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AMGUEDDFA CYMRU – NATIONAL MUSEUM WALES

FINANCIAL REPORT

2019/20

Royal Charter RC000369
Registered Charity 525774

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2019/2020



Our annual contribution to the Welsh economy is **£83 million** of gross value added

national museum wales
amgueddfa cymru

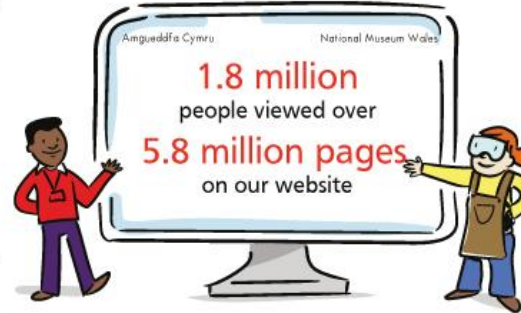
ysbrydoli pobl
newid bywydau
inspiring people
changing lives



St Fagans National Museum of History was awarded **Art Fund Museum of the Year 2019**



5.3 million objects and memories from Wales's national collections of art, history and science are used to inspire future generations

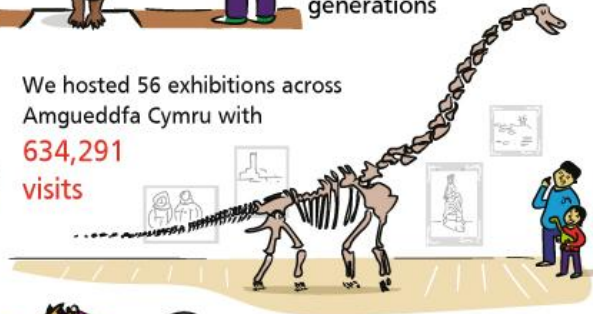


1.8 million people viewed over **5.8 million** pages on our website

We welcomed **1.8 million** visitors to our national museums



We hosted 56 exhibitions across Amgueddfa Cymru with **634,291** visits



We currently have over **60 pioneering** research projects ranging from natural sciences and art to history and social sciences



We are the largest provider of learning outside the classroom in Wales,

reaching **182,227** schoolchildren and students



We work in partnership with over **120 charities** and community organisations

961 volunteers contributed over **30,000** hours



In the last 10 years our scientists have discovered over

350 new species of living and extinct species from over 50 countries



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

SECTION 1: PERFORMANCE

Section 1.1 Overview of Performance

Inspiring People, Changing Lives in 2019/20

The highlight of another hugely successful year for Amgueddfa Cymru was the naming of St Fagans National Museum of History as the Art Fund Museum of the Year 2019. This is the most prestigious museum prize in the world, and we made international headlines. Dr Stephen Deuchar, Art Fund Director and Chair of the judges, said: “*St Fagans lives, breathes and embodies the culture and identity of Wales... This magical place was made by the people of Wales for people everywhere, and stands as one of the most welcoming and engaging museums anywhere in the UK.*”

We also achieved our second highest visitor figures on record, and were on track for our most successful year ever until we had to close our doors to the public mid-March in response to the COVID-19 pandemic. We were once again the largest provider of learning outside of the classroom in Wales.

We continued to face challenges, notably a structural financial deficit, huge maintenance backlog programme, and diminishing available reserves. As a registered charity and Welsh Government Sponsored Body, our commitment is to deliver public benefit, the goals of the Well-being of Future Generations (Wales) Act 2015, and other Welsh Government priorities. While we have increased income generation from other sources almost three-fold over the past 5 years, we remain heavily reliant on Welsh Government funding to deliver these goals.

Our financial position has of course been made more difficult by the COVID-19 pandemic. We successfully managed the immediate impact of the pandemic in March and the early part of 2020/21, focusing on the safety and security of our Museums, staff and collections. Since the end of the year we have developed digital delivery of our programmes and content and agile plans for re-opening Museums. We are incorporating plans to manage the additional financial challenges into our next ten-year strategy, intended to be implemented from April 2021.

There were 1,814,864 visits to our seven national Museums in 2019/20, the second highest number on record, following last year's record high.

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Visits	1,629,196	1,685,954	1,674,807	1,549,603	1,776,572	1,887,376	1,814,864

This once again cements the success of the free entry policy to all national museums in Wales which was introduced by the Welsh Government in 2001/02.

This was despite the March visitor figures being less than half what was anticipated, as on 16 March 2020 all of Amgueddfa Cymru's Museums closed their doors to the public due to the escalation of the COVID-19 pandemic.

We also re-opened the National Roman Legion Museum in late 2019, following its closure for 14 months for essential maintenance work on the roof. We had continued to deliver a successful education programme, in partnership with Cadw, welcoming 13,000 schoolchildren during this time. We also updated the Museum's displays in time for the re-opening.

Building on the success of previous years, 2019/20 was another exceptional year for exhibitions. There were 56 in total, with 634,291 visits. Highlights included *David Nash: Sculpture through the Seasons*, the largest and most ambitious exhibition of David Nash's work ever presented in Wales, and *Snakes!* at National Museum Cardiff; *POBL* at the National Waterfront Museum; and *Yama - The mining art of Sakubei Yamamoto* at Big Pit National Coal Museum.



St Fagans National Museum of History hosted a number of pop-up exhibitions. These included a celebration of the heritage of the south Wales Jewish communities and, as part of our partnership with the Football Association of Wales, *The Art of the Wales Shirt*, curated by Neal Heard and Simon Shakeshaft in November 2019.

The end of August saw a flurry of activity at the National Slate Museum to commemorate 50 years since the closure of Dinorwig Quarry. It was the closure of the site that led to the creation of the National Slate Museum. We wanted to connect with the local community and the wider area as well as raise the Museum's profile as a key player in the bid for UNESCO World Heritage Site status. 2020 is also a significant year for the National Slate Museum, as it marks a hundred and fifty years since the Dinorwig Quarry opened as a working slate quarry.



National Museum Cardiff welcomed Dippy the Dinosaur from the Natural History Museum, London to Wales from October to January, with a record number of 213,740 visitors coming to see him. This was an increase of 42% of visitors in comparison to the same period in 2018/19, and generated a 90% increase in our retail income.

To coincide with Dippy's time in Wales, our Youth Forum worked with artist Megan Broadmeadow to make a dinosaur and fossil-themed installation from waste fashion items to highlight the environmental impact of 'fast fashion'. The installation featured placards and a model clock tower used in the recent youth climate strikes, and the personal objects of young people and staff representing the importance of nature to them.

Youth-led projects across Amgueddfa Cymru are part of the Hands on Heritage initiative, made possible by the National Lottery Heritage Fund's Kick the Dust grant.

Our programmes continued to go from strength to strength, and included a celebration of Black History Month, brand new LGBTQ+ tours and Diwali. In October we hosted the first Somali Heritage day at St Fagans National Museum of History, which included a wonderful programme of music, poetry, speeches and debates.

Silent discos and sleepovers at National Museum Cardiff, as well as Halloween and Christmas events across all Museums were again popular, and enjoyed a high satisfaction rating.

We also further developed our learning offer, launching sleepovers for schools at Llys Llywelyn in St Fagans National Museum of History. The first sleepover marked a pivotal point in the Museum's history. By enabling pupils to stay overnight, St Fagans is now accessible to schools from across the whole of Wales.

We continue to be the largest provider of learning outside of the classroom in Wales, with 182,227 pupils and students reached in 2019/20 and 587,634 people in total engaging with our formal and informal learning programmes.

We worked towards achieving Investors in People status as an organization, building on the previous success of our individual sites. We were delighted to be awarded accreditation just after the end of the year. The process was supported and led by staff from across the organization. As part of this, around 530 staff members from across Amgueddfa Cymru gathered at St Fagans National Museum of History in November, to celebrate our collective achievements during our inaugural Staff Development Event. Staff enjoyed sessions including craft, yoga, customer experience and leadership, as well as fantastic presentations by colleagues. Feedback was extremely positive with 90% of staff keen to attend another developmental event in future.



Thanks to the efforts of staff from across the organization, we successfully managed the immediate impact of the COVID-19 pandemic, with wellbeing of visitors, staff and volunteers our priority. Our sites were closed to visitors from 16 March 2020 and all public programmes, venue hire and commercial activity suspended. We completed a rapid review of essential functions and implemented appropriate systems. This enabled a core team of staff to work safely on site to maintain the security of our Museums and the National Collections Centre. We also ensured that key functions such as governance arrangements, HR support and management, payroll and paying suppliers were able to continue remotely with no interruption. The ICT Department completed a roll-out of laptops for essential staff to allow full remote access for home working.

Since the end of the year we have focused our efforts on how best we can continue to support the communities we serve during this time, developing programmes and content digitally. We have launched a research project, Collecting Covid, asking people to share their experiences during this time. These responses will become part of the national memory at St Fagans National Museum of History, ensuring that future generations will be able to learn about life in Wales during this extraordinary time. More information can be found at <https://museum.wales/collecting-covid/>. We have re-opened our Museums to the public in August and September 2020, putting COVID-19 safety measures in place, in line with Welsh Government guidance. We have also sought to manage the financial position as best we can, which is discussed under the sections on Financial Results for the Year and Policy on Reserves.

Financial Results for the Year

	2019/20	2018/19
	£	£
Total income	38,342,000	31,929,000
Total expenditure	(32,529,000)	(31,959,000)
Other movements	(533,000)	56,000
Consolidated net income	5,280,000	26,000
Net movement in funds (after all realised and unrealised gains and losses)	(33,887,000)	15,270,000
Total fund balances held in unrestricted and restricted public and private reserves at year end	98,136,000	132,023,000
Fund balances held for unrestricted public purposes at year end (excluding pension reserve)	8,779,000	8,707,000

The net movement in funds for the year is dominated by £42.7m actuarial losses on the pension scheme. While some of this arose from a decrease in asset values in line with the general fall in markets towards the end of the year because of the COVID-19 pandemic, the greater impact was an increase in scheme liabilities caused by fall in the HM Treasury-

mandated discount rate used. Pension scheme valuations for accounting purposes are subject to considerable volatility and are calculated on a different basis to the triennial actuarial valuations that underpin scheme funding decisions. The next triennial valuation is due as at 1 April 2021, following which the Pension Scheme Trustees and Employer will review the position and agree a deficit recovery plan. More information is given under the Pension Liability section of this report, and in note 17 to the accounts.

Excluding donated heritage assets received and investment losses due to the fall in markets towards the end of the year because of the COVID-19 pandemic, overall net income/expenditure for the year was close to a break-even position, similar to 2018/19. However, this comprises both restricted and unrestricted funds, and includes a net deficit of £0.9m on our revenue (unrestricted public) funds.

The principal activities of our trading company, NMGW Enterprises Ltd, for the year were sales at our retail shops, contract and in-house catering, car parking, image licensing, corporate hire, lettings and filming rights. The company reported a profit before Gift Aid to Amgueddfa Cymru of £775,000 for 2019/20 (£898,000 for 2018/19). The budgeted profits for the year were achieved despite losing two weeks trading at the end of the year when we closed the Museums.

Total Funds at 31 March 2020 were £98,136,000, with an analysis provided in note 18 to the accounts. Note 18 shows that, excluding the pension scheme deficit, over 90% of funds are represented by fixed assets. Unrestricted public funds, excluding the pension scheme deficit, were £8.8m, of which £3.8m is represented by fixed assets. The remaining unrestricted public funds of £5.0m are allocated to future commitments including forecast budget deficits for 2020/21 and 2021/22. We are reviewing our financial position and during the next 2 years will take steps to achieve financial sustainability. There is more information in the Policy on Reserves section.

Aims and Objectives

During 2019/20, we continued to implement our vision, to be an organization that is **Inspiring people, Changing lives**. This vision reflects an aspiration to root our work in Welsh cultural and intellectual traditions and to develop a new paradigm for national museums across the world.

Our priorities, expressed as Commitments in our Vision Map, were informed by consultation with the public in Wales, our Board of Trustees, staff and volunteers together with public and third sector partners. Our Vision Commitments are in four key areas as outlined below:

Ysbrydoli Pobl, Newid Bywydau

Ein Hymrwymiadau

Mae pedwar maes allweddol i'n hymrwymiadau:

Ffynnu

- Gweithredu fel stwardiaid ein treftadaeth ddiwylliannol a naturiol er lles cenedlaethau'r dyfodol yng Nghymru.
- Datblygu, cynnal ac arallgyfeirio ein hadnoddau.
- Datblygu ein harlwy twristiaeth ddiwylliannol i gefnogi economi Cymru.

Dysgu

- Datblygu sgiliau ein staff a'r bobl sy'n defnyddio ein gwasanaethau.
- Hyswyrddo dealltwriaeth y cyhoedd o iechyd a llesiant.
- Hyswyrddo dysgu am oes a darparu cyfleoedd.

Profiad

- Adeiladu a chynnal gofodau ffisegol a digidol croesawgar.
- Adrodd straeon ysbrydoledigtrwy arddangosfeydd a digwyddiadau.

Cyfranogi

- Datblygu cyweithiau a rhwydweithiau partner effeithiol a chynaliadwy.
- Cynnwys pobl a chymunedau yn ein gwaith.

Inspiring People, Changing Lives

Our Commitments

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

Prosper

- Acting as stewards of our cultural and natural heritage for the future generations of Wales.
- Thriving, sustaining and diversifying our resources.
- Building our cultural tourism offer in support of the Welsh economy.

Experience

- Building and maintaining welcoming physical and digital spaces.
- Telling inspiring stories through exhibitions and events.

Participate

- Building sustainable, effective partnership networks and collaborations.
- Involving people and communities in shaping and taking part in our work.

Learn

- Developing the skills of our staff and the people who use our services.
- Promoting public understanding of health and well-being.
- Promoting and delivering learning for life.



Our vision is completely aligned to the national goals set out in the Well-being of Future Generations (Wales) Act 2015, having been originally developed within this framework, and to other Welsh Government strategies. The Vision Commitments and objectives are mapped to the seven well-being goals set out in the Act, as explained in our Well-being Statement, available on our website at <https://museum.wales/well-being-statement/>. We regularly report to the Future Generations Commissioner on our progress against the well-being objectives in relation to the Act, and were also audited by Audit Wales, specifically on our Engagement activities. The report is available on the Audit Wales website, https://audit.wales/system/files/publications/1544A2019-20_Amgueddfa%20Cymru_WFG%20examination_Eng.pdf

In November 2019, we began working on our next ten-year strategy, alongside developing new aligned branding. Four members of staff have been seconded from different parts of the organization to consult with staff and the public on developing the strategy over the course of 2020. Our strategy will reflect our commitments to addressing the climate change emergency, and to diversifying our collections and increasing representation, reaffirmed following the Black Lives Matters protests in early 2020/21. It will also be informed by our learning from our response to the COVID-19 pandemic. It is intended that the strategy will be in place in late 2020, and implemented from April 2021.

Statutory Background and Stakeholder Engagement

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

An independent registered charity, Amgueddfa Cymru receives its core funding through grant-in-aid from the Welsh Government as a Welsh Government Sponsored Body.

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

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

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

Amgueddfa Cymru’s locations

During 2019/20 we directly operated seven Museums across Wales:

National Museum Cardiff, Cathays Park, Cardiff

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

St Fagans National Museum of History, St Fagans, Cardiff

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

Big Pit National Coal Museum, Blaenafon, Torfaen

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

The National Roman Legion Museum, Caerleon, Newport

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

The National Slate Museum, Llanberis, Gwynedd

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

The National Wool Museum, Dre-fach Felindre, Carmarthenshire

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

The National Waterfront Museum, Maritime Quarter, Swansea

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

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

In addition, we are involved in partnership arrangements with local organizations across Wales including Pembrokeshire Coast National Park Authority and Wrexham County Borough Council.

Section 1.2 Performance Analysis

Performance Indicators

We monitor and evaluate our work in both quantitative and qualitative ways. While our quantitative performance indicators provide a snapshot of performance, qualitative data from case studies and narrative reports provide more detailed insight, and an opportunity for reflecting on and enriching our work. This year, we also began producing monthly dashboards which were shared with our Board of Trustees, so that progress against the performance indicators can be monitored on a monthly as well as quarterly basis.

The performance measures set for 2019/20 continued to focus on consolidating our achievements to date while also looking to ensure better outcomes for the people of Wales through the delivery of our long-term vision. The out-turns for our key performance indicators in 2019/20 are shown in the following table:

Key Performance Indicator	2018/19 out-turn	Annual target	2019/20 out-turn
Number of visits	1,887,376	1,803,000	1,814,864
Number of website visits	1,759,643	1,600,000	1,753,113
Number of formal education visits	208,388	140,000	182,227
Number of informal education visits	489,185	320,000	405,407
Total net income from research and charging, trading company profits and recharges, and revenue fundraising	£1,820,000	£2,100,000	£1,639,000

Key Performance Indicators indicate very good performance overall despite the shut-down in March. The visitor target was achieved, while the majority of targets were exceeded.

As reported earlier, the total number of visits made to our Museums during 2019/20 were the second highest on record despite all Museums closing on 16 March, and the National Roman Legion Museum remaining closed until the end of 2019. The number of visits to our website during the same period was 1,753,113 which exceeded the target of 1.6 million. Although on a par with 2018/19, our social media followers continued to grow with 159,967 in total by the end of March 2020. We also launched an Instagram account, which is growing in popularity.

Our work with the formal education sector continued to attract significant numbers with 182,227 visits, greatly exceeding the target of 140,000. The number of informal education visits, which encompasses the number of 'added-value' learning visits to our sites and the number of participants in off-site learning activities, was 405,407. This was significantly higher than the target of 320,000.

Net income targets were met for increased trading company profits and revenue fundraising, despite the closure of Museums from 16 March. We were however unable to meet the challenging overall target of £2.1 million total net income. We reviewed and reduced the research and charging target during the year, and have developed new plans for increasing income in this area in the short and medium term. While net income achieved was lower than last year, it was 31% higher than in 2017/18, demonstrating overall development of our income generation, which is essential to balancing our budget year-on-year.

Capital Investment

To underpin the delivery of the vision, a programme of capital works continues, focusing in 2019/20 on progressing a four-year essential maintenance works plan funded by additional Welsh Government grant-in-aid. Completed projects included replacement of chillers and humidifiers at National Museum Cardiff, and roof works at the National Roman Legion Museum. Major roof works also started at National Museum Cardiff. While the four year essential maintenance works programme, to be completed in 2020/21, will represent total capital investment of £8.9m, a further £60m of preventative and backlog maintenance has been identified as essential over the next 10 years.

Working in Partnership

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

Our partnership with the Pembrokeshire National Park Authority continued, with the renewal of a Service Level Agreement for partnership programming at Oriel y Parc. Highlights this year included the exhibitions *Stones and Bones* and *Wriggle! The Wonderful World of Worms*. *Wriggle* was also exhibited at Aberystwyth University in April and May 2019, to support their successful National Lottery Heritage Fund application to redevelop the Hen Goleg as an events and exhibitions centre.

We also celebrated 10 years working with Innovate Trust, a charitable organization that supports adults with learning difficulties. Since 2009, we have provided various volunteering roles and activities for the trust. The partnership is a More & Better initiative, funded by the Paul Hamlyn Foundation. The volunteering roles range from skills development placements and gardening opportunities, to helping to build Bryn Eyr in St Fagans National Museum of History. A group of dedicated volunteers is currently working on the transformation of the Community Garden near Ysgubor Fawr in St Fagans. Innovate Trust volunteers also helped make the table decorations for the St David's Day Gala Dinner on 1 March.

Specimen Acquisition

Our collections lie at the heart of our service to the public, and it is essential that they continue to develop so as to safeguard our heritage and reflect the changing needs of Wales. The amount of our Welsh Government Specimen Acquisition Grant has declined significantly in recent years but we continue to use it to lever in additional funding and have received generous help in 2019/20 from long-term supporters, especially the Derek Williams Trust, National Lottery Heritage Fund, the Art Fund, and private donors.

Significant purchases and donations in 2019/20 included several artworks. There is more information in note 11 to the accounts.

As part of our commitment to ensuring that the national art collection continues to reflect the best contemporary art from across Wales, we purchase art works from one of the artists selected for Y Lle Celf at the National Eisteddfod. The 2019 purchase was *Welsh Emergency Blankets* by Daniel Trivedy, winner of the Gold Medal for fine art. The work comprised a group of PET foil emergency blankets, all too familiar from the scenes of the dehumanizing treatment of Mexican immigrants at the USA border and the rescue of

migrants after the ordeal of crossing the Mediterranean Sea. Daniel gave the blankets a distinctive Welsh character, printing them with designs from traditional Welsh woven blankets. He presented Wales as a welcoming, compassionate, inclusive nation, in response to the Welsh Government's Nation of Sanctuary – Refugee and Asylum Seeker Plan, launched in January 2019.

Our work continued on excavating a group of Iron Age chariot fittings, discovered in Pembrokeshire in 2018, the first such finding in Wales. This was in partnership with Cadw, Dyfed Archaeological Trust and Pembrokeshire College, with support from the National Lottery Heritage Fund and volunteers.

Research Activity

Our research plays a pivotal role in the understanding of the heritage, culture and natural environment of Wales and underpins all our public services and the work of government, universities and independent researchers. Some smaller research projects deliver results quickly while others extend over several reporting years. We continue to be recognised as an Independent Research Organization by UK Research and Innovation and we work with partners in all relevant sectors, in Wales and beyond. This includes the Higher Education Institutes in Wales, many of whom have a Memorandum of Understanding with us, as well as Natural Resources Wales. In 2019/20, we published a new strategy document, Research for Wales, which can be found at <https://museum.wales/research-strategy/>.

This year our Social History team worked on a collaborative project led by researchers in Cardiff University, winning a prestigious and highly competitive research grant from the Arts and Humanities Research Council. The three-year project began in September and works with refugees who have fled Syrian and Tamil civil-war conflicts and settled in Wales. The project will co-produce oral histories with the refugees and their families to understand how they are coping with post-conflict trauma and memories, and how they are constructing new lives in Wales. Co-Investigators will work with the communities on events and activities that tell their stories, which St Fagans National Museum of History will host, contributing to new diverse histories of Wales and to our ongoing work around Refugee Week.

We also continued our research, with partners, on the insect vector biology workstream of the Enhancing UK surveillance and response to *Xylella fastidiosa* project. This project started in 2018/19 and is funded by the Biotechnology & Biological Sciences Research Council.

Learning

We are the leading provider of formal learning outside the classroom in Wales. Formal learning refers to pupils and students following a recognised curriculum or accreditation as part of school-based learning, Further Education or Higher Education. We welcomed 182,227 school children and students to our Museums in 2019/20. 405,407 informal learners also engaged with us, making us one of Wales's biggest providers of informal family learning.

Formal learning workshops and digital resources have been delivered to primary and secondary school learners across Amgueddfa Cymru. Some highlights with primary schools included sleepovers at St Fagans National Museum of History, collaborating on longer term skills initiatives at the National Slate Museum and the National Waterfront

Museum, and developing creative collaborations supported by Arts Council Wales. A range of initiatives delivered with secondary schools included a climate debate in partnership with Cardiff University and an opportunity for A level students to solve complex engineering problems at Big Pit National Coal Museum.

Learning and development opportunities for teachers and trainee teachers have been supported across all our Museums, including collaborations with the school consortia, such as the 'Make it digital: easy apps for inspiring learners' course at Big Pit National Coal Museum and 'Beat Boxing' at the National Roman Legion Museum.

Early years programmes were delivered collaboratively across Amgueddfa Cymru. We ran weekly Toddler Time sessions at three Museums. Other provision included partnership working with Mudiad Meithrin at St Fagans National Museum of History, Torfaen Youth Service at Big Pit National Coal Museum, and Jig-so, providers of inclusive bilingual support from pre-birth to 4 years at the National Wool Museum.

Programmes for families included working with local housing associations to deliver an activity course at St Fagans National Museum of History. More in-depth work with families included working with the Ty Hafan Children's Hospice on family days and a sibling summer holiday programme.

Our health and well-being programme included supporting people living with dementia. Activities included seasonal dementia walks at St Fagans National Museum of History, outreach workshops at hospitals, monthly Dementia Friendly underground tours at Big Pit National Coal Museum, and Tea Dances for Dementia at the National Waterfront Museum. In addition the Blaenavon Intergenerational Group at Big Pit National Coal Museum is delivered in partnership with Blaenavon Town Council and brings young and old together to participate in cultural and arts activities.

We also ran a programme addressing isolation and loneliness. Activities included a partnership with Re-engage, formerly Contact the Elderly, who bring socially isolated older people together. In May 2019 we launched the 'Coal Shed' at Big Pit National Coal Museum, providing a community space for men to connect, converse and create. This is the first Men's Shed in Torfaen.

Exhibitions

We are the leading producer of cultural, heritage and natural science exhibitions in Wales. We work with our communities, partners and stakeholders across our Museums to generate exhibitions and displays that appeal to all our visitors. In 2019/20 we delivered 56 exhibitions across all our Museums, including our partnership venue Oriel y Parc.

Exhibitions included:

- *Dippy, Leonardo, Fossil Swamp, Kyffin Williams, David Nash, Snakes!, Brymbo Fossils* and the photography season at National Museum Cardiff
- *Innovate*, exploring engineering innovation projects produced in Wales, today and in the past, and *Cartŵn Cymru* at the National Waterfront Museum
- *The Art of the Wales Shirt* at St Fagans National Museum of History
- *Yama - The mining art of Sakubei Yamamoto* at Big Pit National Coal Museum.

The David Nash exhibition marked the fiftieth anniversary of the artist living and working in Capel Rhiw, a former Methodist chapel in Blaenau Ffestiniog. The exhibition featured key

sculptures from the late 1960s to the present day, exploring the different ways the artist has cut, carved and manipulated wood to produce sculptures that sit between the abstract and figurative.

National Museum Cardiff's family-friendly charged-for exhibition was *Snakes!*, which explored the fascinating world of snakes. This was a touring exhibition borrowed from Blue Tokay with additional content from our collections and live snakes provided by BugsnStuff.

Following *Kizuna: Wales, Japan, Design* at National Museum Cardiff in summer 2018, and to coincide with the Rugby World Cup in Japan in autumn 2019, we collaborated with the Japan Society, Japan Foundation, Embassy of Japan, Bridge Together Project, Beyond 2020, Tagawa City Coal Mining Historical Museum, Tagawa City and Japan-UK Season of Culture 2019/20 to hold *Yama - The mining art of Sakubei Yamamoto* at Big Pit National Coal Museum. In 2011 Sakubei Yamamoto's coal mining paintings and drawings were registered in UNESCO's Memory of the World programme and the exhibition focused on a small selection of the artist's 2,000 drawings and paintings.

POBL was a key exhibition and asked a key question – what is a museum? Visitors were able to discover the stories of the people who have shaped the way in which the National Waterfront Museum has evolved and how it plays an important role as a community space.

At the National Slate Museum, we commemorated 50 years since the closure of the Dinorwig Slate Quarry with the exhibition *End of the Line*. The exhibition reflected on the legacy of the quarry for the village of Llanberis and surrounding communities, putting the closure into context.

Fundraising

2019/20 was another successful year for fundraising with donations income of £1.6m received during the year, £0.5m for restricted purposes and £1.1m unrestricted. In addition we received pledges of potential donations of over £3m for future years. We also received £5.5m of donated heritage assets and a number of government grants.

Significant gifts included an award from the Art Fund following the announcement of St Fagans National Museum of History as Art Fund Museum of the Year. There were also major gifts and grants from Paul Hamlyn Foundation, players of People's Postcode Lottery, National Lottery Heritage Fund, Arts Council Wales, Colwinston Charitable Trust and others.

Giving from individuals increased during the year as we launched a new Membership Scheme including a range of new Giving Circles to which a number of generous donors gave gifts. Our income through legacy gifts significantly increased.

Dippy on Tour was supported by Garfield Weston Foundation and Dippy's stay in Cardiff was sponsored by Admiral and Great Western Railway.

We ran a series of business breakfasts to engage the business community in Wales with our work. These events were supported by TV presenter Will Millard and Transport for Wales chairman Scott Waddington. Our St David's Day Gala dinner at St Fagans National Museum of History was hosted by radio and TV presenter Huw Stephens.

Our Patrons and many other individuals and organizations continued their support over the year and we are extremely grateful to them all, while the Friends of Amgueddfa Cymru supported a number of different projects, including funding for the restoration of the much-loved woolly mammoth at National Museum Cardiff, and a gardening apprenticeship at St Fagans National Museum of History.

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

Volunteering

In 2019/20 we celebrated 10 years of our volunteers programme. We commissioned young artist Robin Bonar-Law to create a mural, a pop-up exhibition and a series of blogs. The mural was funded by the Hands on Heritage initiative, which is funded by the National Lottery Heritage Fund's Kick the Dust programme. You can read about it at:

<https://museum.wales/blog/2019-10-17/Artists-Project-Robins-time-as-artist-in-residence/>
<https://museum.wales/blog/2019-06-20/ARTISTS-PROJECT-Celebrating-10-Years-of-Volunteering/>

Our volunteer programme continued to go from strength to strength, with 961 volunteers donating over 30,000 hours. This included contributions towards behind the scenes and preventative conservation work, learning activities for the public and helping to maintain our gardens and farm.

The Friends of Amgueddfa Cymru continued to support our work in a number of ways. This included being ambassadors for our work, and providing a programme of talks, trips and other activities that complement our own educational activity. The Friends also provided financial support, including over £50,000 for our work, and donations towards our monthly organ recitals at National Museum Cardiff.

Highlights from volunteer-based initiatives included:

- At National Museum Cardiff 42 volunteers supported the *Dippy on Tour* exhibition, engaging with 11,700 visitors. We recruited volunteers as young as 14 years old for the first time as part of this initiative and approximately 20% of volunteers were under the age of 18. The volunteers trialled new activities and developed new skills, for example developing a [video guide](#) to Dippy, and improving their Welsh-language skills through speaking to visitors.
- At St Fagans National Museum of History volunteers supported a second-hand bookshop.
- Group volunteering was popular with 301 volunteers participating. Partnership varies from individual companies to third-sector organizations and educational providers, for example supporting Cardiff and Vale College with volunteering for learners with additional learning needs.
- At the National Waterfront Museum, the GRAFT Gardening Project in collaboration with Roots Foundation, CRISIS and other community partners supported garden volunteering. The initiative transformed an under-used setting within the Museum into a community garden.

- The Innovate Trust and the Wallich continue to maintain two of our gardens at St Fagans National Museum of History and use these in various ways with their service users, such as skill development and well-being activities.
- We've also supported volunteers with Men's Sheds at Big Pit National Coal Museum.

The film *Your Museum, Your Community* (<https://m.youtube.com/watch?v=Vnuwld9Algl>) celebrates our work across Wales over the past two years with our volunteers and community partners such as Race Council Cymru, the Wallich and Innovate Trust. It focuses on how volunteering can have a far-reaching impact on individuals and on organizational culture and is supported by the Paul Hamlyn Foundation.

We are greatly indebted to all our volunteers for their commitment and enthusiasm in helping inspire people and change lives across Amgueddfa Cymru.

Sustainability Report

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

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

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

We have a Sustainable Development Forum that considers issues, makes recommendations to the directors and trustees, drives forward policy development 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/sustainability/>.

Performance

Conserving the nation's treasures and opening our doors to over 1.8 million visitors a year uses a lot of energy. Our Energy Policy has been adopted as a major step towards improving energy efficiency, and to demonstrate our support for a reduction in greenhouse gas emissions. We participated in the CRC Energy Efficiency Scheme until it closed down following the 2018/2019 compliance year, and we continue to follow its reporting and monitoring requirements as a matter of best practice.

In 2019/20 electricity consumption has decreased significantly by 11.9%, however gas consumption (including LPG) has substantially increased, by 69.8%. Total purchased energy across all sites has therefore risen by 25.3%. Waste has fallen by 2.7% compared with 2018/19, and water consumption has fallen very slightly, by 0.1%.

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		2019/20	2018/19	2017/18	2016/17	2015/16
Non-financial indicators (tCO ₂)	Scope 1 (Direct) Emissions - gas	1,621	1,014	1,464	1,424	1,440
	Scope 2 (In-direct) Emissions – purchased electricity	1,259	1,582	2,116	2,424	2,749
	Scope 3 (Business travel) Emissions	24	25	26	27	24
	Total	2,904	2,621	3,606	3,875	4,213
Related energy consumption (kWh'000)	Gas	8,771	5,164	7,951	7,705	7,783
	Electricity	4,574	5,190	5,548	5,426	5,538
	Total	13,345	10,654	13,499	13,131	13,321
Financial indicators (£)	Gas	213,582	216,754	204,745	169,481	174,564
	Electricity	666,208	647,989	596,914	548,415	517,647
	CRC administration fee	0	1,290	1,290	1,290	1,290
	Official Business Travel	181,993	161,771	156,312	147,169	183,978
	Total	1,061,783	1,027,804	959,261	866,355	877,479
Targets and Performance						
<p>Our Environmental Statement sets a target to reduce CO₂ produced by energy and transportation usage by 2% per annum. In 2019/20 CO₂ emissions for purchased energy have increased by 10.9% compared with 2018/19. However the decrease in CO₂ over 2 years is 19.5%.</p> <p>Encouragingly, electricity consumption has decreased substantially by 11.9%. However gas consumption (including LPG) has substantially increased by 69.8%. Total purchased energy across the estate has therefore risen by 25.3%, however overall is at a similar level to 2 years ago.</p> <p>Since the end of the year checks on two gas boilers at National Museum Cardiff have revealed that combustion chambers in both boilers have cracked, which is the primary cause of increased gas consumption. Options for short-term repairs and medium-term renewal are being evaluated to inform a strategy to provide heating and hot water while also providing energy efficiencies.</p> <p>For a number of years we have encouraged sustainable travel modes for visitors and staff in various ways. Car hire CO₂ has fallen by over</p>						

	30% since 2014/15 due to a combination of fewer miles and more cars using diesel rather than petrol. With the increase in remote working capabilities, we expect this to fall again in 2020/21 and beyond.
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Waste		2019/20	2018/19	2017/18	2016/17	2015/16
Non-financial indicators (tonnes)	Hazardous waste	0.5	0.3	0.2	0.5	0.2
	Non-hazardous waste:					
	- Landfill	1,218.1	1,262.6	1,123.2	954.9	646.7
	- Reused/Recycled	1,911.6	1,948.6	1,773.2	1,853.2	1,953.6
	- Incinerated	37.5	43.9	41.6	33.4	28.1
	Total waste	3,167.7	3,255.3	2,938.2	2,842.0	2,628.5
Financial indicators (£)	Total disposal cost	57,619	56,923	51,643	40,417	38,912

		Targets and Performance
		<p>The Greening Government commitments target on waste for the 5 years to 2019/20 are to reduce the overall amount of waste generated, to reduce the amount of waste going to landfill, and to increase the proportion of waste that is recycled.</p> <p>We actively encourage the minimisation of waste through increased recycling and promotion of re-use and reduction across all our sites. There was a 2.7% decrease in overall waste in 2019/20, including a 3.5% decrease in landfill. This followed the overall increase in 2018/19 reflecting the full re-opening of St Fagans National Museum of History on completion of the re-development project. The 47.7% increase in landfill waste in 2016/17 was due to a change in contractors for general waste at National Museum Cardiff, however we hope that non-biodegradable general waste will again be recycled once a new Energy from Waste plant is opened in Cardiff.</p>

Finite Resource Consumption		2019/20	2018/19	2017/18	2016/17	2015/16
Non-financial indicators ('000m ³)	Total Water consumption	23,444	23,463	28,786	22,860	20,584
Financial indicators (£)	Total Water supply costs	67,067	79,828	89,705	67,506	64,923
		Targets and Performance				
		<p>In 2019/20 water consumption fell by 0.1% compared with the previous year.</p> <p>Water saving schemes are being considered across all sites, and the following measures have been implemented already:</p>				

		<ul style="list-style-type: none"> · push button type taps at Big Pit National Coal Museum, in the public areas. · cistern misers for urinal flushing throughout National Museum Cardiff · pulse water meters at Big Pit National Coal Museum, St Fagans National Museum of History and the National Roman Legion Museum.
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Future Strategy

In 2020/21 we will build on progress already achieved in reducing greenhouse gas emissions, waste and water consumption. The Sustainable Development Forum has agreed a target of a 1% reduction in energy usage at all sites in 2020/21, compared with 2019/20 usage. The replacement of humidifiers and chillers at National Museum Cardiff during 2019/20 will achieve a reduction in emissions. The Sustainable Development Forum continue to explore further energy saving works. Following the participation of 12 members of staff in carbon literacy training we will roll this training out to more staff.

Building on our response to the COVID-19 pandemic, and our increased capacity for remote working, we will reduce staff travel in the long term, not just in the immediate future. This is part of the Digital Strategy we are developing in 2020/21.

Biodiversity

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

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

Sustainable Procurement

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

Governance

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

- the SEREN Environmental Standard BS8555 – we are accredited with Phase 3 of this Standard across the organization
- a Sustainable Procurement Policy & Action Plan
- an Energy Policy

Our sustainability practices, processes and achievements are subject to external assessment under BS8555 and under the Government’s Carbon Reduction Commitment,

and are also included in the overall framework of internal control, described in more detail in the Governance Statement, which can be found in this Report.

Valuation of Fixed Assets

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

Property-related assets were last professionally revalued at 31 March 2016.

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

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

Prompt Payment Performance

We subscribe to the objectives of the Better Payment practice code issued by HM Treasury and aim to pay valid invoices within thirty days of receipt. The average time taken for payment of invoices during 2019/20 was seven calendar days (seven days in 2018/19), which includes 96.6% (by number) of invoices settled within 30 days (96.2% in 2018/19). There were no payments of interest under the Late Payment of Commercial Debts (Interest) Act 1998 (£Nil in 2018/19).

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 reserves policy remains dependent upon, and restricted by, the authority granted by the Welsh Government in our Framework Agreement, which at the financial year-end 2019/20 limited cash reserves to 2% of grant-in-aid, with exemptions from any limit in respect of the Specimen Purchase Grant and self-generated income. Further general and specific exemptions may be available upon application in respect of the National Waterfront Museum (to reflect the joint funding arrangement with the City & County of Swansea) and capital projects that straddle the financial year-end.

Private funds are separately maintained and specified in the accounts. These are not subject to a carryover limit and our policy is to maximise and hold these funds for projects and capital schemes for which we are unable to receive core funding or generate other

grant support, while remaining within any restrictions on use contained within the Private Funds.

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

Despite the difficulties in recent years surrounding public finances, our growing structural deficit and diminishing revenue reserves, and our significant preventative and backlog essential maintenance requirements, we have remained determined to continue to deliver our vision priorities, including capital developments and refurbishments. The COVID-19 pandemic has presented new challenges, but we are mitigating most of our income losses in 2020/21 through COVID-19 related revenue grants and donations and in-year savings. We have almost trebled our non-government income generation over the past 5 years, with plans in place and under development for further growth in the future. However we remain dependent on Welsh Government funding to sustain the majority of our activities, and based on our current operating models and structures our available revenue (public unrestricted) reserves will be eliminated in less than 2 years. We are reviewing our financial position and plans for achieving financial sustainability and discussing this regularly with Welsh Government. Based on these discussions our accounts have been prepared on a going concern basis and there are no material uncertainties about our ability to continue.

Total Funds at 31 March 2020 were £98,136,000, with an analysis provided in note 18 to the accounts. Unrestricted public funds, excluding the pension reserve, were £8,779,000 of which £3.8m is represented by fixed assets, leaving £5.0m which has been allocated to various plans and future commitments, including revenue deficits in 2020/21 and 2021/22.

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 which 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 £2,960,000 to £2,549,000.

We also hold, from bequests, an equity investment in eleven blue chip companies. The value of this portfolio decreased during the year from £108,000 to £84,000.

The total value of investments held at 31 March 2020 was therefore £2,633,000.

The value of the investments fell by £530,000 during February and March due to the impact of the COVID-19 pandemic on investment markets world-wide. Markets have

subsequently recovered to an extent, and the value of our investments had increased to £2,941,000 at 30 June 2020, a similar level to 31 March 2019.

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 an increase of £43.7m in the deficit from £25.5m to £69.2m, following a decrease of £11.9m in the previous year. The Scheme's obligations increased by £34.4m due to actuarial losses. These mainly arose from an increase in the scheme liabilities caused by a fall in the HM Treasury-mandated discount rate used. The value of the Scheme's assets decreased from £136.0m to £126.8m, in line with a general fall in markets in February and March in response to the COVID-19 pandemic. Further details of how pension costs are accounted for are contained in the accounting policies note to the accounts, and the disclosure requirements contained in FRS102 are shown in note 17 to the accounts.

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

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

Welsh Language Policy

We are committed to complying with the Welsh Language Standards, as set out by the Welsh Government under Section 44 of the Welsh Language (Wales) Measure 2011. The standards set for Amgueddfa Cymru have been determined by the Welsh Language Commissioner, and cover the four areas of Service Delivery, Policy Making, Operational and Record Keeping. Our Compliance Notice and Welsh Language Policy are available at www.museum.wales/thewelshlanguage. We will produce our annual report on compliance with the Welsh Language Standards, which will also be published on our website, in September 2020.

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

work. All our exhibitions are delivered bilingually and our website is fully bilingual.

Among the highlights of 2019/20 were:

- Working with the Natural History Museum, London, to create a fully bilingual experience for *Dippy on Tour*. National Museum Cardiff was nominated for a Cardiff Life 2020 award in the Welsh language category for this work.
- Launching a brand new Google Expedition for Rhyd-y-car Houses at St Fagans National Museum of History (our Bit Pit National Coal Museum tour was the first ever Welsh Google Expedition). Along with other projects, it was noted as innovative work in the Future Generations Commissioner's 2020 Report.
- In partnership with the National Centre for Learning Welsh, 650 learners attended Ar Lafar 2019, the Welsh-learners festival, at St Fagans National Museum of History, the National Waterfront Museum and the National Slate Museum. We also supported the Centre by expanding our use of the Cymraeg Gwaith/Welsh in the Workplace scheme, with an increase in the numbers of staff with Welsh-language skills in 4 of the 5 categories. 54% of the workforce now have Welsh-language skills.
- We also expanded our Intranet section on the Welsh language, significantly increasing the amount of information available to staff across Amgueddfa Cymru.

We received one complaint from the Welsh Language Commissioner's office in November 2019, regarding a job that was advertised as having the Welsh language as 'Desirable'. We presented evidence, on the basis of which the Welsh Language Commissioner decided not to investigate further.

David Anderson
Accounting Officer and Director General
Approved and signed on 9 October 2020

Hywel John
Treasurer, on behalf of the Board of Trustees
Approved and signed on 9 October 2020

SECTION 2: ACCOUNTABILITY

Section 2.1: CORPORATE GOVERNANCE REPORT

2.1.1 DIRECTORS' REPORT

BOARD OF TRUSTEES (From 1 April 2019 onwards)

PRESIDENT

Roger Lewis * # (appointed 15 April 2019)

VICE PRESIDENT

Dr Carol Bell * # (Acting President until 15 April 2019)

TREASURER

Hywel John, FCA * # (appointed Treasurer 15 April 2019)

APPOINTED BY THE WELSH GOVERNMENT

Carys Howell

Jessica Seaton (retired 31 December 2019)

Rachel Hughes, MBA FInstLM #

Michael Prior, BA Solicitor *

Dr Catherine Duigan

Maria Battle BA (Hons) Solicitor (appointed 15 April 2019)

Gwyneth Hayward (appointed 15 April 2019)

APPOINTED BY THE NATIONAL MUSEUM OF WALES

Dr Hywel Ceri Jones, CMG

Baroness Kay Andrews, OBE #

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

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

Robert Humphreys (appointed 15 April 2019)

Dr Madeleine Havard (appointed 15 April 2019)

* Members of the Audit Committee, renamed the Audit, Risk & Assurance Committee on 12 March 2020.

Members of the Performance Review Committee until 12 March 2020. Thereafter the Performance Review Committee was replaced by the Planning, Performance & Resources Committee. All Trustees are a member of this Committee.

INDEPENDENT EXTERNAL MEMBERS OF THE AUDIT, RISK & ASSURANCE COMMITTEE

Rheon Tomos, BA, IPFA

DIRECTORATE (SENIOR EXECUTIVE TEAM) (From 1 April 2019 onwards)

Director General

David Anderson

Director of Collections & Research

Kath Davies (from 6 January 2020)

Director of Gallery Development & Visitor Experience

Janice Lane

Director of Finance & Corporate Resources, and

Deputy Director General

Neil Wicks

Director of Learning & Engagement

Nia Williams

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

BOARD OF NMGW ENTERPRISES LTD. (From 1 April 2019 onwards)

Chris Jackson (Chairman)
Richard Gloster
Richard Nash
David Anderson
Neil Wicks
Jessica Seaton (retired 31 December 2019)
Yvonne Ruelle (Company Secretary)

The Format of the Accounts

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

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

Auditor

The accounts are audited by the Auditor General for Wales in accordance with Section 9 (8) of the Museums & Galleries Act 1992. Details of auditors' remuneration for the year ending 31 March 2020 are contained in note 7 to the accounts.

Principal Office

The principal office for Amgueddfa Cymru is National Museum Cardiff, Cathays Park, Cardiff CF10 3NP.

Principal Advisers

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

2.1.2 STATEMENT OF THE BOARD OF TRUSTEES AND DIRECTOR GENERAL'S RESPONSIBILITIES

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

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

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

The Principal Accounting Officer for the Welsh Government has designated the Director General as the Accounting Officer for the National Museum of Wales. The Director General's relevant responsibilities as Accounting Officer, including responsibility for the propriety and regularity of the public finances for which he is answerable, for keeping of proper records, for safeguarding Amgueddfa Cymru's assets, and for the preparation of annual report and accounts that are fair, balanced and understandable, are set out in the Accounting Officers' Memorandum issued by the Treasury.

Statement of disclosure of information to auditors

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

2.1.3 ANNUAL GOVERNANCE STATEMENT

1. Scope of Responsibility

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

2. The Purpose of the Governance Framework

The governance framework, incorporating the system of internal control, is designed to manage risk to a reasonable level, rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The governance framework is based on an ongoing process designed to identify and prioritize the risks to the achievement of our policies, aims and objectives, to evaluate the likelihood of those risks being realized and the impact should they be realized, and to manage them efficiently, effectively and economically. In support of the governance framework, we issue to Trustees a Corporate Governance & Standards Framework which sets out the authority and powers of the Board of Trustees and those powers that are delegated to Committees, directors and staff. We also operate fraud and whistleblowing policies that are subject to audit review.

The governance framework has been in place for the year ended 31 March 2020, and up to the date of approval of the annual report and accounts, and accords with Treasury guidance. Throughout our implementation of site closures and move to remote working due to the COVID-19 pandemic, the policies and arrangements outlined in section 3 below have remained in place, including reporting mechanisms, Board, Committee and management meetings, decision making processes, recruitment and training, audits and stakeholder engagement.

3. The Governance Framework

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

The following paragraphs summarize the governance framework, including the system of internal control, that has been in place during the year ended 31 March 2020, 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)

2019/20 has been the fifth year of our vision of *Inspiring people, Changing Lives*. Through this vision our purpose is to: Inspire people through our Museums and collections to find a sense of well-being and identity, to discover, enjoy and learn bilingually and to understand Wales's place in the wider world.

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

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

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

Members of the Board of Trustees of the Charity are appointed by the Welsh Government and Amgueddfa Cymru, in numbers set out in the supplemental Royal Charter and in accordance with the principles of open selection as recommended by the Nolan Review. An Appointments sub-committee 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. The authority to commence this remuneration was granted by the Charity Commission on 15 May 2018, however this was the first year that the President was remunerated. The President receives remuneration on the basis of working 2 days a week in this role. During 2019/20 the President received £33,815 (£nil in 2018/19). The annualised remuneration was £35,183. The President receives no pension or other benefits.

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

A schedule of Board of Trustee members throughout the year and up until the date of this report, including retirements and new appointments, is included in the Directors' Report at section 2.1.1 of this Report. The schedule also indicates which Trustees are members of the the Planning, Performance & Resources Committee (named the Performance Review Committee until 12 March 2020) and Audit, Risk & Assurance Committee (named the Audit Committee until 12 March 2020). The record of

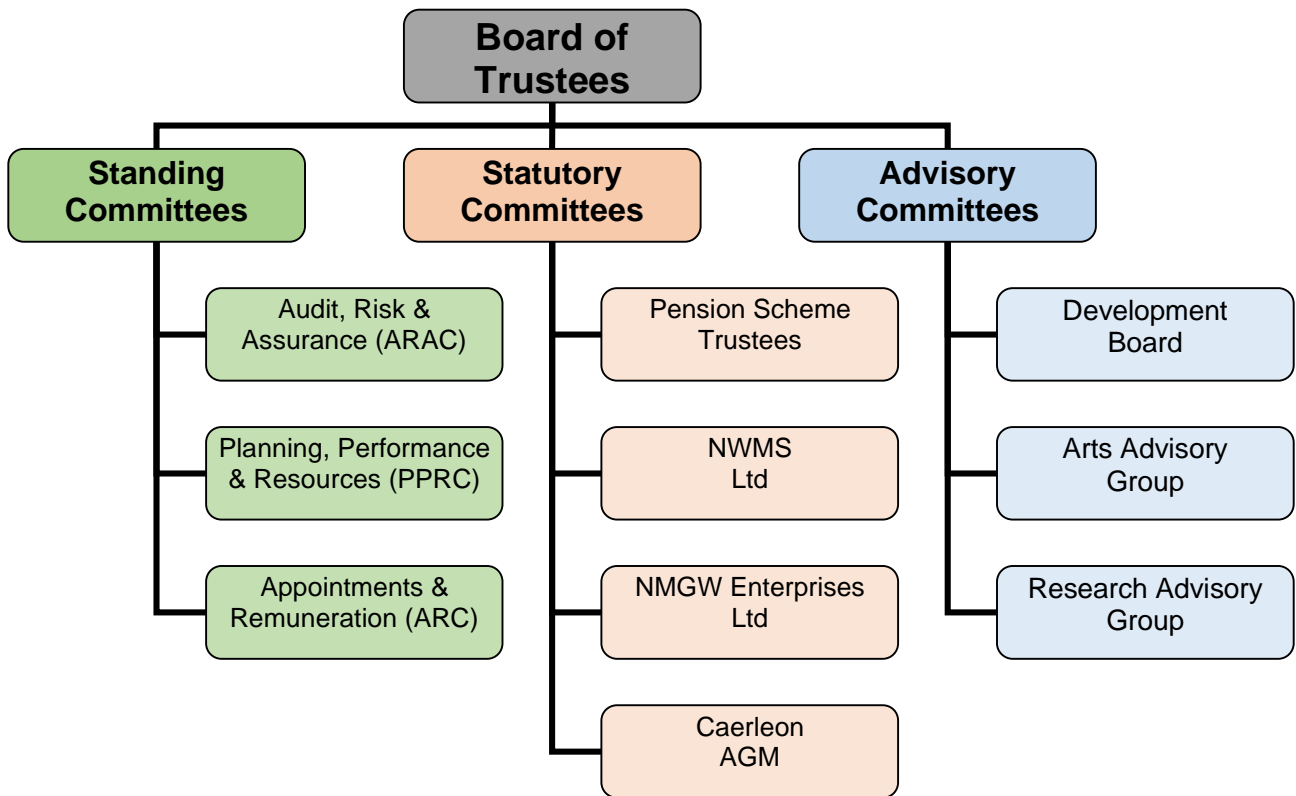
attendance at Board of Trustees meetings is shown below. Satisfactory explanations of all absences were received.

Trustee	27/06/19	26/09/19	12/12/19	12/03/20	Number of meetings	Percentage attendance
Kay Andrews		Apols	Apols	Apols	1	25%
Maria Battle		Apols	Apols	Apols	1	25%
Carol Bell		Apols	Apols	Apols	1	25%
Catherine Duigan					4	100%
Madeleine Havard	Apols				3	75%
Gwyneth Hayward			Apols		3	75%
Rachel Hughes			Apols		3	75%
Rob Humphreys					4	100%
Carys Howell					4	100%
Hywel John					4	100%
Glenda Jones		Apols			3	75%
Hywel Ceri Jones				Apols	3	75%
Roger Lewis					4	100%
Robert Pickard		Apols		Apols	2	50%
Michael Prior					4	100%
Jessica Seaton	Apols			N/A retired	2	67%

The Board of Trustees delegates some authority to various sub-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.

During the year the Board of Trustees, led by the new President Roger Lewis, undertook the first part of a review of its governance structures. This involved considering those matters that were to be reserved for the Board, and revising the terms of reference for the three standing committees of the Board: Appointments & Remuneration Committee, Planning, Performance & Resources Committee and Audit, Risk & Assurance Committee. The second part of the review will consider the range of advisory groups and committees we need in the future, and their terms of reference.

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



The Trustees also appoint the members of the Board of NMGW Enterprises Limited, the subsidiary company directing our trading activities. In addition to Trustee directors, other non-executive directors with specific relevant experience are appointed. A schedule of those Board Members is included in the Directors' Report under section 2.1.1 of this Report.

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

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

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

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

staff with a structured review of their personal objectives, their performance against those objectives and the opportunity to identify development needs and aspirations.

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

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

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

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

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

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

In 2019/20 over 1.8 million people visited our Museums. 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.

3.4.1 Risk Management

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

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

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

A robust Risk Management review is conducted by a dedicated cross-departmental Risk Management Group who review the progress and effectiveness of controls of the major risks. A Strategic Risk Register is maintained by the Group with risks prioritised according to likelihood and potential impact. The group regularly reviews Divisional Risk Registers and engages with all directors and heads of department regarding changes in potential threats, ensuring that risk management is embedded throughout the organization. The identification and management of risks is also a standing item on the agendas of divisional meetings and Senior Executive Team meetings. Separate Risk Registers are maintained for the trading subsidiary, the joint venture company, the Pension Scheme and for all major projects for their duration. At the end of a project, that project's Risk Register is assessed and all continuing risks are transferred to our main registers. A separate COVID-19 pandemic risk register has been maintained since the end of March 2020 and is regularly reviewed by the Senior Executive Team and the Risk Management Group.

The group may also be requested to consider specific potential risks identified by the Board of Trustees and the Planning, Performance & Resources and Audit, Risk & Assurance committees. Furthermore, these committees review the Strategic Risk Register amendments and issues discussed at the Group's quarterly meetings, together with mitigating actions undertaken against the highest rated risks.

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

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

The Strategic Risk Register was updated just after the end of the year to reflect the COVID-19 pandemic. Major risks are erosion of funding, security of our assets due to fire or physical security breach, data breach, and inability to deliver the Operational Plan due to insufficient resources. Mitigating actions are in place, and these risks are regularly reviewed by Internal Audit, the Risk Management Group and the Board of Trustees.

3.4.2 Information Security

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

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

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

Our Information Security policies and procedures were reviewed as part of the preparation for Cyber Essentials certification.

We have continued to bring our practices in line with the requirements of General Data Protection Regulations, including updating policies and procedures, staff training, completing a data discovery exercise to identify personal data held and implementation of a data breach log.

No personal data incidents have occurred in 2019/20 which require informing the Information Commissioner's Office (ICO). Two were reported in 2018/19.

The year has seen an decrease in the number of Freedom of Information (FOI) requests we receive, from 22 in 2018/19 to 13 in 2019/20. Six of these requests were collections related. We rejected one of these requests on the basis that we were intending to publish the research data requested at a later time. This was not contested. The other requests mainly related to management or procurement information.

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

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

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

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

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

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

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

In line with our Learning and Community Engagement strategies and the sustainability principle in the Well-being of Future Generations (Wales) Act 2015 we have developed and delivered public programmes in collaboration with over 70 public and third sector organizations. Our vision, 'Inspiring People, Changing Lives', is a call to action on a journey towards cultural democracy. We are committed to embedding a cultural rights-based approach, inspired by the United Nations Declaration of Human Rights (1948). Examples this year include:

- In line with recommendations from the Equality & Human Rights Commission (EHRC) and Welsh Government we collaborated with other Welsh public sector bodies, Diverse Cymru and the public on developing shared Equality Objectives for 2020-24. These were agreed and published during the year. We hope that by working together a greater impact will be achieved in the delivery of more equal public services, significantly contributing to tackling inequalities as set out in the 2018 report [Is Wales Fairer?](#) This collaborative work reflects the principles of the Well-being of Future Generations (Wales) Act 2015 and will directly contribute to the national well-being goal 'A More Equal Wales'.
- Delivering Hands on Heritage, part of a UK wide youth engagement initiative, with a consortium of our youth forums and four core partner organizations including: Llamau, PromoCymru, Barnado's Cymru and Children in Wales. This collaboration shapes all our work with young people.
- Working closely with Race Council Cymru, Black History Wales and several other representatives of the Black communities of Wales in order to diversify the collections, supported by the Paul Hamlyn Foundation.
- Delivering the Welsh Government Fusion programme, which aims to empower people, particularly people who are experiencing poverty, to take an active part in the arts, culture and heritage. This work includes delivering the Cultural Ambition, a three-year programme to provide internships for young people across Wales in partnership with Creative and Cultural Skills, Cardiff and the

Vale College and a range of local and national heritage and cultural organizations.

- We have developed several co-produced exhibitions. For example at the National Waterfront Museum we collaborated with local people, community partners and artists to create the exhibition *POBL*, a celebration of how the local community has interacted with the Museum to make it a more welcoming and inclusive environment.
- Collaborating with the 3 Nations Dementia Working Group and the Alzheimer's Society, delivering physical and virtual dementia-friendly tours and ways of collecting memories and stories around objects selected by participants. Our intergenerational group continues to meet, with the young people involved actively supporting people living with dementia during this very challenging time.

Our Marketing & Communications Strategy is designed to promote the organization, our vision, objectives and priorities. Social networks, including Twitter, Facebook and Instagram, are central to communicating with target audiences. Frequent press releases are issued to promote our activities and work.

We recognise the importance of internal communications and as well as continuing to implement the Internal Communications Plan we have been developing an Internal Communications Strategy alongside our work to achieve Investors in People accreditation. We also provide electronic and face-to-face internal briefings to staff to ensure they are involved in and updated on decision-making.

We also work with our recognised trade unions and have this year continued to work positively together both internally and through the Historic Wales Strategic Partnership. Union representatives continue to attend the Staff Executive Committee for Human and Financial Resources as well as the Staff Forum. Regular meetings are also held between a representative member of the Board of Trustees and union representatives.

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

4. Review of Effectiveness

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

The Accounting Officer has been advised on the effectiveness of the governance framework by the Trustees, the Audit, Risk & Assurance Committee and directors, and plans to address issues and ensure continuous improvement of the system are in place. More information is provided on these plans in section 5 on Governance

Issues and Future Improvements below, which also notes that no significant governance or internal control issues arose during the year.

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

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

- § Detailed financial regulations, policies and administrative procedures including segregation of duties and various levels of delegated authority; comprehensive budgeting systems; and clearly defined capital investment control guidelines and monitoring thereof.
- § Internal management processes such as performance monitoring and reporting, departmental meetings and directors' briefings
- § The Audit, Risk & Assurance Committee considers the coverage of the internal audit programme and receives reports from internal and external auditors. The Committee meets quarterly, with the minutes of the meeting and also a report from the Chairman being considered by the Board of Trustees
- § Regular reports from Internal Auditor including their independent opinion on the adequacy and effectiveness of the systems of internal control, together with recommendations for improvement
- § An annual report from Internal Audit. Based on the internal audit work for the year ended 31 March 2020, the Internal Auditor concluded that we have an adequate and effective framework for risk management, governance and internal control, although some further enhancements are needed to ensure the framework remains adequate and effective.
- § The Internal Auditor conducts a review of compliance with the principles of the Code of Good Governance for the Third Sector in Wales on a 3 yearly basis; the latest review was carried out in 2017/18 and confirmed that we are compliant with the Code
- § Audit Wales, our external auditor, provides a Management Letter report summarising the work undertaken in respect of the financial statements. This is reviewed by the Audit, Risk & Assurance Committee and reported to the Board of Trustees.
- § Other sources of assurance are considered including reports from the Charities Commission, Landfill Tax Inspectors, Mine Safety Inspectorate and Investors in People.

5. Governance Issues and Future Improvements

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

During 2019/20 we continued to implement our ten-year vision, as outlined on page 7, agreed by the Board. As well as the ongoing challenge to deliver our vision with diminishing reserves and a difficult funding environment, like all other organizations we now face unprecedented and rapidly changing circumstances, arising from the COVID-19 pandemic. We will continue to implement our vision in 2020/21 as best we can, adapting our offer and internal systems as required. Moving forward we will:

- § Complete development of our new ten-year strategy and brand. Addressing the climate change and biodiversity emergency and further developing our efforts in tackling inequalities to ensure we respond fully to the Black Lives Matter movement, will be key pillars of the strategy.
- § Develop a Digital Strategy to transform our digital visitor experience offer, and embed efficiency, wellbeing and environmental gains from remote working, building on our response to the COVID-19 pandemic.
- § Develop and start implementing plans to achieve financially sustainable operating models.
- § Engage proactively with stakeholders and communities to ensure more diverse representation within the organization, our collections, and our visitors, building on our current commitments and programmes.
- § Complete review of governance and committee structures and implement changes.
- § Implement a new structure for the Senior Executive Team, and further review our structures to support delivery of our vision within available resources.
- § Review our risk management and assurance processes, with a focus on identifying opportunities and driving positive change.
- § Continue to increase income generation and deliver commercial income projects over the next 3 to 5 years.
- § Following our success in achieving Investors in People accreditation, work towards a higher accreditation level.
- § Complete implementation of the Training & Development Strategy
- § Improve processes across the organization, including implementation of new Customer Relationship Management systems.
- § Continue to implement the Essential Maintenance Programme.

6. Certification of Annual Governance Statement

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

David Anderson
Accounting Officer and Director General
Approved and signed on 9 October 2020

Hywel John
Treasurer, on behalf of the Board of Trustees
Approved and signed on 9 October 2020

Section 2.2 Remuneration & Staff Report

Equality of Opportunity

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

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

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

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

Our most recently published mean gender pay gap (the difference between men and women's hourly pay) was 6.47% for 2018/19 (6.33% for 2017/18), and the median gender pay gap was 9.34%, a significant increase from 2.97% in 2017/18. The increase is due to significantly more women than men being recruited to cleaning roles during this time, when additional cleaning roles were recruited as St Fagans National Museum of History reopened. Our Gender Pay Gap Report is published on the Government's Gender Pay Gap Service website (<https://gender-pay-gap.service.gov.uk/employer/HQ4Zb2NG>). We have identified a number of actions that have been and will be implemented to work towards reducing the pay gap. These include actions around pay, policy, recruitment, learning and development, flexible working, and gathering data.

Policies for Disabled Employees

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

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

During 2019/20 we joined the Disability Confident Scheme (Level 1), which supports employers to take action to improve how they recruit, retain and develop disabled people. We will be working to achieve Level 2 of the Scheme in 2020/21.

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

Staff Consultation

We continue to comply with the 2005 Information and Consultation regulations, and consult with staff, both directly and through recognised unions, on major changes in the organization. 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 the monthly Staff Executive Group meetings, facilitating openness and transparency. This legal requirement to consult is supplemented by a variety of methods including staff meetings, department meetings, working groups, 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.

Regular staff briefings have been held across all our Museums to keep staff informed of work across the organization following each meeting of the Board of Trustees. The Director General also sends regular communications to staff.

Staff Training

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

During 2019/20 we have offered staff training in a wide number of areas. These include leadership and management development, professional development and skills-based training. We have continued to offer training in mental health awareness, mindfulness and resilience as well as Mental Health First Aid. We also offer courses in areas such as data protection, dignity at work, equality and diversity and health and safety to ensure compliance with related legislation, as well as personal development opportunities as required.

Apprenticeships continue to be offered at Big Pit National Coal Museum to train Miner Guides and Mechanical and Electrical Engineers. There have also been placements in our Estates department and Historic Buildings Unit at St Fagans National Museum of History.

Apprenticeships help to address skills shortages and to implement succession plans in these areas. Our People Development Strategy outlines how the organization will increase the numbers of apprentices across the organization over the next five years.

Sickness Absence Data

We have policies to support the management of attendance at work. All absence is recorded and monitored by line managers and the HR Department. Absence for the year to 31 March 2020 was 3.14% or 7.38 days (3.86% or 8.17 days in 2018/19). We have worked with line managers to address high rates of absence and closely monitor attendance management to ensure our policies, including return to work interviews, are consistently implemented. The reduction in absence this year follows a more significant reduction in the previous year.

In 2019/2020 we participated once again in the Mind Wellbeing Index and have implemented wellbeing case conferences for those with high level of absences, to proactively look at ways in which absences can be reduced through support. Wellness Action Plans have also been incorporated into our proactive management of absence and ill health, the emphasis being on early intervention to avoid escalation.

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

Remuneration Report

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

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

The directors are shown on page 24 and further details of their remuneration and pension benefits are included below and that information is subject to audit. No director is employed on a fixed-term basis, and all, with the exception of the Director General, are employed on Amgueddfa Cymru's standard terms and conditions. Any changes to the terms and conditions pertaining to the Director General are subject to the agreement of the Appointments & Remuneration Committee and (where appropriate) the Welsh Government. The relationship between the remuneration of the highest-paid director in the organization and the median remuneration of the organization's workforce is disclosed below.

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

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

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 £5,000 (£40,000 in 2018/19) for agency staff and £4,000 (£14,000 in 2018/19) for consultancy staff. No individuals were employed in 2019/20 or 2018/19 under 'off-payroll' arrangements at more than £220 per day and for longer than six months.

The President is not an employee of Amgueddfa Cymru. Details of his remuneration can be found on page 28 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
	2019/20 (2018/19) £'000	2019/20 (2018/19) £'000	2019/20 (2018/19) £'000	2019/20 (2018/19) £'000	2019/20 (2018/19) £'000
David Anderson Director General	100-105 (100-105)	- -	- -	21 (22)	125-130 (125-130)
Neil Wicks Director of Finance & Corporate Resources, Deputy Director General	80-85 (80-85)	- -	- -	11 (10)	95-100 (90-95)
Janice Lane Director of Gallery Development & Visitor Experience	75-80 (75-80)	- -	- -	10 (9)	85-90 (85-90)
Richard Bevins Joint Director of Collections & Research	- (10-15)	- -	- -	- (3)	- (10-15)
Diane Gwilt Joint Director of Collections & Research	- (10-15)	- -	- -	- (1)	- (10-15)
Nia Williams Director of Learning & Engagement	70-75 (65-70)	- -	- -	8 (7)	75-80 (75-80)
Steve Burrow Director of Collections & Research	- (35-40)	- -	- -	- (3)	- (40-45)
Kath Davies Director of Collections & Research	15-20 -	- -	- -	2 -	20-25 -

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 2019/20 and 2018/19, except for:

- Kath Davies took up office on 6 January 2020. Her emoluments as Director of Collections & Research consisted of a basic salary as shown above. Her annualised salary as Director of Collections & Research for 2019/20 was between £75,000 and £80,000
- Richard Bevins, who left office on 31 May 2018. His emoluments as Joint Director of Collections & Research consisted of a basic salary as shown above. His annualised salary as Joint Director of Collections & Research for 2018/19 was between £70,000 and £75,000,
- Diane Gwilt, who left office on 31 May 2018. Her emoluments as Joint Director of Collections & Research consisted of a basic salary as shown above. Her annualised salary as Joint Director of Collections & Research for 2018/19 was between £70,000 and £75,000.
- Steve Burrow took up office on 21 May 2018, and left office on 23 December 2018. His emoluments as Director of Collections & Research consisted of a basic salary as shown above. His annualised salary as Director of Collections & Research for 2018/19 was between £60,000 and £65,000.

The emoluments of the Director General consisted of a basic salary of £104,295 (£102,500 in 2018/19).

Pension Benefits					
	Real increase/ (decrease) in pension and related lump sum at age 60 £	Accrued pension at age 60 at 31 March 2020 and related lump sum £	CETV at 31 March 20 £'000	CETV at 31 March 19 or at date of appointment if later £'000	Real increase/ (decrease) in CETV in excess of members contributions £'000
David Anderson Director General	0-2,500 plus 5,000-7,500 lump sum	10,000-15,000 plus 40,000-45,000 lump sum	319	279	27
Neil Wicks Director of Finance & Corporate Resources, Deputy Director General	0-2,500 plus 5,000-7,500 lump sum	35,000-40,000 plus 115,000-120,000 lump sum	748	677	45
Janice Lane Director of Gallery Development & Visitor Experience	0-2,500 plus 2,500-5,000 lump sum	25,000-30,000 plus 80,000-85,000 lump sum	531	482	35
Nia Williams Director of Learning & Engagement	0-2,500 plus 2,500-5,000 lump sum	15,000-20,000 plus 45,000-50,000 lump sum	326	292	23
Kath Davies Director of Collections & Research	0-2,500 plus 0-2,500 lump sum	0-5,000 plus 0-5,000 lump sum	4	0	2

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

Number of Employees

The average number of employees in 2019/20, excluding workers engaged under our pool arrangements, was 676 (636 in 2018/19). Including workers engaged under our pool arrangements, the average number was 866 (850 in 2018/19).

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

	Permanent Staff	Other Staff	2019/20 Number	2018/19 Number
Trading Subsidiary	41	7	48	47
Fundraising	8	0	8	8
Learning and Engagement	33	8	41	46
Collections and Research	84	12	96	94
Gallery Development and Visitor Experience Support	270	44	314	302
	57	6	63	56
	493	77	570	553

	Female Staff	Male Staff	2019/20 Number	2018/19 Number
Directors	2	2	4	5
Employees	286	280	566	548
	288	282	570	553

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

There were nine employees (ten in 2018/19) whose emoluments for the year were between £60,001 and £69,999, and two (one in 2018/19) whose emoluments were between £70,000 and £79,999. All of these employees are ordinary members of our pension scheme. There were no other employees who earned over £60,000 except for the directors whose emoluments are disclosed above.

Median Remuneration

Welsh Government Sponsored Bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organization and the median remuneration of the organization's workforce. The banded remuneration of the Director General, who was the highest-paid director in 2019/20, was £100,000-£105,000 (2018/19 £100,000-£105,000). This was 4.2 times (2018/19 4.3 times) the median remuneration of the workforce, which was £24,667 (2018/19 £23,786). No employees received remuneration in excess of the Director General in 2019/20 or 2018/19. Remuneration (excluding Directors) ranged from £19,314 to £76,987 (2018/19 £16,934 to £75,477). Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions. Workers engaged under our pool arrangements have not been included in the median salary calculations.

	2019/20	2018/19
Band of Highest Paid Individual's Remuneration	100,000- 105,000	100,000- 105,000
Median Total	24,667	23,786
Ratio	4.2	4.3

David Anderson
Accounting Officer and Director General
Approved and signed on 9 October 2020

Hywel John
Treasurer, on behalf of the Board of Trustees
Approved and signed on 9 October 2020

Section 2.3: Audit Report

The Certificate and independent auditor's report of the Auditor General for Wales to the Senedd

Report on the audit of the financial statements

Opinion

I certify that I have audited the financial statements of National Museum of Wales for the year ended 31 March 2020 under Section 9 of the Museums and Galleries Act 1992.

These comprise, the Consolidated Balance Sheet, Consolidated Statement of Financial Activities, Consolidated Cashflow and related notes, including a summary of significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and the Charities SORP (FRS 102).

In my opinion the financial statements:

- give a true and fair view of the state of National Museum of Wales' affairs as at 31 March 2020; and
- have been properly prepared in accordance with Welsh Ministers' directions issued under the Museum and Galleries Act 1992.

Basis for opinion

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

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Accounting Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorized for issue.

Other information

The Accounting Officer is responsible for the other information in the annual report and accounts. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. 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.

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

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.

Report on other requirements

Opinion on other matters

In my opinion, the part of the Remuneration Report to be audited has been properly prepared in accordance with Welsh Ministers' directions made under the Museum and Galleries Act 1992.

In my opinion, based on the work undertaken in the course of my audit:

- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Welsh Ministers' guidance;
- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Performance Report provided with the financial statements has been prepared in accordance with the Museums and Galleries Act 1992.

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 provided with the financial statements or the Governance Statement.

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

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

Report

I have no observations to make on these financial statements.

Responsibilities

Responsibilities of the Accounting Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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.

Responsibilities for regularity

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

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

Adrian Crompton
Auditor General for Wales
13 October 2020

24 Cathedral Road
Cardiff
CF11 9LJ

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31 MARCH 2020

	Notes	Public funds		Private Funds		2019/20	2018/19
		Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000	Total £'000	Total £'000
INCOME AND ENDOWMENTS FROM:							
Donations & Legacies							
Grants	3	1,957	23,633	0	0	25,590	24,566
Donations & Legacies	4	169	315	5,844	738	7,066	1,641
		2,126	23,948	5,844	738	32,656	26,207
Other Trading Activities	5	0	3,957	0	0	3,957	4,040
Income from Investments		0	0	84	26	110	113
Other Income	6	0	1,577	32	10	1,619	1,569
TOTAL INCOME AND ENDOWMENTS		2,126	29,482	5,960	774	38,342	31,929
EXPENDITURE ON:							
Raising Funds:							
Expenditure on Raising Donations & Legacies		0	674	7	92	773	691
Expenditure on Other Trading Activities	5	0	3,182	0	0	3,182	3,143
		0	3,856	7	92	3,955	3,834
Charitable Activities:							
Learning & Engagement		154	3,051	24	5	3,234	2,997
Collections & Research		822	6,582	224	4	7,632	7,808
Gallery Development & Visitor Experience		763	15,602	14	11	16,390	15,866
Governance		0	632	0	0	632	544
		1,739	25,867	262	20	27,888	27,215
Other:							
Pension Finance Costs	17e	0	686	0	0	686	910
TOTAL EXPENDITURE		1,739	30,409	269	112	32,529	31,959
Share of Joint Venture	9	(108)	0	0	0	(108)	(108)
Net (Losses)/Gains on Investments	12	0	0	(290)	(135)	(425)	164
NET INCOME/(EXPENDITURE)		279	(927)	5,401	527	5,280	26
Transfers Between Funds	18	2,500	0	(2,500)	0	0	0
OTHER RECOGNISED GAINS/(LOSSES):							
Gains on revaluation of fixed assets	10	3,483	23	39	12	3,557	1,622
Actuarial (Losses)/Gains on defined benefit pension scheme	17d	0	(42,724)	0	0	(42,724)	13,622
NET MOVEMENT IN FUNDS		6,262	(43,628)	2,940	539	(33,887)	15,270
RECONCILIATION OF FUNDS:							
Total Funds Brought Forward	18	131,394	(16,830)	14,913	2,546	132,023	116,753
TOTAL FUNDS CARRIED FORWARD	18	137,656	(60,458)	17,853	3,085	98,136	132,023

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

All activities are continuing.

The non-consolidated net decrease in funds recorded in Amgueddfa Cymru's own Statement of Financial Activities during 2019/20 was £33,907,000 (an increase of £15,279,000 in 2018/19).

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

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2020

	Notes	Amgueddfa Cymru		Consolidated	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
FIXED ASSETS					
Tangible Assets	10	115,895	110,331	115,988	110,397
Heritage Assets	11	29,978	24,110	29,978	24,110
Share of Joint Venture:	9				
Share of gross assets		9,126	9,234	9,126	9,234
Share of gross liabilities		(2)	(2)	(2)	(2)
		<u>9,124</u>	<u>9,232</u>	<u>9,124</u>	<u>9,232</u>
Investments	12	2,633	3,068	2,633	3,068
		<u>157,630</u>	<u>146,741</u>	<u>157,723</u>	<u>146,807</u>
CURRENT ASSETS					
Stock	13	16	9	282	236
Debtors due within one year	14	4,534	4,644	3,538	2,939
Investments	20	799	791	799	791
Cash at bank and in hand	20	7,471	9,637	8,345	11,331
		<u>12,820</u>	<u>15,081</u>	<u>12,964</u>	<u>15,297</u>
CURRENT LIABILITIES					
Creditors due within one year	15	(1,981)	(3,854)	(2,106)	(4,044)
		<u>10,839</u>	<u>11,227</u>	<u>10,858</u>	<u>11,253</u>
NET CURRENT ASSETS					
		<u>168,469</u>	<u>157,968</u>	<u>168,581</u>	<u>158,060</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>168,469</u>	<u>157,968</u>	<u>168,581</u>	<u>158,060</u>
CREDITORS					
Amounts falling due after one year	16	(1,208)	(500)	(1,208)	(500)
		<u>167,261</u>	<u>157,468</u>	<u>167,373</u>	<u>157,560</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY					
Defined benefit pension scheme deficit	17a	(69,237)	(25,537)	(69,237)	(25,537)
		<u>98,024</u>	<u>131,931</u>	<u>98,136</u>	<u>132,023</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY					
		<u>98,024</u>	<u>131,931</u>	<u>98,136</u>	<u>132,023</u>
FUNDS	18				
Public Funds Restricted - Income		115,095	112,316	115,095	112,316
Public Funds Restricted - Revaluation		22,561	19,078	22,561	19,078
Total Public Funds Restricted		<u>137,656</u>	<u>131,394</u>	<u>137,656</u>	<u>131,394</u>
Public Funds Unrestricted - Income		8,579	8,550	8,691	8,642
Public Funds Unrestricted - Revaluation		88	65	88	65
Pension Reserve		(69,237)	(25,537)	(69,237)	(25,537)
Total Public Funds Unrestricted		<u>(60,570)</u>	<u>(16,922)</u>	<u>(60,458)</u>	<u>(16,830)</u>
Private Funds Restricted - Income		17,537	14,636	17,537	14,636
Private Funds Restricted - Revaluation		316	277	316	277
Total Private Funds Restricted		<u>17,853</u>	<u>14,913</u>	<u>17,853</u>	<u>14,913</u>
Private Funds Unrestricted - Income		2,993	2,466	2,993	2,466
Private Funds Unrestricted - Revaluation		92	80	92	80
Total Private Funds Unrestricted		<u>3,085</u>	<u>2,546</u>	<u>3,085</u>	<u>2,546</u>
		<u>98,024</u>	<u>131,931</u>	<u>98,136</u>	<u>132,023</u>

Signed on behalf of the Trustees by

David Anderson
Accounting Officer and Director General
Approved and signed on 9 October 2020

Hywel John
Treasurer, on behalf of the Board of Trustees
Approved and signed on 9 October 2020

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Consolidated Cash Flow Statement							
Notes	Public funds		Private Funds		2019/20	2018/19	
	Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000	Total £'000	Total £'000	
Net Cash Inflow from Operating Activities	19	2,136	(797)	244	670	2,253	2,297
Cashflows from Investing Activities:							
Purchase of tangible fixed assets		(3,729)	(786)	0	0	(4,515)	(2,068)
Purchase of heritage assets		(363)	(45)	0	0	(408)	(79)
Net sale of investments		0	0	8	2	10	41
Net Cash provided by/(used in) Investing Activities		(4,092)	(831)	8	2	(4,913)	(2,106)
Cashflows from Financing Activities:							
Loan repayments		0	(1,342)	0	0	(1,342)	(306)
Cash inflow from new loans		0	1,024	0	0	1,024	29
Net Cash provided by/(used in) Financing Activities		0	(318)	0	0	(318)	(277)
Transfers Between Funds		2,500	0	(2,500)	0	0	0
Increase/(Decrease) in Cash		544	(1,946)	(2,248)	672	(2,978)	(86)
Cash and cash equivalents at start of year		(1,810)	6,685	5,522	1,725	12,122	12,208
Cash and cash equivalents at end of year	20	(1,266)	4,739	3,274	2,397	9,144	12,122

Amgueddfa Cymru Cash Flow Statement							
Notes	Public funds		Private Funds		2019/20	2018/19	
	Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000	Total £'000	Total £'000	
Net Cash Inflow from Operating Activities	19	2,137	(33)	244	670	3,018	1,418
Cashflows from Investing Activities:							
Purchase of tangible fixed assets		(3,730)	(729)	0	0	(4,459)	(2,053)
Purchase of heritage assets		(363)	(45)	0	0	(408)	(79)
Net sale of investments		0	0	8	2	10	41
Net Cash provided by/(used in) Investing Activities		(4,093)	(774)	8	2	(4,857)	(2,091)
Cashflows from Financing Activities:							
Loan repayments		0	(1,342)	0	0	(1,342)	(306)
Cash inflow from new loans		0	1,024	0	0	1,024	29
Net Cash provided by/(used in) Financing Activities		0	(318)	0	0	(318)	(277)
Transfers Between Funds		2,500	0	(2,500)	0	0	0
(Decrease)/Increase in Cash		544	(1,125)	(2,248)	672	(2,157)	(950)
Cash and cash equivalents at start of year		(1,810)	4,991	5,522	1,725	10,428	11,378
Cash and cash equivalents at end of year	20	(1,266)	3,866	3,274	2,397	8,271	10,428

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

Notes to the Accounts for the Year Ended 31 March 2020

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 2020 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 2020 have been approved and received an unqualified audit opinion. A copy of the accounts can be obtained from our Principal Office at National Museum Cardiff, Cathays Park, Cardiff CF10 3NP.

1.4 Income and Resources

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

1.5 Expenditure

Expenditure is apportioned across expenditure heads on the basis of direct allocation and indirect apportionment in the case of support costs as appropriate. Expenditure on Raising Donations & Legacies includes all fundraising expenditure. Expenditure on Other Trading Activities includes all expenditure associated with the trading subsidiary. Expenditure on charitable activities includes all expenditure associated with Learning and Engagement; Collections and Research; Gallery Development and 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 be sold as part of continuing business and are revalued using an index in the intervening period. Revaluation gains are recognised in the Statement of Financial Activities under Gains/(losses) on the revaluation of fixed assets, except to the extent to which they offset any previous write off of expenditure in the Statement of Financial Activities, in which case the gain is reversed against the relevant expenditure heading. Revaluation losses are recognised as an expense under the relevant expenditure heading in the Statement of Financial Activities except to the extent to which they offset any previous revaluation gains, in which case the loss is shown under Gains/(losses) on the revaluation of fixed assets. Routine maintenance work in respect of these properties is written off in the year in which it is undertaken.

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

An annual impairment review is carried out by management.

1.7 Heritage Assets

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

1.8 Depreciation

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

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

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

1.9 Funds

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

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

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

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

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

1.10 Stock

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

1.11 Investments

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

1.12 Staff Holiday Accrual

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

1.13 Research and Development

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

1.14 Taxation

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

1.15 Pensions

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

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

1.16 Contingent Assets and Liabilities

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

1.17 Severance costs

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

1.18 Financial instruments

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

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

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

1.19 Provisions

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

2. Statement of Financial Activities comparatives

	Public funds		Private Funds		2018/19
	Restricted £'000	Unrestricted £'000	Restricted £'000	Unrestricted £'000	Total £'000
INCOME AND ENDOWMENTS FROM:					
Donations & Legacies					
Grants	1,223	23,343	0	0	24,566
Donations & Legacies	5	0	1,033	603	1,641
	1,228	23,343	1,033	603	26,207
Other Trading Activities	0	4,040	0	0	4,040
Income from Investments			92	21	113
Other Income	0	1,534	30	5	1,569
TOTAL INCOME AND ENDOWMENTS	1,228	28,917	1,155	629	31,929
EXPENDITURE ON:					
Raising Funds:					
Expenditure on Raising Donations & Legacies	0	598	29	64	691
Expenditure on Other Trading Activities	0	3,143	0	0	3,143
	0	3,741	29	64	3,834
Charitable Activities:					
Learning & Engagement	200	2,777	19	1	2,997
Collections & Research	1,149	6,511	144	4	7,808
Gallery Development & Visitor Experience	989	14,772	93	12	15,866
Governance	0	544	0	0	544
	2,338	24,604	256	17	27,215
Other:					
Pension Finance Costs	0	910	0	0	910
TOTAL EXPENDITURE	2,338	29,255	285	81	31,959
Share of Joint Venture	(108)	0	0	0	(108)
Net Gains on Investments	0	0	134	30	164
NET INCOME/EXPENDITURE	(1,218)	(338)	1,004	578	26
OTHER RECOGNISED GAINS/(LOSSES):					
Gains on revaluation of fixed assets	1,592	7	18	5	1,622
Actuarial Gains/(Losses) on defined benefit pension scheme	0	13,622	0	0	13,622
NET MOVEMENT IN FUNDS	374	13,291	1,022	583	15,270
RECONCILIATION OF FUNDS:					
Total Funds Brought Forward	131,020	(30,121)	13,891	1,963	116,753
TOTAL FUNDS CARRIED FORWARD	131,394	(16,830)	14,913	2,546	132,023

3. Grants Receivable

	Public		2019/20	2018/19
	Restricted	Unrestricted		
	£'000	£'000	£'000	£'000
Revenue Grant-in-Aid	0	22,640	22,640	22,326
Specimen Purchase Grant-in-Aid	269	0	269	269
Capital Grant-in-Aid	1,517	0	1,517	830
Other government grant	171	993	1,164	1,141
	1,957	23,633	25,590	24,566

We received total Grant-in-Aid from the Welsh Government of £24,426,000 (£23,425,000 in 2018/19) which comprises the Revenue, Specimen Purchase and Capital Grant-in-Aid.

Other government grant included National Lottery Heritage Fund grant of £642,000 (£607,000 in 2018/19), of which £121,000 was for the St Fagans redevelopment project, including £55,000 recognised under public restricted funds and £66,000 under public unrestricted funds, matching the allocation of project expenditure to those funds. Other government grant also included Welsh Government grants of £369,000 (£429,000 in 2018/19), Cardiff Council grant of £22,000 (£105,000 in 2018/19), and £131,000 receivable under the UK Government's Coronavirus Job Retention Scheme (£nil in 2018/19).

4. Donations & Legacies

	Public Funds		Private Funds		2019/20	2018/19
	Restricted	Unrestricted	Restricted	Unrestricted		
	£'000	£'000	£'000	£'000		
Donated Assets	0	0	5,460	0	5,460	649
Legacies	0	0	94	25	119	1
Other donations	169	315	290	713	1,487	991
	169	315	5,844	738	7,066	1,641

Donated assets include heritage assets valued at £5,460,000 (see note 11 for more details). All valuations of donated (or part-donated) assets in 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 specimen purchases, the St Fagans redevelopment project, and other projects. These included £375,000 from players of the People's Postcode Lottery (£375,000 in 2018/19), £300,000 from the Paul Hamlyn Foundation (£nil in 2018/19) and £150,000 from the Clore Duffield Foundation (£100,000 in 2018/19). (We also received donations in 2018/19 of £200,000 from the Hodge Foundation.)

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.

	2019/20	2018/19
	£ '000	£ '000
Turnover	3,656	3,721
Cost of sales	(2,769)	(2,728)
Gross Profit	887	993
Administrative expenses	(404)	(406)
Other operating income	284	306
Profit on ordinary activities before interest	767	893
Interest receivable	16	13
Interest payable	(8)	(8)
Profit on ordinary activities before taxation	775	898
Tax on profit on ordinary activities	0	0
Profit for the financial year	775	898
Gift aid payable to the Museum	(755)	(907)
Retained profit for the financial year	20	(9)
Total Assets	1,420	2,213
Total Liabilities	(1,307)	(2,120)
Shareholders' Funds	113	93

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		2019/20	2018/19
	Restricted	Unrestricted	Restricted	Unrestricted		
	£'000	£'000	£'000	£'000		
Learning & Engagement	0	199	0	0	199	261
Collections & Research	0	303	0	0	303	330
Gallery Development & Visitor Experience	0	906	0	0	906	794
Support	0	169	32	10	211	184
	0	1,577	32	10	1,619	1,569

7. Total Expenditure

(a) Amgueddfa Cymru

	Direct Costs £'000	Depre- ciation £'000	Marketing, Press & PR £'000	Support Costs Finance £'000	ICT £'000	Human Resources £'000	2019/20 £'000	2018/19 £'000
Expenditure on Raising Funds								
Raising Donations & Legacies	676	0	26	17	27	27	773	691
	676	0	26	17	27	27	773	691
Expenditure on Charitable Activities								
Learning & Engagement	2,801	187	67	44	68	67	3,234	2,997
Collections & Research	6,059	877	189	124	193	190	7,632	7,808
Gallery Development & Visitor Experience	14,309	921	358	235	366	360	16,549	16,025
Governance	437	0	53	35	54	53	632	544
	23,606	1,985	667	438	681	670	28,047	27,374
Pension Finance Costs	686	0	0	0	0	0	686	910
Total Expenditure	24,968	1,985	693	455	708	697	29,506	28,975

(b) Consolidated

	Direct Costs £'000	Depre- ciation £'000	Marketing, Press & PR £'000	Support Costs Finance £'000	ICT £'000	Human Resources £'000	2019/20 £'000	2018/19 £'000
Expenditure on Raising Funds								
Raising Donations & Legacies	676	0	26	17	27	27	773	691
Trading Subsidiary	3,151	31	0	0	0	0	3,182	3,143
	3,827	31	26	17	27	27	3,955	3,834
Expenditure on Charitable Activities								
Learning & Engagement	2,801	187	67	44	68	67	3,234	2,997
Collections & Research	6,059	877	189	124	193	190	7,632	7,808
Gallery Development & Visitor Experience	14,150	921	358	235	366	360	16,390	15,866
Governance	437	0	53	35	54	53	632	544
	23,447	1,985	667	438	681	670	27,888	27,215
Pension Finance Costs	686	0	0	0	0	0	686	910
Total Expenditure	27,960	2,016	693	455	708	697	32,529	31,959

The amount of £42,178 (£41,553 in 2018/19) is included in resources expended for external auditors' remuneration. This includes £36,628 (£36,628 in 2018/19) for the Amgueddfa Cymru audit fee, £4,950 (£4,350 in 2018/19) for the trading subsidiary audit fee and £600 (£575 in 2018/19) for other work for the trading subsidiary.

68.6% of total expenditure during the year was on staff costs (66.7% in 2018/19).

8. Staff Costs

(a) Staff Costs during the year:

	2019/20	2018/19
	£'000	£'000
Salaries & Wages	16,642	15,520
Social Security Costs	1,391	1,227
Pension current service cost (note 17e)	4,074	4,137
Pension deficit contribution for past service (note 17e)	0	218
Pension scheme expenses (note 17e)	380	410
Pension FRS102 current service cost adjustment	(963)	(1,157)
Apprenticeship Levy	64	60
Severance Costs	33	4
	21,621	20,419
FRS102 Pension Finance Costs (note 17e)	686	910
	22,307	21,329

Included within the staff costs are £1,559,000 (£1,460,000 in 2018/19) relating to the trading subsidiary.

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

No employees left Amgueddfa Cymru during the year under the Redundancy and Early Severance Agreement. Statutory payments are enhanced by a factor of 4 under this Agreement. Costs of £4,000 were incurred in 2018/19 by one employee leaving under this Agreement, at the end of their fixed term contract.

Two employees left Amgueddfa Cymru under our Mutually Assured Resignation Scheme in 2019/20 (none in 2018/19). 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 2019/20 or 2018/19, with the exception of the President. Details of the President's 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 £8,000 (£10,000 in 2018/19). This does not include any expenses waived by trustees as this is immaterial. A total of 16 trustees were reimbursed expenses during the year (13 in 2018/19).

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	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Donations and Legacies	5	6	2	3
Other Income	0	0	0	0
Total Incoming Resources	5	6	2	3
Charitable activity expenditure	216	216	108	108
Governance Costs	5	5	2	3
Total Resources expended	221	221	110	111
Revaluation of Fixed assets	0	0	0	0
Net Movement in Funds	(216)	(215)	(108)	(108)

	Total Assets and Liabilities		Share of Assets and Liabilities	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Fixed Assets	18,248	18,463	9,124	9,232
Current Assets	5	5	2	2
Liabilities due within one year	(5)	(5)	(2)	(2)
Liabilities due after more than one year	(44)	(44)	0	0
Net Assets	18,204	18,419	9,124	9,232
Funds				
General Fund (unrestricted)	18,202	18,417	9,123	9,231
Restricted Fund	2	2	1	1
	18,204	18,419	9,124	9,232

10. Tangible Fixed Assets

(a) Amgueddfa Cymru	Freehold Land £'000	Freehold Buildings £'000	Leasehold Properties £'000	Plant & Vehicles £'000	Fixtures, Fittings & Equipment £'000	Assets Under Construction £'000	Total £'000
Cost or Valuation							
At 1 April 2019	1,746	38,390	68,360	1,959	6,016	1,587	118,058
Additions in Year	0	37	0	177	364	3,385	3,963
Disposals	0	0	0	(15)	0	0	(15)
Transfers to/from Assets Under Construction	0	986	0	1,449	0	(2,435)	0
Impairment reversal	26	2	1	0	0	0	29
Revaluation	34	1,314	2,341	0	0	0	3,689
At 31 March 2020	1,806	40,729	70,702	3,570	6,380	2,537	125,724
Depreciation							
At 1 April 2019	0	1,749	1,601	1,209	3,168	0	7,727
Charge for the Year	0	605	532	319	529	0	1,985
Disposals	0	0	0	(15)	0	0	(15)
Revaluation	0	59	73	0	0	0	132
At 31 March 2020	0	2,413	2,206	1,513	3,697	0	9,829
Net Book Value							
At 1 April 2019	1,746	36,641	66,759	750	2,848	1,587	110,331
At 31 March 2020	1,806	38,316	68,496	2,057	2,683	2,537	115,895

(b) Consolidated	Freehold Land £'000	Freehold Buildings £'000	Leasehold Properties £'000	Plant & Vehicles £'000	Fixtures, Fittings & Equipment £'000	Assets Under Construction £'000	Total £'000
Cost or Valuation							
At 1 April 2019	1,746	38,390	68,360	1,959	6,231	1,587	118,273
Additions in Year	0	37	0	177	421	3,385	4,020
Disposals	0	0	0	(15)	0	0	(15)
Transfers to/from Assets Under Construction	0	986	0	1,449	0	(2,435)	0
Impairment reversal	26	2	1	0	0	0	29
Revaluation	34	1,314	2,341	0	0	0	3,689
At 31 March 2020	1,806	40,729	70,702	3,570	6,652	2,537	125,996
Depreciation							
At 1 April 2019	0	1,749	1,601	1,209	3,316	0	7,875
Charge for the Year	0	605	532	319	560	0	2,016
Disposals	0	0	0	(15)	0	0	(15)
Revaluation	0	59	73	0	0	0	132
At 31 March 2020	0	2,413	2,206	1,513	3,876	0	10,008
Net Book Value							
At 1 April 2019	1,746	36,641	66,759	750	2,914	1,587	110,397
At 31 March 2020	1,806	38,316	68,496	2,057	2,776	2,537	115,988

Our land and buildings were professionally valued on 31 March 2016 by External Valuer, Andrew Gardner of Cooke and Arkwright Chartered Surveyors. The valuations were in accordance with the requirements of the Royal Institution of Chartered Surveyors Valuation – Professional Standards UK January 2014 (revised April 2015) and the International Valuation Standards 2013, and with the Charities SORP (FRS102). The valuation of each owner occupied property was on the basis of being valued to Current Value in Existing Use assuming that the properties would be sold as part of continuing business. 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 332 in March 2020 (321 in March 2019).

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

	2019/20	2018/19
	£'000	£'000
Collection management costs		
Conservation	801	788
Collections Information	260	244
Collection Services	241	257
Collection Centre	37	33
	1,339	1,322

These costs are recognised in the Statement of Financial Activities.

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

	Historic			Total £'000
	Art £'000	Buildings £'000	Other £'000	
Donated Assets	12,935	160	329	13,424
Purchased Assets	9,676	5,696	1,182	16,554
Total at 31 March 2020	22,611	5,856	1,511	29,978

(i) Heritage Assets donated during the year:

	Historic			Total £'000
	Art £'000	Buildings £'000	Other £'000	
<i>17 silver items - Carolyn Showering</i>	11	0	0	11
<i>Portrait de Monsieur Jules Dejouy, 1879 - Edouard Manet</i>	5,299	0	0	5,299
<i>La Route aux Boucherons, Arleux-du-Nord, 1871 - Jean-Baptiste-Camille Corot</i>	150	0	0	150
Total Additions in Year	5,460	0	0	5,460
Total at 1 April 2019	7,475	160	329	7,964
Total at 31 March 2020	12,935	160	329	13,424

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	
Vulcan Hotel, Cardiff	0	14	0	14
<i>Conditioning - Caroline Walker</i>	21	0	0	21
<i>Welsh Miners Portfolio - Bruce Davidson</i>	17	0	0	17
<i>Untitled 2018, Oil on Canvas - Simon Ling</i>	26	0	0	26
<i>Martin Parr in Wales - Martin Parr</i>	19	0	0	19
Bronze Age Chariot and associated treasures	0	0	45	45
<i>Welsh Landscape with Lead Mines & View on the River Wye - Thomas Jones</i>	125	0	0	125
<i>Vertigo Sea 2015 - John Akomfrah</i>	50	0	0	50
<i>Asymmetric 1 2016, terracotta - Magdalene Odundo</i>	91	0	0	91
Total Additions in Year	349	14	45	408
Total at 1 April 2019	9,327	5,682	1,137	16,146
Total at 31 March 2020	9,676	5,696	1,182	16,554

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

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

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

	2019/20	2018/19	2017/18	2016/17	2015/16
	£'000	£'000	£'000	£'000	£'000
Donated Assets					
Art	5,460	649	147	0	272
Historic Buildings	0	0	0	0	0
Other	0	0	0	0	185
Total Donated Assets	5,460	649	147	0	457
Purchased Assets					
Art	349	19	30	678	474
Historic Buildings	14	0	91	45	0
Other	45	60	0	0	13
Total Purchased Assets	408	79	121	723	487
Total Capitalised Specimen Acquisition	5,868	728	268	723	944

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

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

	2019/20	2018/19	2017/18	2016/17	2015/16
	£'000	£'000	£'000	£'000	£'000
Art	85	34	28	54	57
Natural Sciences	33	30	47	60	39
Industry	0	3	0	0	1
Conservation	0	8	0	0	15
Library	59	65	40	85	75
History	46	9	200	116	123
	223	149	315	315	310

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	1,302,224
Art	46,589
Biodiversity	2,472,182
Geology	522,417
Industry	268,977
National Wool Museum	12,000
Library	265,159
Social & Cultural History	398,540
Total	5,288,088

(i) Archaeology & Numismatics: the Department holds a collection of 814,724 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) Biodiversity: a collection of 2,472,182 botany and zoology items is held at National Museum Cardiff. Specimens are on display in the natural history galleries, or can be viewed by appointment. The study of the earth's biodiversity and of how organisms interact is essential to our future wellbeing.

(iv) Geology: 522,417 items are held at National Museum Cardiff. These include rocks, minerals and fossils that help us to understand the geological history of the Earth from its origins around 4,600 million years ago, and the processes involved in forming and shaping the Earth's crust. They provide evidence for how the Wales we know today has evolved over 700 million years.

(v) Industry: 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'.

(vi) 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.

(vii) 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.

(viii) Social & Cultural History: this collection holds 398,540 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	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
At 1 April 2019	3,068	2,945	3,068	2,945
Additions to investments at cost	1	3,333	1	3,333
Disposals at market value	(11)	(3,374)	(11)	(3,374)
Net (Loss)/Gain on Revaluation	(425)	164	(425)	164
Market Value at 31 March 2020	2,633	3,068	2,633	3,068

Of total investments of £2,633,000, £2,266,000 (£2,563,000 at 31 March 2019) was held in Restricted Private Funds and £367,000 (£505,000 at 31 March 2019) in Unrestricted Private Funds.

The historic cost of investments at 31 March 2020 was £3,006,000 (£3,020,000 at 31 March 2019). 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	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
UK Listed Investments	1,202	1,889	1,202	1,889
Non UK Listed Investments	1,424	1,173	1,424	1,173
Cash & Cash Deposits	7	6	7	6
	2,633	3,068	2,633	3,068

13. Stock

	Amgueddfa Cymru		Consolidated	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Shop Goods for Sale	0	0	283	248
Publications stock held separately	48	37	48	37
Less: Provision for stock write-off	(32)	(28)	(49)	(49)
	16	9	282	236

14. Debtors

	Amgueddfa Cymru		Consolidated	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade Debtors	197	85	230	198
Amount due from trading subsidiary	867	1,472	0	0
Loan due from trading subsidiary	301	301	0	0
Other Debtors	2,898	2,466	3,007	2,388
Prepayments	271	320	301	353
	4,534	4,644	3,538	2,939
Balances with:				
Central government bodies	2,620	2,194	2,621	2,195
NHS bodies	0	0	0	0
Local authorities	64	28	69	30
Sub total intra government balances	2,684	2,222	2,690	2,225
Bodies external to government	1,850	2,422	848	714
Total	4,534	4,644	3,538	2,939

15. Creditors: Amounts falling due within one year

	Amgueddfa Cymru		Consolidated	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Loans	249	1,342	249	1,342
Trade Creditors	27	210	27	232
Accruals and Deferred Income	1,705	2,302	1,830	2,470
	1,981	3,854	2,106	4,044
Balances with:				
Central government bodies	169	1,434	169	1,434
Local authorities	9	27	9	27
Sub total intra government balances	178	1,461	178	1,461
Bodies external to government	1,803	2,393	1,928	2,583
Total	1,981	3,854	2,106	4,044

Accruals and Deferred Income includes £216,000 un-spent grant income deferred to the following year (£385,000 at 31 March 2019), and £71,000 (£90,000 at 31 March 2019) for premium payments buy-out instalments which are due in less than one year.

Loans due in less than one year are outstanding of £92,000 (£1,342,000 at 31 March 2019) to the Welsh Government's Invest-to-Save fund and of £157,000 (nil at 31 March 2019) to Salix Finance Ltd, an independent, publicly funded company which provides the public sector with loans for energy efficiency projects.

16. Creditors: Amounts falling due after one year

	Amgueddfa Cymru		Consolidated	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Loans	1,208	433	1,208	433
Accruals and Deferred Income	0	67	0	67
Total	1,208	500	1,208	500

Loans of £341,000 (£433,000 at 31 March 2019) are outstanding to the Welsh Government's Invest-to-Save fund, repayable within 2 to 5 years. Loans are outstanding to Salix Finance Ltd of £710,000 (£nil at 31 March 2019) repayable within 2 to 5 years, and of £157,000 (£nil at 31 March 2019) repayable in more than 5 years.

Accruals and Deferred Income includes £nil (£67,000 at 31 March 2019) for premium payments buy-out instalments which are due after more than one year.

17. Pensions

We operate a defined benefit pension scheme in the UK, which is underwritten by a Crown Guarantee issued by the National Assembly for Wales. A full actuarial valuation was carried out at 31 March 2018. This was updated at 31 March 2020 by a qualified independent actuary using guidelines issued by HM Treasury.

The FRS102 valuation as at 31 March 2020 showed a increase in the deficit from £25,537,000 to £69,237,000.

Our contribution to the scheme in the year to 31 March 2020 amounted to £4,164,000 (£3,957,000 to 31 March 2019). This includes contributions at a rate of 21.3% of Pensionable Remuneration, and salary forgone by members under salary-sacrifice arrangements which we pay over to the Scheme.

We expect to contribute £4,294,000 to the Scheme in 2020/21. The projected total charge to the Statement of Financial Activities in 2020/21 is £7,163,000, and the projected deficit at 31 March 2021 is £72,106.

(a) Amounts in the balance sheet:

	2020	2019
	£'000	£'000
Fair value of assets	126,755	136,030
Defined benefit obligation	(195,992)	(161,567)
(Deficit)	(69,237)	(25,537)

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

	2020	2019
	£'000	£'000
Opening fair value of assets	136,030	128,815
Interest income	3,948	3,282
Employer's contributions	4,164	3,957
Members' contributions	372	335
Scheme expenses	(380)	(410)
Actuarial experience (losses)/gains	(13,425)	4,141
Benefits paid	(3,954)	(4,090)
Closing fair value of assets	126,755	136,030

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

	2020	2019
	£'000	£'000
Opening defined benefit obligation	161,567	166,256
Current service cost	4,074	4,137
Past service cost	0	218
Members' contributions	372	335
Interest cost	4,634	4,192
Actuarial experience losses/(gains)	29,299	(9,481)
Benefits paid	(3,954)	(4,090)
Closing defined benefit obligation	195,992	161,567

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

	2020	2019
	£'000	£'000
Actuarial experience (losses)/gains - fair value of assets (note 17b)	(13,425)	4,141
Actuarial (losses)/gains - present value of obligations (note 17c)	(29,299)	9,481
Actuarial (losses)/gains	(42,724)	13,622

(e) Amounts charged to resources expended:

	2020		2019	
	£'000	£'000	£'000	£'000
Current service cost	4,074		4,137	
Past service cost	0		218	
Scheme expenses	380		410	
		4,454		4,765
Interest income	(3,948)		(3,282)	
Interest cost	4,634		4,192	
		686		910
Total charge to resources expended		5,140		5,675

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:

	2020	2019
Equities	36.3%	39.3%
LDI	24.5%	26.1%
Multi-asset	26.4%	20.0%
Others	12.8%	14.6%

(g) Principal actuarial assumptions:

	2020	2019
Discount rate	1.80%	2.90%
Inflation - RPI	3.35%	3.60%
Inflation - CPI	2.35%	2.60%
CARE revaluation	2.35%	2.60%
Pension increases in payment - pre 2000	3.35%	3.60%
Pension increases in payment - post 2000, pre 2016	2.35%	2.60%
Pension increases in payment - post 2016	2.05%	2.15%
Pension increases in deferment	2.35%	2.60%
Assumes life expectancy currently age 65		
Male	86.7	86.6
Female	89.0	88.9
Assumes life expectancy currently age 45		
Male	87.7	87.6
Female	90.2	90.0

(h) Sensitivity analysis – Change in defined benefit obligation as at 31 March 2020:

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

18. Statement of Funds

(a) Movement in Funds	1 April	Incoming	Resources	Other	Transfer	31 March
	2019	Resources	Expended	Movements	Between	2020
	£'000	£'000	£'000	in Year	Reserves	£'000
				£'000	£'000	
Public Funds						
Restricted - Capital Income	98,053	1,572	(1,601)	(108)	2,500	100,416
Restricted - Specimen Income	14,263	554	(138)	0	0	14,679
Restricted - Revaluation	19,078	0	0	3,483	0	22,561
Total Restricted	131,394	2,126	(1,739)	3,375	2,500	137,656
Unrestricted - Income	8,642	29,482	(29,433)	0	0	8,691
Unrestricted - Revaluation	65	0	0	23	0	88
Pension Reserve	(25,537)	0	(976)	(42,724)	0	(69,237)
Total Unrestricted	(16,830)	29,482	(30,409)	(42,701)	0	(60,458)
Total Public Funds	114,564	31,608	(32,148)	(39,326)	2,500	77,198
Private Funds						
Restricted - Income	14,636	5,960	(269)	(290)	(2,500)	17,537
Restricted - Revaluation	277	0	0	39	0	316
Unrestricted - Income	2,466	774	(112)	(135)	0	2,993
Unrestricted - Revaluation	80	0	0	12	0	92
Total Private Funds	17,459	6,734	(381)	(374)	(2,500)	20,938
Total	132,023	38,342	(32,529)	(39,700)	0	98,136

Funds recorded in our own non-consolidated accounts at 31 March 2020 were £98,023,000 with £113,000 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 2020 were £23,057,000. 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		2020
	Restricted	Unrestricted	Restricted	Unrestricted	
	£'000	£'000	£'000	£'000	£'000
Fixed Assets	138,708	3,756	14,573	686	157,723
Current Assets	776	6,509	3,280	2,399	12,964
Current Liabilities	(961)	(1,145)	0	0	(2,106)
Long term Liabilities	(867)	(341)	0	0	(1,208)
Net Assets (before pension liabilities)	137,656	8,779	17,853	3,085	167,373
Pension Liabilities	0	(69,237)	0	0	(69,237)
Net Assets (after pension liabilities)	137,656	(60,458)	17,853	3,085	98,136

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

	Amgueddfa Cymru		Consolidated	
	2019/20	2018/19	2019/20	2018/19
	£'000	£'000	£'000	£'000
Net Income/Expenditure	5,280	35	5,280	26
Share of Joint Venture	108	108	108	108
Unrealised (Gains)/Losses on market value investments	425	(164)	425	(164)
Donated Assets	(5,460)	(649)	(5,460)	(649)
Depreciation	1,985	1,739	2,016	1,768
Impairment of Fixed Asset	(29)	59	(29)	59
(Increase)/Decrease in Stocks	(7)	5	(46)	(6)
(Increase)/Decrease in Debtors	90	(726)	(599)	116
Increase/(Decrease) in Creditors	(350)	(138)	(418)	(110)
Provisions movement	0	(569)	0	(569)
FRS102 current year pension costs	976	1,718	976	1,718
Net Cash Inflow from Operating Activities	3,018	1,418	2,253	2,297

20. Analysis of Cash and Cash Equivalents

	Amgueddfa Cymru		Consolidated	
	2019/20	2018/19	2019/20	2018/19
	£'000	£'000	£'000	£'000
Cash in hand	7,471	9,637	8,345	11,331
Short term notice deposits	799	791	799	791
Total cash and cash equivalents	8,270	10,428	9,144	12,122

21. Capital Commitments

	2020	2019
	£'000	£'000
At the balance sheet date there were capital commitments of	1,141	1,071

Major commitments as at 31 March 2020 related to the essential backlog maintenance works programme, including £657,000 for roof works at National Museum Cardiff. Major commitments as at 31 March 2019 also related to the essential backlog maintenance works programme, including roof works at National Roman Legion Museum, and replacement of humidifiers and chillers at National Museum Cardiff.

22. Contingent Liabilities and Guarantees

As at 31 March 2020 there existed two claims against us in respect of personal injury allegedly occurring at our Museums. We anticipate that any liability, currently estimated at £25,000, will be covered by our insurance.

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

23. Related Party Transactions

We are a Welsh Government Sponsored Body. The Welsh Government is therefore regarded as a related party. During the year we received funding from the Welsh Government in the form of Grant-in-Aid and other grant referred to in note 3 to the accounts. We also received £40,939 in relation to service activities from the Welsh Government and made payments of £6,250 to them. Outstanding balances with the Welsh Government, including loans, are referred to in notes 14, 15 and 16 to the accounts.

We made the following payments to other related parties in 2019/20. Unless otherwise stated there were no outstanding balances at the end of the year.

- £42,695 to Cardiff University. Dr Carol Bell, Vice President, is a member of the Council of Cardiff University. We also received income of £4,677 of which £412 (inclusive of VAT) is included as at debtor at the end of the financial year. Our trading subsidiary NMGW Enterprises Ltd received income of £5,722 during the year, of which £3,399 was overpaid by Cardiff University at the end of the year and is included as a creditor.
- £3,077 to Prysog Cyf. The sister of Glenda Jones, Trustee, is a Director of Prysog Cyf.
- Michael Prior, Trustee, was a board member of St John's College Limited until 16 July 2019. Our trading subsidiary NMGW Enterprises Ltd received income of £320 during the year.
- £1,400 to Children's Festival of Welsh History. Carys Howell, Trustee and Rheon Tomos, Independent External Member of the Audit and Risk Assurance Committee are directors of Children's Festival of Welsh History.
- Rob Humphreys, Trustee is a trustee and member of the Board of British Council. We received income of £62, and our trading subsidiary NMGW Enterprises Ltd received income of £333 during the year.
- £988 to Pembrokeshire Coast National Park Authority. Dr Madeleine Havard, Trustee, is a member of Pembrokeshire Coast National Park Authority, and Gwyneth Hayward, Trustee, was a member until June 2019.
- £9,954 to Dyfed Archaeological Trust. Hywel John, Trustee, is a Trustee of Dyfed Archaeological Trust
- £224 to Cardiff International Airport Ltd. Roger Lewis, President, was a Director of Cardiff International Airport Ltd until June 2020.

- Baroness Kay Andrews, Trustee, is a trustee of the National Lottery Heritage Fund. Grants received from the National Lottery Heritage Fund are identified in note 3 to the accounts

We received a total of £15,640 in donations from Trustees (£1,560 in 2018/19).

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

24. Financial Instruments

Amgueddfa Cymru has no borrowings other than interest-free loans from the Welsh Government's Invest-to-Save Fund and from Salix Finance Ltd, an independent, publicly funded company which provides the public sector with loans for energy efficiency projects. 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 2019/20 £24.8m or 64.8% of our consolidated income derived from the Welsh Government (£23.9m or 74.9% in 2018/19). The balance of £13.5m or 35.2% (£8.0m or 25.1% in 2018/19) is derived from grants from other bodies, trading and income generating activities, donations and investments.

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

25. Post Balance Sheet Events

The Accounting Officer authorized these financial statements for issue on 9 October 2020. There were no post balance sheet events.