



NATIONAL MUSEUMS & GALLERIES OF WALES

Financial Report



Addendum to the Annual Report of the Council 2000-2001

NATIONAL MUSEUMS &
GALLERIES OF WALES

FINANCIAL REPORT OF COUNCIL
2000-2001



AMGUEDDFEYDD AC ORIELAU CENEDLAETHOL CYMRU
NATIONAL MUSEUMS & GALLERIES OF WALES

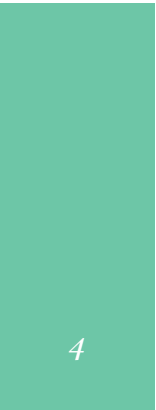
FINANCIAL REPORT 2000-2001

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Financial Report of Council

The National Museum of Wales, which operates as the National Museums & Galleries of Wales (NMGW) was established by Royal Charter in 1907, and its Charter was reviewed in 1991. Its activities during the period covered by the Report were funded predominantly by payments made by the National Assembly for Wales.

The Museum's purpose is the education of the public by the collection and preservation of objects relating to the story of Wales from the earliest times; scholarly research on these collections; and the enrichment of public understanding through their display and interpretation. NMGW's subjects include the country's flora, fauna, geology, cultural, social and industrial history, and its activities have been described as Telling Wales about the World and the World about Wales. In accordance with its Charter, the Museum reflects its Welsh collections in a world-wide context. It possesses an outstanding collection of 20th Century European painting and sculpture; is renowned for environmental studies based on international scientific collections; and collaborates, formally and informally, with other major academic institutions throughout the world.

The eight museums and a Collections Centre which comprise the National Museums & Galleries of Wales are as follows:

National Museum & Gallery (NMG), Cardiff – Situated in Cardiff's neo-classical Civic Centre, the first section of this museum opened in 1922; the east wing opened in 1932 and the northern section of the west wing followed in 1965. New art galleries, and a major geological display situated in the Centre Block of the Museum were opened in 1993. The Museum houses collections of archaeology, art, botany, geology and zoology, has several spaces devoted to temporary exhibitions, and recently opened an interactive area, the Glanelly Gallery, to show behind-the-scenes activity.

Museum of Welsh Life (MWL) St Fagans, Cardiff – A sub-department of Folk Culture and Industries was set up in 1932 and, following the gift of St Fagans Castle and its estate by the 2nd Earl of Plymouth in 1947, the present Museum of Welsh Life was set up as a branch of the National Museum of Wales. The Museum of Welsh Life's collections illustrate 2,000 years of Welsh history, with authentic re-erected buildings, from the 16th-century to the present day and into the future, drawn from all over Wales.

Roman Legionary Museum (RLM), Caerleon, Gwent – established in 1850 by the Caerleon Antiquarian Association, at the centre of the Roman legionary fortress of Isca this museum has been part of NMGW since 1930. During 1985/86, the existing 19th-century building was redeveloped and extended. In 1995 an educational resource centre (The Capricorn Centre) opened followed by The Studio in 1999 and the Pegasus centre in 2000 which provides additional space for 'living history' activities to accommodate the growing number of school children who visit the museum.

The Welsh Slate Museum (WSM), Llanberis – this museum was established in 1969 in the former Dinorwig Quarry Workshops, a listed and Scheduled Ancient Monument, to tell the story of the slate industry. It has recently undergone a £2.2 million redevelopment, largely funded by the Heritage Lottery Fund, which has successfully enhanced interpretation at the museum through the reinstatement of the V2 incline, the translocation of a number of quarrymen's houses and a dramatic 3-D audio-visual presentation "To Steal a Mountain".

The Museum of the Welsh Woollen Industry (MWWI), Dre-fach, Felindre, Carmarthenshire – opened in July 1976 in the former Cambrian Mills, recently listed by Cadw as the best surviving group of woollen mill buildings in the area once known as the Huddersfield of Wales. The Museum presents a picture of the technological, social, economic and artistic development of

the woollen industry in Wales. Comprehensive re-development plans for this museum will shortly be submitted to the Heritage Lottery Fund.

Turner House Gallery (THG), Penarth, Nr. Cardiff – a gallery of NMGW since 1921 which provides facilities for temporary exhibitions, mainly art.

Segontium Roman Fort Museum (RFM), Caernarfon – standing within the Roman Auxiliary Fort of Segontium, the museum houses finds from the 1921-23 excavations of the fort and the 1950's excavation of the mithraeum. Together with interpretative displays, the artefacts throw light on the daily life of the garrison and impact the Romans had on the area. Whilst NMGW has full responsibility for the interior of the museum, the exterior and excavated remains are jointly the responsibility of Cadw, the National Trust and Gwynedd County Council.

“Big Pit”, The National Mining Museum of Wales (NMMW), Blaenafon, was integrated into NMGW on 1 February 2001. It had previously operated for 18 years as an independent Charitable Trust and Limited Company. As part of the integration NMGW has acquired the Trust's trading subsidiary “Matchtake Ltd” as a going concern. Big Pit is the most popular of the three National Mining Museums in Britain and is one of only three sites in Europe where it is possible for visitors to enter authentic underground mine workings. Most of the buildings on the site have been listed as Grade II or Grade II star and it is regarded by Cadw as being the only functionally complete colliery site remaining in Wales. Big Pit, along with much of the Blaenafon area was recently awarded World Heritage Site Status.

The Collection Centre, Nantgarw, based in Rhondda Cynon Taf – currently houses most of the museums' industrial and maritime collection resited from the Welsh Industrial and Maritime Museum, Cardiff Bay (sold March 1998). This store is open to the public by appointment. An Archive Resource Centre was built within the centre during 2000/01 using receipts from the sale of premises in Bute Street, Cardiff.






Format of Accounts

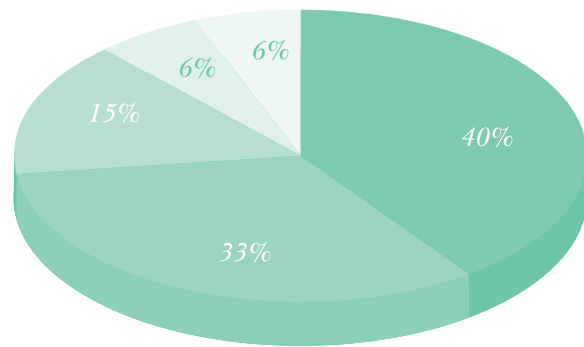
The accounts are prepared under Section 9(4) of Museums & Galleries Act 1992 in a form directed by the National Assembly for Wales with approval of the Treasury. A copy of the Accounts Direction is available on application to the Head of Finance and Audit. The Museums accounts are fully compliant with the requirements of the Statement of Recommended Practice (SORP 1995) “Accounting by Charities”. For the purposes of the SORP the Financial Report of Council represents the Annual Report of the Trustees. From 2001/02 the format of the Museum accounts will be amended to achieve compliance with the recently issued SORP 2000 “Accounting and reporting by Charities”.

Results and Appropriations




The Museum's consolidated net incoming resources before notional costs were £1,438,000 (£147,000 outgoing in 1999/00). The Museum's incoming resources were £19,352,000 (£17,112,000 in 1999/00) and the Museum's total resources expended were £17,914,000 (£17,259,000 in 1999/00) before notional costs. The net increase in funds for the year after taking account of all realised and unrealised gains and losses was £6,168,000 (net increase of £1,139,000 in 1999/00). Fund balances at 31 March 2001 stood at £66,949,000 (£60,781,000 at 31 March 2000).

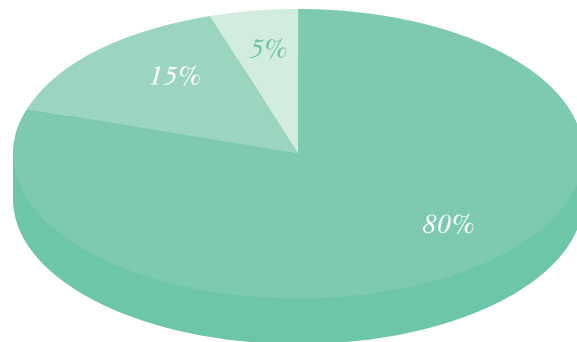
ANALYSIS OF TOTAL RESOURCES EXPENDED

	Collections, Care, Management and Research	33%
	Permanent Display, Education and Exhibitions <i>(Including major developments)</i>	15%
	Support Expenditure <i>(Including Warding and Technical Services)</i>	40%
	Fundraising & Marketing	6%
	Management & Administration	6%



ANALYSIS OF TOTAL INCOMING RESOURCES

	Grants Receivable	
	National Assembly for Wales	76%
	Other grants including from other government bodies	<u>4%</u>
	Admissions Income and Net Shop Sales	5%
	Other Income	15%



Including corporate functions, facilities fees, service charges, research grants, copyright fees, education, demonstrating craftsmen, donations, bequests, sponsorship, investment and bank interest.

The Museum performance against its Primary Performance Indicator targets set by the National Assembly for Wales are as follows:

	2000/01 Target	2000/01 Actual	1999/00 Actual
1. Visitor Numbers (000's)	738	690	662
2. Percentage of collections documented for inventory control	19.63%	25.60%	9.4%
3. Percentage of days open ^a	52%	45.50%	-
4. Self-generated income as a percentage of net operating spend ^a	4.64%	6.60%	-
5. Number of people visiting NMGW to participate in educational programmes (000's)	170	201	163

^a During 1999/00, NMGW took part in a DCMS review of Performance Indicators in National Museums. A revised set of Performance Indicators was adopted following this review, in consultation with the National Assembly for Wales, and this included new and re-defined indicators.

1. Visitor numbers were up 4% compared with 1999/00. We were close to reaching our stretching visitor number target but, during the last quarter of 2000/01, all Museums, except the National Museum & Gallery and Turner House Gallery were closed over a 20 day period owing to the foot-and-mouth epidemic.

2. During 2000/01, excellent progress was made on the fundamental process of documenting objects/specimens to inventory level. Individual and groups of objects/specimens documented for inventory control are those with core reference information attached to them, and NMGW aspires to document all its collections (estimated at 4,700,000) to this standard. 25.60% of collections are now documented at this level (well above the target set) including 38% of the Art collections, 29% of the Archaeology and Numismatics collections, 28% of the Biodiversity collections and 23% of the Geology collections.

3. Percentage of time open (calculated as a percentage of a maximum 12 hours per day, 365 days per year) was down on target owing to gallery closures within Museums primarily because of the Foot and Mouth crisis, flooding and staff shortages.

4. Self-generated income as a percentage of net operating spend was up on target despite loss of admissions income resulting from the broadening of free admission categories.

5. The number of people visiting NMGW to participate in educational programmes ('000s) was up on target and reflects those taking part in both formal and informal education activities (figure for 1999/00 reflects formal education visitors only).

Prompt Payment Performance

The Museum subscribes to the objectives of the Confederation of British Industry (CBI) code of practice and aims to pay valid invoices within 30 days of receipt. The average length of payment of invoices during 2000/01 was 25 days (19 days in 1999/00), which included 72% settled within 30 days. This increase was due primarily to payment delays in the first quarter arising from difficulties in the introduction of a new financial information system which experienced IT technical problems in its early stages.

Fixed Assets

The Museum undertook a full revaluation of its tangible fixed assets as at 31st March 2001 in accordance with Treasury regulations for public bodies which requires this every five years.

Tangible fixed assets are shown at depreciated replacement cost with the exception of the Nantgarw Collection Centre, which is shown at open market value.

This year's capital programme of £775,000 included expenditure on ICT infrastructure, Gable Walls at MWWI, installation of CCTV, Air-Cooling to Archaeology galleries at NMG and Boiler Replacement at MWL. Other works at various sites include Disabled Access, Health and Safety improvements, works to the Castle Kitchen and Fencing at MWL. The remaining work on the Waterwheel at the WSM was also financed from savings on the capital budget and a new tractor was purchased for MWL. The slight underspend of £5,000 is carried into 2001/02 against retention payments.

The Assembly allocated £218,000 additional funds in respect of the Capital Modernisation Fund for the computer Wide Area Network, digitisation initiatives and for public access to collection information.

The second phase of works at Nantgarw, the development of the ARC was completed in December 2000. It was partly funded from the capital programme with the remainder of the funding coming from the sale of 126 Bute Street for which Assembly approval was given. A total of £450,000 was spent.

In addition fixed assets with a net book value of £189,000 were brought into the custody of the Museum on the incorporation of the Big Pit Trust Ltd within the Museum's ownership on 1 February 2001.

Specimen Acquisition

Major purchases during the year include:

- Sixteenth century panel portrait of the 1st Earl of Pembroke William Herbert at a cost of £80,000
- *Viscountess Bulkeley as Hebe* by George Romney at a cost of £174,600
- A landscape by Frank Auerbach at a cost of £147,200
- Jackson Silver Collection at a cost of £554,000
- Miners Lamp Collection at a cost of £55,000

The Romney acquisition was supported by a National Art Collection Fund (NACF) contribution of £60,000 leaving a net cost to the Museum of £114,600. The Auerbach acquisition was supported by a NACF grant of £30,000 and a donation from the Derek Williams Trust of £58,000, leaving a net cost to the Museum of £59,200. The Jackson Silver Collection was supported by the Heritage Lottery Fund contribution of £300,000 and a NACF contribution of £92,000, leaving a net cost to the Museum of £162,000

Future Developments

The Museum is developing detailed proposals for the Waterfront Museum, to be delivered in partnership with Swansea City and County Council. It is hoped that this development will be financed from the proceeds of the sale of the Welsh Industrial and Maritime Museum and from European Regional Development Fund monies. In July 2001, the Heritage Lottery Fund gave its approval to the first stage funding application to support this project.

Following the integration of Big Pit at Blaenafon, a major redevelopment scheme for the site had been submitted and the Museum was delighted to receive the award of £4.96m from the Heritage Lottery Fund in February 2000 to contribute towards this work.

The Museum has well advanced plans with regard to major development at the Museum of Welsh Woollen Industry at Drefach, for which stage one approval from the Heritage Lottery Fund was given in 2000. A stage two application for funding is currently being considered.

The Museum will seek to generate new avenues of income by specific targeting of income sources and through an expansion of the Museum's Development Department. These developments have all been incorporated within the Museum's corporate plan, which places them in the overall context of the aims and objectives of the Museum.

Action taken with regard to the employment of disabled employees

The Museum implements a non-discriminatory recruitment procedure and is always prepared to consider applications from and to appoint disabled persons. Further, the Museum makes every effort to ensure that disabled employees are provided with the facilities necessary to carry out their employment effectively. In addition, the Museum's strategic plan includes investment in public facilities to improve disabled access to both buildings and information.

Welsh Language Policy

Following completion of the public consultation period on the draft Welsh Language Plan it was submitted to the Welsh Language Board, from whom it has received favourable comment, and is currently being implemented.

Action taken to maintain or develop the provision of information to and consultation with employees

The Museum communicates information to its employees by various methods including regular team briefing of all staff, quarterly addresses by the Director to all staff, open memoranda, memoranda to Heads of Departments and through consultation and negotiation with the recognised Trade Unions with whom both formal and informal meetings are held.

Court and Council Membership

In 1990, the Museum, which is a registered charity (Charity No. 525774, VAT No. GB 1345978 43), was granted a new supplemental Royal Charter and Statutes. The new Charter changed the composition of the Museum's Court and Council and confirmed The National Museum of Wales ('Amgueddfa Genedlaethol Cymru') as the body corporate in succession to that named in the original Charter. The Charter was amended in 2000 to recognise the authority of The National Assembly for Wales.

The executive authority is the Council which is responsible for the management and administration of the finances and property of the Museum in which is vested all monies contributed by the Treasury or derived from other sources and all lands, buildings, or gifts in kind devised or granted for the purpose of the institution.

Schedules of Court and Council members nominated at 31 March 2001, including leavers and starters during the year, are added to this foreword. The trustees of the Museum are the members of Council.

Auditor

The accounts are audited by the Auditor General for Wales in accordance with Section 9 (8) of the Museums and Galleries Act 1992.

Anna Southall
Accounting Officer and Director
Approved and signed on 21 August 2001

G. Wyn Howells
Treasurer, on behalf of the Council
Approved and signed on 21 August 2001

**COURT OF GOVERNORS
(At 31 March 2001)**

PRESIDENT

Mathew Prichard, CBE, DL, BA

VICE PRESIDENT

Alun Thomas, BA, FCA (to July 2000)
Roger G. Thomas OBE, LLB, CIMgt (from Oct 2000)

TREASURER

G. Wyn Howells ACIB

MEMBERS OF THE COUNCIL

NOT OTHERWISE MEMBERS OF THE COURT

Sir R. Hanbury-Tenison, KCVO, JP, KStJ, FRSA (to Mar 2001)
Mrs. A. Carey-Evans
R. G. Thomas, OBE, LLB, CIMgt (from Jan 00)
J. W. Evans CBE, MA

**APPOINTED BY THE LORD PRESIDENT OF THE PRIVY COUNCIL
AND THE SECRETARY OF STATE FOR WALES**

Dr. Susan J. Davies, BA, PhD
Dr Peter Warren CBE, MA
Linda D Quinn
C Malcolm Parry
Eirlys Pritchard Jones, BA
Dr Nancy M Edwards, BA, PhD, FSA

THE NATIONAL LIBRARY OF WALES

T. A. Owen (deceased), MA (OXON), MA (WALES), FRSA

THE UNIVERSITY OF WALES

Roderic Bowen, QC, MA, LLD (to Nov 2000)
Mair Waldo Thomas (from June 2000)
Professor John King (from Nov 2000)

WELSH JOINT EDUCATION COMMITTEE

Councillor D. Parry Jones

MEMBERS OF PARLIAMENT FOR WALES

Barry Jones, BSc
Dafydd Wigley, AM
W. Griffiths
3 vacancies

APPOINTED BY THE COURT

T. G. Jones, BA (to Mar 2001)
J. A. Davies, BSc, MA, PhD (to Mar 2001)
D. C. Jones-Davies, OBE, JP, MPhil, FRSA (to Mar 2001)
Sir D. C. Mansel-Lewis, KCVO, JP, BA, KStJ, FRSA (to Mar 2001)
Capt. Gwyn D. Pari-Huws (to Mar 2001)
H. Jones
D. Bowen Lewis

REPRESENTATIVES OF LOCAL AUTHORITIES

Councillor A. Earle (deceased)
Councillor J. G. Jenkins
Councillor R. W. Hughes
Councillor P. G. Larsen
Councillor P. M. Thomas
Councillor D. Phillips (to Nov 2000)
Dr. C. Grace
Councillor R. Francis Davies
Councillor D. Rogers
Councillor J. A. H. Harries
Councillor R. Cass
Councillor R. H. Poole
Councillor J. Huish
Councillor D. I. Bowen (from Nov 2000)

ORGANISATIONS IN WALES

Cambrian Archaeological Association:	K. Mascetti
The Council of the Royal National Eisteddfod:	G. E. Humphreys
The National Museum of Wales Society:	H. Looker
The Council of Museums in Wales:	J. Pembridge (to June 2000) Councillor R. Francis Davies (from Jan 2001)
Wales TUC Cymru:	Ms. A. Wellington
The Welsh Council of the CBI:	D. K. Jones, BSc (to Mar 2001)
The National Trust:	M. A. McLaggan
The Arts Council of Wales:	Sybil Crouch
Wales Tourist Board:	Jonathan Jones
The Welsh Wildlife Trusts Ltd:	Mrs. J. Raum, BSc, MIBiol, CBiol (to Feb 2001)
Countryside Council for Wales:	P. Loveluck
Council for British Archaeology:	F. L. Llewelyn
The Federation of Museums and Galleries in Wales:	C. J. Delaney, BSc (to Feb 2001)

COUNCIL
(At 31 March 2001)

PRESIDENT
Mathew Prichard, CBE, DL, BA

VICE PRESIDENT
Alun Thomas, BA, FCA (to July 2000)
Roger G. Thomas OBE, LLB, CIMgt (from Oct 2000)

TREASURER
G. Wyn Howells, ACIB

APPOINTED BY THE SECRETARY OF STATE FOR WALES

Dr. Susan J. Davies, BA, PhD
Mrs Eirlys Pritchard Jones, BA
Dr Nancy M Edwards, BA, PhD, FSA
Dr. Peter Warren

ELECTED BY THE COURT OF GOVERNORS

M. J. M. Clarke, MA, DL (to Oct 2000)
D. K. Jones, BSc (to Mar 2001)
D. Bowen Lewis

ELECTED BY THE COUNCIL

Sir R. Hanbury-Tenison, KCVO, JP, KStJ, FRSA (to Mar 2001)
Mrs. A. Carey-Evans
R. G. Thomas, OBE, LLB, CIMgt (to Oct 2000)
J. W. Evans CBE, MA

Statement on the System of Internal Financial Control

As Accounting Officer I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the National Museum of Wales. The system can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures including segregation of duties and various levels of delegation specified by H M Treasury, National Assembly for Wales and the Council of the National Museum of Wales.

In particular it includes:

- comprehensive budgeting systems with an annual budget which is approved by the Council;
- regular reviews by the Trustees of quarterly and annual financial reports, which indicate financial performance against the forecasts;
- setting targets to measure financial and other performance;
- procedures for the Trustees to review and agree the budgets;
- clearly defined capital investment control guidelines.

The National Museum of Wales has an internal audit service contracted to a leading firm of Chartered Accountants, which operates to standards defined in the Government Internal Audit Manual. The work of the internal auditor service is informed by an analysis of the risk to which the body is exposed, and annual internal audit plans are based on this analysis. The analysis of risk and the internal plans are endorsed by the body's Audit Committee and approved by me. At least annually, the internal auditors provide to Council a report on the internal audit activity in the National Museum of Wales. The report includes an independent opinion of the adequacy and effectiveness of the National Museum of Wales's system of internal financial control.

My review of the effectiveness of the system of internal financial control is informed by the work of the internal auditors, Council and the Audit Committee, which oversees the work of the internal auditor, and comments made by the external auditors in their management letter and other reports.

Implementation of the Turnbull Report

As Accounting Officer, I am aware of the recommendations of the Turnbull Committee and am taking reasonable steps to comply with the Treasury's requirement for a statement of internal control to be prepared for the year ending 31 March 2002, in accordance with guidance issued by them.

Anna Southall
Accounting Officer
21 August 2001

Statement of Council's and Director's Responsibilities

Under section 9(4) of the Museum and Galleries Act 1992, the Board of Trustees (the Council) 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 National Assembly for Wales with the consent of the Treasury. The accounts are prepared to show a true and fair view of the Museum's financial activities during the year and of its financial position at the end of the year.

In preparing the Museum's accounts the Trustees are required to:

- observe the accounts direction issued by the National Assembly for Wales including the relevant accounting and disclosure requirements and apply them on a consistent basis;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Museum will continue in operation.

The Principal Accounting Officer for the National Assembly for Wales has designated the Director as the Accounting Officer for the National Museum of Wales. The Director's relevant responsibilities as Accounting Officer, including responsibility for the propriety and regularity of the public finances for which she is answerable and for the keeping of proper records, are set out in the National Assembly for Wales Accounting Officers' Memorandum issued by the Treasury.

The Certificate and Report of the Auditor General for Wales to the Members of The National Assembly for Wales

I certify that I have audited the financial statements on pages 17 to 30 under Section 9(4) of the Museums and Galleries Act 1992. These financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed assets and the accounting policies set out on pages 21 and 22.

Respective responsibilities of the Council, the Director and Auditors

As described above, the Council and the Director of the National Museum of Wales as the Accounting Officer are responsible for the preparation of the financial statements in accordance with the Museums & Galleries Act 1992 and National Assembly for Wales directions made there under and for ensuring the regularity of financial transactions. The Council and Director are also responsible for the preparation of the Foreword. My responsibilities, as independent auditor, are established by statute and guided by the Auditing Practices Board and the auditing profession's ethical guidance.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Museums and Galleries Act 1992 and directions made thereunder by the National Assembly for Wales, and whether in all material respects the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them. I also

report if, in my opinion, the Foreword is not consistent with the financial statements, if the Museum has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent mis-statements or material inconsistencies with the financial statements.

I review whether the statement on page 14 reflects the Museum's compliance with Treasury's guidance 'Corporate governance: statement on the system of internal financial control'. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements.

Basis of opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council and Director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Museum's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the National Museum of Wales and the Group at 31 March 2001 and of the incoming resources and application of resources, and cash flows of the Group, for the year then ended and have been properly prepared in accordance with the Museums and Galleries Act 1992 and directions made thereunder by the National Assembly for Wales; and
- in all material respects the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn
Auditor General for Wales
3 September 2001.

National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

Consolidated Statement of Financial Activities for Year Ended 31 March 2001

	Notes	Public funds		Private Funds		2000/01	1999/00
		Restricted	Unrestricted	Restricted	Unrestricted	Total	Total
		£000's	£000's	£000's	£000's	£000's	£000's
Incoming Resources							
Grants Receivable	2	2,676	12,782	0	0	15,458	14,479
Donations and Bequests		64	26	332	48	470	875
Investment Income		0	0	45	7	52	56
Admission Income		0	685	0	0	685	802
Net Shop Sales	3	0	266	0	0	266	263
Other Income	4	1	851	3	67	922	637
Incorporation of Big Pit Trust Ltd	5	<u>1,385</u>	<u>114</u>	<u>0</u>	<u>0</u>	<u>1,499</u>	<u>0</u>
Total Incoming Resources		<u>4,126</u>	<u>14,724</u>	<u>380</u>	<u>122</u>	<u>19,352</u>	<u>17,112</u>
Resources Expended	6 & 7						
Direct Expenditure							
Charitable Expenditure							
Collection & Preservation		1,405	3,324	0	0	4,729	5,101
Research		359	779	0	0	1,138	1,310
Exhibition & Education		<u>484</u>	<u>2,238</u>	<u>44</u>	<u>0</u>	<u>2,766</u>	<u>2,464</u>
		2,248	6,341	44	0	8,633	8,875
Support Expenditure		<u>528</u>	<u>6,648</u>	<u>0</u>	<u>0</u>	<u>7,176</u>	<u>6,422</u>
Total Direct Expenditure		2,776	12,989	44	0	15,809	15,297
Other Expenditure							
Fund Raising and Publicity		38	800	0	223	1,061	899
Management and Administration		<u>73</u>	<u>971</u>	<u>0</u>	<u>0</u>	<u>1,044</u>	<u>1,063</u>
Total Other Expenditure		<u>111</u>	<u>1,771</u>	<u>0</u>	<u>223</u>	<u>2,105</u>	<u>1,962</u>
Total Resources Expended		<u>2,887</u>	<u>14,760</u>	<u>44</u>	<u>223</u>	<u>17,914</u>	<u>17,259</u>
Net Incoming / (Outgoing)		1,239	(36)	336	(101)	1,438	(147)
Resources Before Notional Costs							

Consolidated Statement of Financial Activities for Year Ended 31 March 2001 (continued)

	Notes	Public funds		Private Funds		2000/01 Total £000's	1999/00 Total £000's
		Restricted £000's	Unrestricted £000's	Restricted £000's	Unrestricted £000's		
Total brought forward from previous page		1,239	(36)	336	(101)	1,438	(147)
Notional Costs –							
Cost of Capital	8	<u>(3,698)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,698)</u>	<u>(3,613)</u>
Net Incoming / (Outgoing) Resources Before Transfers		<u>(2,459)</u>	<u>(36)</u>	<u>336</u>	<u>(101)</u>	<u>(2,260)</u>	<u>(3,760)</u>
Gains/(Losses) on disposal of fixed assets intended for Charity Use		(18)	0	0	0	(18)	95
Reversal of notional cost of capital		<u>3,698</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,698</u>	<u>3,613</u>
Net Incoming / (Outgoing) Resources For The Financial Year		<u>1,221</u>	<u>(36)</u>	<u>336</u>	<u>(101)</u>	<u>1,420</u>	<u>(52)</u>
Unrealised Gains on revaluation of fixed assets intended for Charity Use	9	4,761	0	0	0	4,761	1,107
Unrealised Gains/(Losses) on Market Valuation of Investments	10	<u>0</u>	<u>0</u>	<u>(11)</u>	<u>(2)</u>	<u>(13)</u>	<u>84</u>
Net Movement In Funds During The Financial Year		<u>5,982</u>	<u>(36)</u>	<u>325</u>	<u>(103)</u>	<u>6,168</u>	<u>1,139</u>
Fund Balances B/Fwd at 1 April	17	<u>58,246</u>	<u>408</u>	<u>1,842</u>	<u>285</u>	<u>60,781</u>	<u>59,642</u>
Fund Balances C/Fwd at 31 March	17	<u>64,228</u>	<u>372</u>	<u>2,167</u>	<u>182</u>	<u>66,949</u>	<u>60,781</u>

All activities are continuing

The net increase in funds attributable to the Museum's own activities during 2000/01 was £6,150,000. Matchtake Ltd reported a profit of £66,000 for the 2000/01 financial year.

The notes on pages 21 to 30 form part of these accounts.

Consolidated Balance Sheet as at 31 March 2001

		NMGW	Consolidated	NMGW
	Notes	2001 £000's	2001 £000's	2000 £000's
Fixed Assets				
Tangible Assets	9	60,238	60,238	53,745
Investments	10	<u>1,708</u>	<u>1,708</u>	<u>1,721</u>
		61,946	61,946	55,466
Current Assets				
Stock	11	412	437	405
Debtors due within 12 months	12	773	766	937
Debtors due after more than 12 months	12	4,000	4,000	4,200
Investments	13	250	250	13
Cash at Bank and in Hand		<u>805</u>	<u>805</u>	<u>689</u>
		6,240	6,258	6,244
Creditors				
Amounts falling due within one year	14	<u>(1,172)</u>	<u>(1,172)</u>	<u>(762)</u>
Net Current Assets		<u>5,068</u>	<u>5,086</u>	<u>5,482</u>
Total Assets Less Current Liabilities		67,014	67,032	60,948
Provisions For Liabilities and Charges				
Severance Scheme Costs	15 & 16	(83)	(83)	(167)
Net Assets		<u>66,931</u>	<u>66,949</u>	<u>60,781</u>
Funds				
	17			
Public Funds Restricted		64,228	64,228	58,246
Public Funds Unrestricted		354	372	408
Private Funds Restricted		2,167	2,167	1,842
Private Funds Unrestricted		182	182	285
		<u>66,931</u>	<u>66,949</u>	<u>60,781</u>

Signed on behalf of the Trustees by

Anna Southall

Accounting Officer and Director

Approved and signed on 21 August 2001

G. Wyn Howells

Treasurer, on behalf of the Council

Approved and signed on 21 August 2001

The notes on pages 21 to 30 form part of these accounts.

Cash Flow Statement for the Year Ended 31 March 2001

	Notes	2001 £000's	2000 £000's
Net Cash Inflow from Operating Activities	18	1,387	704
Capital Expenditure and Financial Investment	19	(1,034)	(545)
Management of liquid resources	20	<u>(237)</u>	<u>0</u>
Increase in Cash	21	<u>116</u>	<u>159</u>

The notes on pages 21 to 30 form part of these accounts.

Notes to the Accounts for the Year Ended 31 March 2001

1. Accounting Policies

1.1 Basis of Accounting

The Accounts are prepared under the historical cost convention, modified to include the revaluation of tangible fixed assets at their value to the Museum. They have been prepared in accordance with the Accounts Direction issued by the National Assembly for Wales with the consent of the Treasury. Without limiting the information given the Accounts meet the accounting and disclosure requirements of the Statement of Recommended Practice: Accounting (SORP) for Charities issued by the Charities Commissioners for England and Wales and the accounting statements issued or adopted by the Accounting Standards Board in so far as those requirements are appropriate. The Treasury has granted exemptions to the Charities SORP requirement for a Summary Income and Expenditure Account and from the need to disclose the historic cost of tangible fixed assets.

1.2 Acquisition of Subsidiary Undertakings and Basis of Consolidation

On 1 February 2001, the assets and liabilities of Big Pit (Blaenavon) Trust Ltd, together with its wholly-owned trading subsidiary Matchtake Ltd, were transferred to the Museum using the acquisition method of accounting. Subsequently, Big Pit Ltd was deregistered and is shortly to be wound up. The Museum intends to continue the operations of Matchtake Ltd, and the trading results of that company for February and March 2001 have been included within the consolidated financial statements. The accounts of Matchtake Ltd for the year to 31 March 2001 received an unqualified audit opinion.

1.3 Incoming Resources

All income is recognised in the Statement of Financial Activities when the conditions for receipt have been met. Grants are credited to the Statement of Financial Activities on a receivable basis. Income for services performed is credited when the service is provided. Donations and bequests are accounted for when conditions for their receipt have been met.

1.4 Tangible Fixed Assets

Leasehold and freehold properties are valued at their depreciated replacement cost, with the exception of the Nantgarw Collection Centre which is valued at open market value. Routine maintenance work in respect of these properties is written off in the year in which it is undertaken.

Plant, equipment, fixtures and fittings are valued at their depreciated replacement cost.

Items of a capital nature costing less than £5,000 are not capitalised.

1.5 Depreciation

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

Freehold and long leasehold properties are depreciated over their useful lives from 5 to 125 years.

Short leasehold properties are amortised over the life of the lease.

Plant, equipment, fixture and fittings are depreciated over 10 years. In specific cases e.g. items subject to technological changes or with a high obsolescence factor, a five year life is used.

1.6 Funds

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

Public Restricted Funds represent Capital and Specimen Purchase Grants receivable from the National Assembly for Wales.

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

1.7 Specimens

Purchases for the collection are charged to the Statement of Financial Activities in the year of acquisition. Specimens purchased using the National Assembly for Wales Specimen Purchase Grant are shown under the Public Funds Restricted heading in the Statement of Financial Activities.

1.8 Stock

The Museum maintains a stock of publications and other items for sale in its Shops. These are valued at the lower of cost and net realisable value. In the opinion of the Council, there is no material difference between the historic cost of stock and current replacement cost.

1.9 Investments

Investments are shown at market value. Gains and losses on disposal are credited or charged to the Statement of Financial Activities. Movements in the market value of investments held at the year end are also reflected in that statement in accordance with the Statement of Recommended Practice on Accounting for Charities.

1.10 Research and Development

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

1.11 Taxation

The Museum has been granted charitable status by the Inland Revenue. Non-recoverable Value Added Tax arising from expenditure on non-trading activities is charged to the Statement of Financial Activities.

1.12 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.

1.13 Cost of Capital

As directed by the National Assembly for Wales, a notional capital charge reflecting the cost of capital employed is included in operating costs and calculated at 6% of capital employed.

2. Grants Receivable

	Restricted	Unrestricted	2000/01	1999/00
	£000	£000	£000	£000
Revenue Grant in Aid	0	12,345	12,345	11,463
Specimen Purchase Grant in Aid	1,389	0	1,389	1,278
Capital Grant in Aid	775	0	775	775
Capital Modernisation Fund	0	218	218	199
Grants from other government bodies	<u>512</u>	<u>219</u>	<u>731</u>	<u>764</u>
	2,676	12,782	15,458	14,479

The Museum received total Grant from the National Assembly for Wales of £14,727,000 (£13,745,000 in 1999/00) which comprises the Revenue, Specimen Purchase and Capital Grant in Aid and the Capital Modernisation Fund.

3. Shop Operations

	NMGW £000	Subsidiary £000	2000/01 £000 Total	1999/00 £000
Sales	587	10	597	<u>607</u>
Cost of Sales:				
Purchases	(333)	(11)	(344)	(343)
Increase/(Decrease) in Stock	<u>6</u>	<u>7</u>	13	<u>(1)</u>
	<u>(327)</u>	<u>(4)</u>	(331)	<u>(344)</u>
Net Shop Sales:	<u>260</u>	<u>6</u>	266	<u>263</u>

Included within the staff costs under Public Funds (Unrestricted) are £206,000 (£194,000 1999/00) for shop staff costs (£200,000 for NMGW and £6,000 for the Subsidiary, Matchtake Ltd) and within other direct costs are £16,000 (£22,000 1999/00) for shop operating costs. Total Shop contributions to Public Funds (Unrestricted) was £44,000 (£29,000 1999/00).

4. Other Income

	Public Funds		Private Funds		2000/01 £000	1999/00 £000
	Restricted £000	Unrestricted £000	Restricted £000	Unrestricted £000		
Education, Schools income & Grants	1	107	0	0	108	38
Copyrights & research income	0	178	0	0	178	170
Sponsorship	0	6	0	66	72	66
Corporate Functions, Rents & Facility fees	0	279	0	0	279	297
Bank Interest	0	24	3	0	27	21
Demonstrating crafts & contributions to Museum costs	0	85	0	1	86	45
Contributions to Waterfront Project	<u>0</u>	<u>172</u>	<u>0</u>	<u>0</u>	172	<u>0</u>
	1	851	3	67	922	637

5. Incorporation of Big Pit Trust Ltd

On 1 February 2001, the following assets and liabilities of Big Pit (Blaenavon) Trust Ltd were transferred to the Museum:

	£000
Fixed Assets	189
<i>Add: Fair Value Adjustment</i>	<i>1,196</i>
Stocks	19
Debtors	10
Cash	103
Creditors & Accuals	<u>(18)</u>
	1,499

The £189,000 Net Book Value of the acquired Big Pit fixed assets represents the historic cost less accumulated depreciation of these assets to that company. Following a valuation by the Museum's external valuers at 31 March 2001, a fair value adjustment of £1,196,000 has been made, as required by Financial Reporting Standard No. 7 (see Note 9).

6. Total Resources Expended

	Staff Costs £000	Other Direct Costs £000	Depreciation £000	2000/01 £000	1999/00 £000
Direct Expenditure					
Charitable Expenditure					
Collection & Preservation	2,138	2,386	205	4,729	5,101
Research	592	489	57	1,138	1,310
Exhibition & Education	586	<u>2,124</u>	<u>56</u>	2,766	<u>2,464</u>
	3,316	4,999	318	8,633	8,875
Support Expenditure	<u>5,506</u>	<u>1,142</u>	<u>528</u>	7,176	<u>6,422</u>
Total Direct Expenditure	8,822	6,141	846	15,809	15,297
Other Expenditure					
Fund Raising and Publicity	557	466	38	1,061	899
Management and Administration	758	<u>213</u>	<u>73</u>	1,044	<u>1,063</u>
	1,315	679	111	2,105	1,962
Total Resources Expended before Notional Costs	10,137	6,820	957	17,914	17,259

Expenditure is allocated across the above six expenditure heads on the basis of staff apportionment, floor space or by direct allocation as appropriate.

The amount of £27,700 (£24,500 in 1999/00) is included in management and administration for auditors' remuneration, £24,500 for the audit fee and £3,200 for other work.

7. Staff Costs

(a) Staff costs during the year:

	2000/01 £000	1999/00 £000
Salaries and Wages	8,483	7,866
Social Security Costs	595	538
Other Pension Costs	1,018	931
Severance Costs	41	<u>0</u>
	10,137	9,335

Staff costs for 2000/01 include £96,000 in respect of Big Pit staff in the period after its incorporation within the Museum on 1 February 2001.

(b) The average monthly number of Employees comprised:

	2000/01 Number	1999/00 Number
Collection & Preservation	104	103
Research	29	28
Exhibition & Education	29	29
Support	268	246
Fund raising and Publicity	19	18
Management and Administration	37	<u>34</u>
	486	458

(c) The salary and pension entitlements of the most senior members of the Museum were as follows:

	Age	Salary £	Real increase in pension at age 60 £	Total accrued pension at age 60 at 31 March 2001 £
Ms Anna Southall Director, NMGW	52	66,146	950	4,182
Dr Eurwyn Wiliam Deputy Director, NMGW	52	58,019	1,000	21,400
Mr John Williams-Davies Director, Museum of Welsh Life	51	50,162	800	17,300
Mr Mike Tooby Director, National Museum & Gallery	44	46,566	600	700
Ms Ceri Thomas (left 4 June 2000) Director of Public Affairs	45	7,586	400	3,100
Mr Mark Richards (from 1 Dec 2000) Director of Resource Planning	42	15,332	600	1,800
Mr Robin Gwyn (joined 1 February 2001) Director of Strategic Communications	42	7,000	100	100

The Director is employed on a 5 year fixed term contract which is renewable (appointed 1 November 1998).

(d) Council members do not receive any emoluments. The total amount of travel, subsistence and hospitality expended by the Museum for its committee members was £20,000 (£16,000 in 1999/00).

8. Cost of Capital

Government Accounting requires the inclusion of a notional cost of capital, calculated by applying a percentage (currently 6%) to the average public capital employed. The cost of capital charge ensures an appropriate return on the taxpayers equity.

9. Tangible Fixed Assets

	Freehold Land & Buildings £000	Leasehold Properties £000	Plant & Vehicles £000	Fixtures, Fittings & Equipment £000	Total £000
Cost or Valuation					
At 1 April	12,326	42,837	330	1,631	57,124
Incorporation of Big Pit Ltd (Note 5)	189	0	0	0	189
Fair Value Adjustment (Note 5)	1,196	0	0	0	1,196
Additions in Year	517	34	131	640	1,322
Disposals in Year	0	0	(21)	(99)	(120)
Revaluation	(1,055)	3,008	(12)	(411)	1,530
At 31 March	13,173	45,879	428	1,761	61,241
Depreciation					
At 1 April	730	1,546	230	873	3,379
Charge for the Year	188	342	66	361	957
Eliminated in Respect of Disposals	0	0	(20)	(82)	(102)
Revaluation	(918)	(1,888)	(9)	(416)	(3,231)
At 31 March	0	0	267	736	1,003
Net Book Value					
At 31 March 2001	13,173	45,879	161	1,025	60,238
At 1 April 2000	11,596	41,291	100	758	53,745

9. Tangible Fixed Assets (continued)

The Museum's tangible fixed assets were professionally valued at 31 March 2001 by Cooke and Arkwright, Chartered Surveyors, in accordance with the Guidelines issued by the Royal Institution of Chartered Surveyors. The Big Pit Trust Ltd held its land and buildings on a leasehold basis. On incorporation into the Museum on 1 February 2001, freehold ownership of these assets passed to the Museum from Torfaen County Borough Council.

10. Fixed Asset Investments

	NMGW 2000/01 £000	Consolidated 2000/01 £000	1999/00 £000
At 1 April	1,721	1,721	1,637
Net Gain/(Loss) on revaluation	<u>(13)</u>	<u>(13)</u>	<u>84</u>
Market Value at 31 March	1,708	1,708	1,721

The historic cost of investments at 31 March 2001 was £951,000 (£951,000 at 31 March 2000).

The portfolio consists of Collective Investments (Unit Trusts) authorised by the Securities and Investments Board.

11. Stock

	NMGW 2001 £000	Consolidated 2001 £000	2000 £000
Shop goods for sale	251	276	245
Publication stock held separately	<u>161</u>	<u>161</u>	<u>160</u>
	412	437	405

12. Debtors

	NMGW 2001 £000	Consolidated 2001 £000	2000 £000
Amounts falling due within 12 months:			
Trade Debtors	147	147	97
Amount due from subsidiary	7	0	0
Sale of Welsh Industrial & Maritime Museum	200	200	200
Other Debtors	355	355	634
Prepayments	64	64	9
Less: Provision for bad and doubtful debts	<u>0</u>	<u>0</u>	<u>(3)</u>
	773	766	937
Amounts falling due after 12 months:			
Sale of Welsh Industrial & Maritime Museum	<u>4,000</u>	<u>4,000</u>	<u>4,200</u>
	4,773	4,766	5,137

The balance of sale proceeds from the Welsh Industrial & Maritime Museum held by the National Assembly for Wales on behalf of the Museum at 31 March 2001 was £4,200,000 (£4,400,000 at 31 March 2000). The Museum anticipates drawing down £200,000 within the next 12 months (£200,000 was drawn down in 2000/01) and the balance over the next five years to help finance the development/construction costs of the new National Waterfront Museum, Swansea.

13. Current Asset Investments

These comprise a Private Fund balance of £250,000 (£13,000 at 31 March 2000) held in a 14-day notice account.

14. Creditors

	NMGW 2001 £000	Consolidated 2001 £000	(Restated) 2000 £000
Amounts falling due within one year:			
Trade Creditors	522	522	536
Other Creditors and Accruals	<u>650</u>	<u>650</u>	<u>226</u>
	1,172	1,172	762

The prior year creditor figures have been re-analysed to provide a more accurate comparator with the creditor figures for 2001, although there is no effect on the total figure previously reported.

15. Provisions for Liabilities and Charges

	NMGW 2001 £000	Consolidated 2001 £000	2000 £000
Severance Scheme			
Balance at 1 April	167	167	241
Amount transferred to creditors due within one year	<u>(84)</u>	<u>(84)</u>	<u>(74)</u>
Balance at 31 March	83	83	167

16. Pension Commitments

(a) Severance Scheme Costs

	2000/01 £000	1999/00 £000
In 2000-01 pension costs consisted of:		
Museum's 13.6% contribution	936	856
Additional contribution (until April 2002) of 1.1% (Relating to the 1994-95 severance scheme)	<u>82</u>	<u>75</u>
	1,018	931

The future cost of funding the enhanced pensions is now £167,000. This resulted from the Actuary's advice that in order to meet the costs of the severance scheme in 1994/95 the contribution from the Museum needed to be increased from 6% (the Museum's contribution prior to 1999/00) to 7.1% for seven years commencing 1 April 1995. This increase of 1.1% is to fund the enhanced periods of pensionable service, calculated at a cost of £600,000 which resulted from the Museum's early severance scheme. This will be subsumed within the future change in the employers contribution increases.

(b) Triennial Valuation

The Museum operates a defined benefit pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Museum, being invested through appointed Fund Managers in a portfolio of holdings. Contributions to the scheme are charged to the statement of financial activities so as to spread the cost of pensions over employees' working lives with the Museum. The contributions are determined by a qualified actuary on the basis of triennial valuations using the Projected Unit method.

The most recent valuation was at 31 March 2001. The assumptions which have the most effect on the results of revaluation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment returns would be 6.5% pre retirement and 5.25% post retirement, that salary inflation increases would average 4.5% per annum and that present and future pensions would increase at a rate of 2.7%.

The Actuarial Valuation as at 31 March 2001 showed that the market value of the Scheme's assets was £38,909,000 which represented 98% of the benefits that had accrued to members, after allowing for projected salary growth.

Future employer contributions would need to increase with effect from April 2002, from 14.7% to 18.3% to meet the cost of benefits accruing and to amortise the deficit over a 10 year period.

The costs in respect of year ending 31 March 2001 have been assessed in accordance with the result of the Actuarial Valuation as at 31 March 1998.

17. Statement of Funds

(a) Total Funds	1 April 2000 £000	Incoming Resources £000	Resources Expended £000	Other Movements in Year £000	31 March 2001 £000
Public Funds					
Restricted - Capital	58,270	2,160	(1,208)	4,743	63,965
Restricted - Specimens	(24)	1,966	(1,679)	0	263
Total Restricted	58,246	4,126	(2,887)	4,743	64,228
Unrestricted	408	14,724	(14,760)	0	372
Total Public Funds	58,654	18,850	(17,647)	4,743	64,600
Private Funds					
Restricted	1,842	380	(44)	(11)	2,167
Unrestricted	285	122	(223)	(2)	182
Total Private Funds	2,127	502	(267)	(13)	2,349
Total	60,781	19,352	(17,914)	4,730	66,949

(b) The total **capital restricted funds** is represented by

	2001 £000	2000 £000
Freehold land & buildings	13,173	11,596
Leasehold properties	45,499	40,911
Plant & vehicles	161	100
Fixtures, fittings & equipment	1,025	758
Total Fixed Assets	59,858	53,365
Debtors	4,214	4,524
Creditors	(123)	(74)
Cash at Bank and in Hand	16	455
	63,965	58,270

(c) The total **private funds** is represented by

	2001 £000	2000 £000
Fixed Assets	380	380
Fixed Asset Investments	1,708	1,721
Debtors	0	4
Cash at Bank and in Hand	11	10
Current Asset Investments	250	13
Creditors	0	(1)
	2,349	2,127

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

	2000/01	1999/00
	£000	£000
Net incoming/(outgoing) resources for the financial year	1,420	(52)
(Profit)/Loss on Disposal of Fixed Assets	18	(95)
Fixed Assets Transferred from Big Pit Ltd at Valuation	(1,385)	0
Depreciation	957	805
Increase in Stocks	(32)	(26)
Decrease in Debtors	171	6
Increase in Creditors	322	141
Decrease in Provisions	<u>(84)</u>	<u>(75)</u>
Net Cash Inflow from Operating Activities	1,387	704

19. Capital Expenditure and Financial Investment

	2000/01	(Restated) 1999/00
	£000	£000
Payments to acquire tangible fixed assets	(1,234)	(995)
Proceeds from sale of tangible assets	0	350
Release of receipts from the sale of WIMM	<u>200</u>	<u>100</u>
	(1,034)	(545)

The prior year comparator has been restated to analyse proceeds from the sale of tangible assets separately from that of the release to the Museum from the Assembly of receipts from the sale of WIMM, although there is no effect on the total figure previously reported.

20. Movement in Liquid Resources

	2000/01	1999/00
	£000	£000
Short Term Investments at 1 April	13	13
Cash at 1 April	<u>689</u>	<u>530</u>
Net Funds at 1 April	702	543
Net Cash Inflow	116	159
Net Movements in Short Term Investments	<u>237</u>	<u>0</u>
Net Funds at 31 March	1,055	702

(Comprising Short Term Investments of £250,000 and cash of £805,000)

21. Movements in Cash

	2000/01	1999/00
	£000	£000
Net Cash at 1 April	689	530
Net Cash Inflow / (Outflow)	<u>116</u>	<u>159</u>
Net Cash at 31 March	805	689

22. Capital Commitments

	2000/01	1999/00
	£000	£000
At the balance sheet date there were capital retentions of	37	7

23. Contingent Liabilities

The Museum is in negotiation through its solicitors in respect of a number of claims for personal injury occurring at Museum sites. It is possible that the Museum will have to settle should the outcome of any negotiations or litigation be against the Museum. The Museum considers that the maximum potential liability against these claims is £35,000

There is a contingent liability in the event of the closure of the Big Pit National Mining Museum to make safe the mine shaft and surrounding areas. Decommissioning is likely to cost around £1 million and has been underwritten by the National Assembly for Wales.

24. Statement of Losses

As required by Government Accounting, the Museum is disclosing losses incurred in the 2000/01 financial year analysed as follows:

	£
Special Payments	2,064
Personal Injury Claim	27,788
Other Losses	<u>2,412</u>
	32,264

A special payment of £2,064 was made to an employee of the Museum for which approval was given by the National Assembly for Wales.

25. Related Party Transactions

The National Museum of Wales is an Assembly Sponsored Public Body. The Assembly is therefore regarded as a related party. During the year the Museum received funding from the Assembly in the form of Revenue, Capital and Specimen Purchase Grant in Aid, and a specific grant for the development of the New Waterfront Museum, Swansea released from the proceeds of the sale of the Welsh Industrial & Maritime Museum. In addition the Museum received funding from the Assembly's Capital Modernisation Fund.

During the year the Museum has had various material transactions with other entities for which the National Assembly for Wales is the sponsor, namely;

- Wales Tourist Board
- Countryside Council for Wales
- National Library of Wales
- Cadw

During the year, the Museum has had various material transactions in which the following members of the Museum declared an interest:

The Museum paid £14,900 in 2000/01 for the rent of 126 Bute Street to Business in Focus (Enterprise Agency), £2,800 to the University of Glamorgan and £23,400 to Cardiff University, Mr R.G. Thomas, Vice President, is a Board Member of Business in Focus, and is a member of Council at the University of Glamorgan and Cardiff University.

The Museum paid £2,000 to Gwynedd Archaeological Trust in 2000/01. Dr N.M. Edwards who sits on the Museum's Council and Court of Governors is the Vice Chair of Gwynedd Archaeological Trust.