630)	0	0	8,752
Unrestricted - Revaluation	18	0	0	52	0	70
Pension Reserve	(57,315)	0	(4,450)	59,333	0	(2,432)
Total Unrestricted	(48,226)	34,311	(39,080)	59,385	0	6,390
Total Public Funds	79,319	39,389	(43,538)	67,711	0	142,881
Private Funds						
Restricted - Income	17,231	725	(349)	(104)	0	17,503
Restricted - Revaluation	147	0	0	92	0	239
Unrestricted - Income	6,259	879	(129)	(147)	0	6,862
Unrestricted - Revaluation	45	0	0	28	0	73
Total Private Funds	23,682	1,604	(478)	(131)	0	24,677
Total	103,001	40,993	(44,016)	67,580	0	167,558

Funds recorded in our own non-consolidated accounts at 31 March 2023 were £167,488,000 with £70,000 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 2023 were £22,990,000. 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		31 March 2023
	Restricted	Unrestricted	Restricted	Unrestricted	
	£'000	£'000	£'000	£'000	£'000
Fixed Assets	138,698	3,177	15,247	850	157,972
Current Assets	(998)	7,832	2,495	6,087	15,416
Current Liabilities	(812)	(1,980)	0	(2)	(2,794)
Long term Liabilities	(396)	(20)	0	0	(416)
Provisions	0	(188)	0	0	(188)
Net Assets (before pension liabilities)	136,492	8,821	17,742	6,935	169,990
Pension Liabilities	0	(2,432)	0	0	(2,432)
Net Assets (after pension liabilities)	136,492	6,389	17,742	6,935	167,558

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

	Amgueddfa Cymru		Consolidated	
	2022/23	2021/22	2022/23	2021/22
	£'000	£'000	£'000	£'000
Net (Expenditure)	(3,963)	(464)	(3,449)	(515)
Share of Joint Venture	174	171	174	171
Unrealised (Gains) on market value investments	251	(186)	251	(186)
Donated Assets	(250)	(15)	(250)	(15)
Depreciation	2,544	2,308	2,561	2,328
Loss on disposal	21	0	21	1
(Increase)/Decrease in Stocks	(13)	10	(103)	86
(Increase)/Decrease in Debtors	672	1,265	81	1,127
Increase/(Decrease) in Creditors	238	(357)	303	(312)
Increase in Creditors: Amounts falling due after one year	0	20	0	20
Increase in Provisions	0	188	0	188
FRS102 current year pension costs	4,450	2,395	4,450	2,395
Net Cash Inflow from Operating Activities	4,124	5,335	4,039	5,288

21. Analysis of Cash and Cash Equivalents

	Amgueddfa Cymru		Consolidated	
	2022/23	2021/22	2022/23	2021/22
	£'000	£'000	£'000	£'000
Cash in hand	5,536	10,083	5,879	10,514
Short term notice deposits	5,811	801	5,811	801
Total cash and cash equivalents	11,347	10,884	11,690	11,315

22. Capital Commitments

	2023	2022
	£'000	£'000
At the balance sheet date there were capital commitments of	1,300	2,531

Major commitments as at 31 March 2023 related to the essential backlog maintenance works programme, including £90,000 for chillers, £73,000 for roof repairs and £60,000 for fire alarms. Commitments also included £425,000 for Commercial Platforms systems and development. Major commitments as at 31 March 2022 related to the essential backlog maintenance works programme, including £955,000 for roof repairs, and also included £474,000 for Commercial Platforms systems.

23. Contingent Liabilities and Guarantees

As at 31 March 2023 there were no claims against us in respect of personal injury allegedly occurring at our museums, which have not been provided for in the accounts or which are not covered by our insurance.

There was an outstanding employment tribunal claim with a maximum expected liability of £10,000. We continue to resist liability in this case

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

24. 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 £3,462 in relation to service activities from the Welsh Government and made a payment of £600 for services from them. Our trading subsidiary NMGW Enterprises Ltd received income of £4,011 venue hire income from the Welsh Government during the year. 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 2022/23. Unless otherwise stated there were no outstanding balances at the end of the year.

- £3,320 to Dyfed Archaeological Trust. We also received income of £2,500. Hywel John, Trustee, is a Trustee of Dyfed Archaeological Trust.

- We received income of £180 from Football Association of Wales. Carol Bell, Trustee is a director of Football Association of Wales
- We received £371,411 from National Heritage Lottery Fund, Kay Andrews is a Director of National Heritage Lottery Fund

We received no donations from Trustees in 2022/23 (£1,000 in 2021/22).

During the year Hywel John, Treasurer, Carys Howell, Trustee and Rob Humphreys, Trustee served as directors of NWMS Ltd referred to in note 9 to the accounts. None of the directors receive remuneration from this company.

25. 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 2022/23 £33.9m or 82.7% of our consolidated income derived from the Welsh Government (£32.6m or 85.3% in 2021/22). The balance of £7.1m or 17.3% (£5.7m or 14.7% in 2021/22) 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.

26. Post Balance Sheet Events

The Accounting Officer authorized these financial statements for issue on 24 January 2024