NATIONAL LIBRARY OF WALES

England & Wales · Charity number 525775

Details

Status	Registered
Legal form	Other
Registered	1967-08-21
Register	View on the Charity Commission register

Contact

Address	National Library Of Wales Penglais Aberystwyth SY23 3BU
Phone	01970632577
Email	CAI@LLGC.ORG.UK
Website	www.llgc.org.uk

Activities

Objects: TO COLLECT, PRESERVE AND GIVE ACCESS TO ALL KINDS AND FORMS OF RECORDED KNOWLEDGE, ESPECIALLY RELATING TO WALES AND THE WELSH AND OTHER CELTIC PEOPLES, FOR THE BENEFIT OF THE PUBLIC, INCLUDING THOSE ENGAGED IN RESEARCH AND LEARNING.

Activities: Founded by Royal Charter in 1907, NLW is one of the legal deposit libraries of the UK and has benefited from this status since 1911. Through this privilege, by purchase, donation or legacy it has built up a significant collection specialising in Wales, the Welsh and the other Celtic peoples that includes a wide range of media: books, records, maps, pictures, films & for the benefit of the public.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** The General Public/mankind

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Geography

- **Area of benefit:** WALES
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£22,330,000	£17,617,000	£112,882,000	202
2024-03-31	£21,049,000	£19,988,000	£106,923,000	229
2023-03-31	£17,430,000	£19,393,000	£102,350,000	226
2022-03-31	£802,000	£14,834,000	£83,021,000	219
2021-03-31	£1,994,000	£14,097,000	£78,204,000	239

Trustees

Name	Role	Appointed
Ashok Ahir	Chair	2022-04-01
Andrew Evans		2022-04-01
David Hay		2021-04-01
Dr Andrew Cusworth		2023-11-01
Dr Andrew Prescott		2025-05-01
Dr Janet Wademan		2021-04-01
Dr Mohini Gupta		2025-01-01
Gronw Percy		2023-04-01
Hannah Lindsay		2022-02-01
Heledd Bebb		2025-01-01
JOSEPHINE WILLIAMS		2025-05-01
John Trevor Allen		2023-11-01
Michael Gibbon K.C.		2025-01-01
Quentin Howard		2019-09-01
Susan Davies		2021-04-01

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Linked charities

- DR THOMAS ALWYN JONES LLOYD BEQUEST (525775-1)
- THE TITHE AND CAPITULAR ESTATES ACCOUNT (525775-2)
- J B WILLANS BEQUEST (525775-3)
- GRIFFITH JOH MORRIS BEQUEST (525775-4)
- MARGARET EILIAN OWEN FELLOWSHIP (525775-5)
- CULTURENET CYMRU LIMITED (525775-6)

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NATIONAL LIBRARY OF WALES

England & Wales - Charity number 525775

Accounts

LLGC NLW

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THE NATIONAL LIBRARY OF WALES

ANNUAL ACCOUNTS 2024-25

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SECTION 1: PERFORMANCE

1 OBJECTIVES AND ACTIVITIES

1.1 Primary objectives

The National Library of Wales (the Library)'s primary objective, as expressed in Supplemental Charter 2006 is:

- *to collect, preserve and give access to all kinds and forms of recorded knowledge, especially relating to Wales and the Welsh and other Celtic peoples, for the benefit of the public, including those engaged in research and learning.*

The fundamental purpose and vision was to ensure that the unique history, culture and heritage of Wales, which has been documented in various forms and media over the years, is available at all times to enable everyone to obtain a better understanding of who we are, to explain the historic and cultural heritage that has shaped us as a nation over the centuries, and to encourage learning and research. It has two dimensions - a splendid physical building, in Aberystwyth, housing the print, manuscript, visual and audio-visual collections and also a library and archives, as well as a digital presence on the internet.

1.2 Public Benefit

In fulfilling their duties, the Trustees have complied with section 2 of the Charities Act 2011 by having due regard to the guidance published by the Charity Commission on public benefit. While our main beneficiaries are people living in Wales, the Strategic Plan 'Connecting Wales and the World' also emphasises our global impact both as a cultural destination for visitors and through our services to online users worldwide.

1.3 Main Activities

Our main activities, which are undertaken to further the charity's purposes for the benefit of the public in Wales, are as follows:-

1.3.1. Collecting:

Collecting materials by legal deposits, purchases, donations, bequests, exchanges, and deposit, according to agreed collection development policies.

This function is carried out through:

- creating as complete a collection as possible, in all media, of published material relating to Wales (and other Celtic countries to a lesser extent), including electronic and printed publications and audio/moving image material;
- maintaining (mainly through legal deposits and purchases) the most comprehensive collection in Wales of printed materials published in the UK and Ireland, and research material from other countries;
- developing collections of unpublished materials relating to or deriving from Wales, including archives and artistic work;
- gaining access to acquired work, processing, cataloguing and storing it in the most effective way.

1.3.2. Preserving and Conserving:

Preserving and conserving the collections. This function is carried out through:

- ensuring environment, storage and handling conditions are appropriate for continued preservation of the collections;
- intervening to actively conserve materials to arrest deterioration or to repair damage;
- transferring information to more appropriate preservation formats.

1.3.3. Providing access and information:

Providing suitable/effective public access to the Library building, its collections and services, and information about them. This function is carried out through:

- monitoring and analysis of user needs;
- providing access to public spaces, collections and facilities within the building;
- arranging access to collection items and information services for on-site users or via on-line communication for remote users;
- providing easy access to catalogues of the Library's collections and electronic resources, and to its corresponding digital versions.

1.3.4 Publicising and interpreting:

Raising awareness of, and disseminating knowledge of, the Library's work and collections. This function is carried out through:

- materials on the Library's website;
- guides and publicity materials in paper and on-line formats;
- exhibitions and educational/community activities derived from the collections, both at the Library and in other venues across Wales;
- events, lectures and seminars.

1.3.5. Professional collaboration:

Collaborating with, and sometimes leading, related professional groups, across and beyond Wales. This function is carried out through:

- acting as a focal point for library and archive bodies in Wales;
- working with bodies in Wales and beyond to pursue collaborative initiatives and partnerships in the broad heritage, culture and information sectors, and to advance professional practice.

Support functions:

The ***core functions*** are supported by essential management and business functions, including managing and developing staff; controlling and being accountable for financial resources and income generation; and maintaining and developing ICT infrastructure and the Library's building and facilities.

The Library submits an Annual Operational Plan to the Welsh Government on how the activities will be delivered and targets against these activities.

2. ACHIEVEMENT AND PERFORMANCE

2.1 Key highlights in 2024/25

This report provides an opportunity for reflection and to look forward. It was a year when the Library faced challenges, underwent transition and developed new opportunities.

The challenges and financial constraints are all too familiar and the beginning of the year was particularly difficult as the Library lost experienced staff from across the institution as part of a voluntary scheme. The staff responded admirably in adapting and working more flexibly while always seeking to maintain standards of service and uphold the quality of care for the collections. Despite the many challenges the Library performed exceptionally well against its targets in the Operational Plan and had its best visitor figures since 2011.

The Welsh Government supported the Library to mitigate the effects of the financial constraints as well as providing additional funding to deliver key infrastructure projects.

The realities of climate change and extreme weather events were apparent to all as well. Early in the year Storm Kathleen caused significant damage to historic roofs above collection storage areas. Swift action was undertaken to mitigate further harm, and we worked closely with the Welsh Government to assess the extent of the repairs that were needed. It also represented an opportunity to develop a scheme that would also advance our decarbonisation plans. Thanks to prompt consideration by the Welsh Government, we were awarded additional capital funding to undertake the extensive refurbishment of the roof of Stores 1 and 2 with the addition of 297 solar panels. Remarkably, having started in October 2024, the work was completed before the end of April 2025. I am extremely grateful to the team and to the Welsh Government support that meant a rapid response which has delivered a long-term and far-sighted solution. We were also proud to work with local companies to carry out the work and to have used materials that were sourced from Wales.

There were welcome developments on the policy agenda with the publication of the Welsh Government's Priorities for Culture. Along with many other partners, the Library had contributed to the creation of the Priorities.

The Priorities were also a key driver in helping shape the Library's new Strategic Plan for 2025-2030, 'Connecting Wales and the World'. The staff and the Library's Board members played a key role in developing the new strategy as well as the views of Library users, community partners and stakeholders in Wales and beyond. Following a public consultation early in 2025 the Strategic Plan was launched in May 2025.

Two adjectives that sum up the new strategy are clear and bold. The strategy places a strong emphasis on clarity of purpose and a bold approach to setting out key operational priorities and projects for the years ahead. The strategy sets a strong direction for collection development and care, for engagement with users and communities, and for how the Library will change and improve.

Galvanised by looking forward to implementing the new strategy the Library has continued to achieve a great deal in many ways this year. We have seen an increasing number of users and visitors in every way, and we have been more present than ever before in diverse communities across Wales. The Library is in a good place to deliver more for the people of Wales.

1. Preserving the Nation's Memory

The Library's purpose is to work with the people of Wales to preserve, grow and share the nation's memory and culture. The work of developing the collections at the heart of that mission continued this year. We continued to receive and make available published content along with a diverse range of new unique and archival items. Digital and audio-visual content continues to grow quickly and the increasing focus on digital preservation remains a priority. Access to digital collections received a major boost at the end of the financial year with the resumption of the electronic legal deposit service. This service had been unavailable since the devastating cyber-attack suffered by the British Library in October 2023. Working with the British Library and the UK Legal Deposit partners, this hugely valuable resource was once again made available at the National Library's sites in Aberystwyth and Cardiff in early April 2025.

Collection Care and Conservation

The highly skilled conservation team at the Library continue to make a crucial contribution to collection care. Despite reduced capacity within the team due to financial constraints, the team played a vital role in several initiatives in addition to scheduled conservation and repair work on rare books, manuscripts and maps from the collections.

One of the notable pieces of work was the careful restoration and repair of a rare book of land Indenture along the area known as the Welsh Tract, Pennsylvania, in the late 17th century. The volume was in a poor condition on arrival, and needed to be carefully un-bound, and given treatment and repair to most of its pages. The volume was digitised before being re-bound.

The team worked with the Royal Commission of Ancient and Historical Monuments to safeguard film reels of aerial footage shot during WWII. This involved removing the reels from the original metal cylinders, placing the film onto plastic cores, splicing film together for greater efficiency and placing the reels into new plastic cylinders.

Another collaboration with the Royal Commission during the year involved the repair of a series of maps and plans of historic mines in the area around Aberystwyth. The maps and plans contribute to our understanding of the landscape and geology and the process of industrialisation in that area and the damaging environmental impact that continues to be felt today.

Conservation skills are invaluable and are key to our new plans to boost an area which represents a shortage and a risk for the Library and for the preservation of the nation's heritage. We were very proud to note that one of the team's young members of staff attained the Certificate in Archive Conservation (ARA).

Archive and unique collections

There are many highlights this year where the unique and archival collections played a prominent role in notable events and milestones. In 2024 the Welsh Office (now the Wales Office) celebrated 60 years since its establishment and the Library's Welsh Political Archive prepared an engaging exhibition as part of that event. 2024 also marked 25 years since the first Welsh general election and the beginning of the National Assembly for Wales (now Welsh Senedd / Parliament). This event was also supported by the collections of the Welsh Political Archive with content and exhibition material. Supporters of the Archive enjoyed a fascinating Annual Lecture delivered by Professor Charlotte Williams on the 18th of October.

The work of the decolonization project officer continues, and we have been focused on revising archival descriptions and reviewing inappropriate language in the catalogue. The study will lead to training for cataloguers.

This year saw the beginning of an important collaboration with the Workers Educational Alliance / Coleg Harlech. The Library is received an archive collection along with a generous donation of funding which will enable valuable work on the collection's care and access.

The unique collections naturally include many formats. Work in the audio-visual field remains very active and this year the team:

- Completed the digitisation of 5,518 film clips and 6,283 video programmes as part of the Broadcast Archive project
- Enabled 5,340 video clips to be made available online as part of the Broadcast Archive project
- Completed the BFI-funded Disabled Wales project which considered the accessibility of the Screen and Sound Archive's film and video collections, and the representation of disability within them, through research, collaboration with partners, and a series of workshops.
- Also digitised the Welsh-language feature film 'Oed yr Addewid' (Age of Promise), an initiative funded by Film Hub Wales
- Commenced the Intelligent Systems for Screen Archives collaborative project with King's College London and other BFI-funded audiovisual Archives, which explores the potential to use Artificial Intelligence in the curatorial work of audiovisual archives

Notable rare book and archival acquisitions include:

- 'Biblia sacra cum glossa ordinaria' (Antwerp, published 1634), six folio volumes edited by John Jones (1575-1636), a Benedictine monk from Brecon.
- 'The political state. V. 23', June 1722, featuring an early description of notorious Welsh pirate, Barti Ddu (Bartholomew Roberts).
- 'The castle, or picture of pollicy shewing forth most liuely, the face, body and partes of a commonwealth' by William Blandie (published 1581), featuring poetry by Ludovic Lloyd (fl. 1573-1610), royal courtier, compiler and poet descended from the Blayney family, Gregynog Hall, Welshpool.
- Letters patent, 9 November 1587, granting the rectory at Llanegryn, co. Merioneth, to Thomas Ellis ap John Wyn of Llangollen, yeoman of Her Majesty's chamber. The Great Seal of Elizabeth I, engraved by Nicholas Hilliard, is attached.
- Pedigree roll of the Davies family of Erlisham, Gresford, Wrexham, written during the early 17th century. From the archive of the Davies-Cooke family of Gwysaney, Flintshire (*Welsh Pedigree Rolls* no. 311A).
- Pedigree roll of the Parry family of Poston, Ewyas, Herefordshire (a Welsh family, formerly of Llandyfaelog Tre'r Graig, Breconshire), deriving from the family archive of Montagu of Lackham, and illustrated with over a hundred coats of arms. The roll is in the hand of genealogist Walter Hopkin(s) (*fl.* 1610-1644) of Brecon.
- A commonplace book in Welsh, 1666-1667, written by Edward Williams of Llansilin, Montgomeryshire, son-in-law of noted scribe William Maurice (1619/20-1680) of Cefn-y-braich, Llansilin. The volume contains accounts, poems, and notes of weather, and is an important addition to a group of manuscripts forming a local 'school' of scribal activity.
- A late 17th-century volume recording sales of land by agents of William Penn (1644-1718) to families and individuals, in Wales and Pennsylvania between 1683-1694, who were associated with the Society of Friends. The lands are sited in Pennsylvania known as 'the Welsh Tract'.

- Personalia of the notable Mysevin family of Denbighshire, including material relating to lexicographer William Owen Pughe (1759-1835) and his son Aneurin Owen (1792-1851). The collection includes two portraits, an annotated copy of Pugh's *Dictionary of the Welsh Language, explained in English* (1803), medals awarded to father and son, 1824-1832, and a large document signed by attendees at a tribute dinner held for Pughe at Denbigh in March 1834.
- A volume of cookery and medicinal recipes, *c.* 1863, associated with North East Wales, and possibly with the Myddelton family of Chirk. From the collection of cookery writer Elizabeth David.
- A lengthy autograph musical quotation signed by Italian composer Gioachino Rossini, and dedicated to Welsh pianist and composer Henry Brinley Richards (1817-1885) in Paris, April 1863.
- Additional papers of antiquary Evan Roberts (1877-1977) of Llandderfel, Merionethshire, comprising notebooks, cuttings, diaries and letters from correspondents such as John Cowper Powys, John Redwood Anderson, T.E. Nicholas and Bob Owen of Croesor (added to Evan Roberts, Llandderfel Papers).
- A visitors' book kept at the home of influential schoolmaster and poet Watkin Hezekiah Williams ('Watcyn Wyn', 1844-1905). The volume includes entries by prominent Welsh literary figures, including poet Edward Thomas (1878-1917).
- A substantial collection of letters addressed to William McCance (1894–1970), second Controller of the Gregynog Press. It includes letters from Blair Hughes-Stanton (1902-1981), Stanley Morison (1888-1967), Dora E. Yates (1879-1974) and Thomas Jones, C.H. (1870-1955) (Lyon and Turnbull, Edinburgh, 19 September 2024, lot 190) (added to Gregynog Press Records).
- A large collection of letters and cards, 1911-31, addressed to Griff Jones ('Gytto'), cartoonist, and Secretary to the Swansea Independent Labour Party. The collection includes letters and postcards from Ramsay MacDonald (1866-1937), Philip Snowden (1864-1937) and Benjamin Tillett (1860-1943), together with associated photographs.
- A typed letter sent jointly in August 1934 from 5 Cwmdonkin Drive, Swansea by Dylan Thomas and his friend A.E. ('Bert') Trick (1898-1968), addressed to left-wing activist Ithel Davies (1894-1989), care of the *West Wales and Swansea Guardian*.
- A collection of material relating to Dylan Thomas, including a holograph letter, 22 June 1940, addressed to civil servant Sir Edward Marsh (1872-1953), thanking the recipient for his assistance in releasing the poet from the threat of conscription. The collection also includes typescript corrected drafts of three literary works by Thomas, sent to the novelist, critic and broadcaster Desmond Hawkins for inclusion in literary periodicals (added to the Jeff Towns (Dylan Thomas) Collection).
- Eight-page holograph score of a portion of Daniel Jones' incidental music for Dylan Thomas's *Under Milk Wood* (1954), a 'play for voices'. From the archive of publishers J.M. Dent (NLW MS 24222E).
- A collection of letters, cuttings, photographs, and books relating to actor and dramatist Emlyn Williams (1905-87). The material was collected by Hettie Owen, long-time companion and housekeeper to Florence Thomas (1852-1958), mother of Dylan Thomas. It includes holograph letters addressed to Florence Thomas and Hettie Owen, and two letters addressed by Williams to his actor friend John Stratton (NLW ex 3125).
- Papers of poet Tegwen Lewis (1915-1988) of Llanharan, Glamorgan, a prolific winner of eisteddfodic awards, and author of two volumes of poetry written in English. Her archive includes manuscript drafts of poems, pencil drawings, diaries, correspondence and newspapers cuttings (Tegwen Lewis Papers).
- Additional papers of former National Poet of Wales, Gwyneth Lewis (1959-), including material relating to her published volumes *Clytemnestra* (2012), and *Treiglo* (2017), and her

translation (with Rowan Williams) of *The Book of Taliesin* (2019), together with associated correspondence, and files relating to her public activities (added to Gwyneth Lewis Papers).

- Papers of business leader David Rowe-Beddoe (Baron Rowe-Beddoe of Kilgetty, 1937-2023), including papers relating to his chairmanship of the Welsh Development Agency (WDA) and the Wales Millenium Centre (Lord David Rowe-Beddoe Papers).

2. Sharing knowledge about Wales and its people

The Library's mission involves sharing the unique stories and collections about Wales and its people and this year provided ample opportunities across many platforms and projects.

Sharing content digitally is critical to expanding access to the collections. This year the Library continued to share and present collections on platforms such as People's Collection Wales, Wikimedia, Europeana and Google Arts and Culture and contributed to the National Contemporary Art Gallery for Wales online presence. One example saw the sharing of 128,388 digital versions of photographs from the Geoff Charles collection, the largest sharing of images from the Library's collections to date.

The S4C television series *'Cyfrinachau'r Llyfrgell'* proved to be a particular highlight and its quality as a series was later recognised at the RTS Cymru Television awards. The series was first broadcast on 17th September 2024 and continues to be streamed by viewers in Wales and beyond. The series took four well-known personalities and charted their backgrounds, careers and interests through the Library's collections and stories. Library staff and their expertise featured prominently and we are looking forward to a second series in 2025.

The Welsh Women's Peace Petition project moved forward this year with the establishment of its new website as well as work continuing to transcribe the 390,296 signatures and addresses thanks to the fantastic efforts of volunteers. Exhibitions around the Petition were located at St Fagans National History Museum, Riverside Gallery Haverfordwest and Storiel Museum in Bangor. We are looking forward to opening a permanent exhibition for the Petition at the Library in autumn 2025.

Good progress was also made on developing CELF, the national contemporary art gallery for Wales. The Library works closely with Amgueddfa Cymru, the lead partner, and the Arts Council for Wales and ten partner galleries in different parts of the country. Its aim is to improve access for people across Wales and beyond to both physical and digital collections. The Library achieved its targets for digitising artworks and is working with the partners to drive a big increase in loans and exhibitions with the participating galleries. One example was the loan of the Shani Rhys James painting 'Studio with Gloves' to Storiel in Bangor, to feature in the Gofod Mewnol/ Inner Space exhibition of works by Shani Rhys James and Stephen West. This vast painting was taken down and packed carefully by the exhibitions team, ready to go in February. It was then transported up to Bangor the week before the exhibition opening in early April.

Long established as a joint project with Amgueddfa Cymru - National Museum Wales and the Royal Commission, the People's Collection Wales continues as an important community engagement initiative enabling groups and communities to develop digital archives about their rich history and stories.

This year project has been working with BAWSO, a group of ethnic minority individuals who have been victims of violence and racism. Projects have also been developed with Welsh Asian Heritage together with the Jewish Historical Association of South Wales. The team is also collaborating with

the Welsh Refugee Council to develop a digital storytelling toolkit to enable people who have experienced forced migration to tell their stories.

Other examples include:

1. Continuing the island archive work that has taken place on the islands of Skokholm, Skomer and Bardsey, PCW has been supporting the same process on the island of Flat Holm.
2. Celebrating the history of Welsh hockey since 1888, PCWs continued support for the *Welsh Hockey project* since 2022 has resulted in the publication of an extensive archive of historical material on the PCW platform.
3. PCW worked with St Helen's Church Parish, Caerphilly, in compiling the history of the Church, the information about the physical building of the church but also in recording individuals' memories in photographs and oral histories.
4. The Llanishen Digital Memories Project, led by Welsh Water and the Friends of Cardiff Reservoirs, with the support of PCW and Digital Communities Wales (DCW), aims to record and share memories, photographs and memories of the community, making them available through PCW.

Promoting diversity is central to the project – not only in addressing race but also in challenging prejudices related to gender, disability, sexuality, class, religion, and more. To support this PCW developed a toolkit, a practical resource to help contributors confidently share materials that engage with complex histories. The toolkit has been rolled out to a variety of archives, museums, and community groups.

3. Connecting Communities

The Library's new strategy places a greater emphasis on engaging more widely that ever before to connect with a broader range of communities.

The growing number of Wales Broadcast Archive Clip Corners provided an excellent platform for engagement activities in different parts of Wales with a diverse range of groups and partners and giving priority to working with groups facing different barriers to benefiting from cultural opportunities.

Engagement projects took place in the communities of Blackwood, Ystradgynlais, Treharris, Glamorgan Archives, Conwy Cultural Centre, Llangefni, Caernarfon, and Bethesda. The next period will see further activity in and around Merthyr Tydfil, Wrexham and Flintshire.

Alongside the engagement programme, the Broadcast Archive has fulfilled its technical brief. Clips from the ITV Wales Archive have been published on the Clip Cymru website and are available to view outside the Library and Clip Corners. The total number of 'online for all' items has reached its target of 5,000. The voluntary project to improve the metadata for ITV clips is progressing well. The digitisation work of the 1" ITV film project was completed, with a total of 11,801 items (113% of the project's target) digitised.

The Urdd National Eisteddfod in Meifod and the National Eisteddfod in Pontypridd provided ample opportunity to connect with young people, families and partner organisations as we celebrated the two largest festivals celebrating the Welsh language and culture. The exhibition stands were curated to give a distinct and local flavour to the displays as well as the events programmes.

Working in partnership is a crucial aspect of engagement activities. The Library and archive sectors in Wales are among our closest partners. During the year the Archives and Records Council Wales (ARCW) supported a wide range of initiatives working with local and regional archives and special collections. Supported by the Welsh Government, the Library provides an important co-ordinating and administration service for ARCW. There was further emphasis on improving diversity through the commissioning of a Diversity Toolkit by Melian Dialogue, a booklet entitled 'Our Archives: Celebrating Diversity in Wales' by Jasmine Violet, and the completion of specialist guidance 'Revising Archival Descriptions' to identify and deal with racist, misogynist and ableist terms and language. In 2025 ARCW will look forward to celebrating 30 years since its establishment.

The Library also continued to work with local library services and is funded by the Welsh Government to maintain and develop the libraries.wales website, which provides access to a huge range of digital resources including digital magazines and newspapers, eBooks and eAudiobooks and reference resources about Wales and the world.

Exhibitions at Aberystwyth and at other locations are a wonderful opportunity to connect with communities and with audiences. This year saw the highest number of visitors to the Library building at Aberystwyth since 2011. The exhibitions programme played a very important role in this.

The 'Idyll and Industry' exhibition in Oriel Gregynog featuring a work by Venetian master Canaletto borrowed from the National Gallery in London opened in May 2024 proved to be very popular. The loan was part of the NG's bicentenary celebration. The painting stood alongside a wonderful selection from the Library's art collection. The exhibition also featured archive letters, records and film from the period prior to the Second World War when works from London's National Gallery were kept in Wales for safe keeping. The exhibition also featured new audio-description to enhance accessibility. There was also a series of talks and school and community workshops and a special out-reach project with the young people of Blaenau Ffestiniog.

This was followed in November 2024 by the 'No Welsh Art' exhibition curated by Peter Lord, a leading authority on the visual culture of Wales. The exhibition brought together works from Peter's unique personal collection alongside works from the Library's collection and de-bunked the myth of there being no tradition of Welsh arts and artists. The response to the exhibition was very enthusiastic and drew considerable attention in the media. Alongside the exhibition a busy engagement programme involved talks, thematic evenings, and workshops for groups and schools. The talks and thematic evenings with guest speakers explored topics such as Women in Welsh Art; Art Patrons; Art Secrets; Art and Poetry; Art, Politics and Protest, and Art and Identity. The speakers included Ceridwen Lloyd Morgan, Jill Piercy, Oliver Fairclough, John Barnie, Iwan Bala, Sara Rhoslyn, Mfikela Jean Samuel, Christine Mills along with Peter Lord, curator of the exhibition. A monthly guided tour took place led by Peter Lord with some including BSL interpretation. The Library also hosted special tours for blind or partially sighted visitors, making this our most accessible exhibition to date. We also welcomed groups that traditionally face barriers to NLW, offering bespoke tours, lunches and creative workshops. Participants included elderly visitors from Borth, palliative care individuals from HAVAV, and people living with brain injuries from Headway Ceredigion, with overwhelmingly positive feedback.

4. Education, Skills and Research

Developing learning and research is core to the Library's mission. We welcome researchers and scholars from all disciplines to use unparalleled resources. The number of researchers in the Reading Room has continued to increase steadily since the Covid period.

AHRC-funded PhDs are continuing within the Collections Departments department consisting of those focusing on the archives of Ann Clwyd, Folk Music, and Gwenallt; and 3 archival PhDs as part of the CPD4 scheme.

NLW works with higher education partners on a range of projects. The Dictionary of Welsh Bibliography in partnership with the Centre for Advanced Welsh & Celtic Studies continues to be an important resource and this year's focus was on improving diversity and inclusiveness. The Centre, along with Cambridge University, is continuing to work closely on developing the Repertory of Welsh Manuscripts and Scribes. NLW is also very active in international initiatives around digital heritage and culture. These initiatives, with heritage and university partners such as Europeana, are developing accessibility standards, naming and digital image standardization and exploring the innovative and responsible use of artificial intelligence.

Education Service

Working with schools, NLW's activities are tailored to the requirements of the new curriculum. The programmes use current projects and exhibitions as a platform. Examples of this include use of the Wales Broadcast Archive to explore social history as well as developing skills in the creative industries. Similarly, the exhibitions in Oriel Gregynog were a springboard for programmes engaging with learners of all ages. Another example saw the Education Team work in partnership with e-sgol, the Welsh Government supported initiative to expand accessibility to curriculum opportunities through e-learning and hybrid-learning. The Library held a series of virtual workshops to engage hundreds of learners. The theme of the workshops was 'Welshness', the presentation by Education staff used items from our collection to celebrate the language, legends, music, individuals from diverse backgrounds, and iconic events. Over 1,000 learners took part in four sessions, with an exciting digital quiz being held about the content of the presentations during the session. The winners of the quiz came to the Library to compete in the 'Champions of Champions' quiz.

Another outreach tie-in involved the Urdd National Eisteddfod. Year 6 pupils from Ysgol Rhosafan visited the Library as part of the Broadcast Archive's anniversary celebrations. As the school is in the catchment area of the 2025 Urdd Eisteddfod, the Library developed a creative project and resources based on Photography and the visual image since Margam Park is where the earliest photograph in the NLW collection was taken in 1841 by Calvert Richard Jones). The workshops explored the scientific processes of photography, the differences between analogue and digital formats, and the school worked to produce a film along with an exhibition of postcards about their local area to be showcased at the Urdd Eisteddfod.

Volunteer Service

NLW currently has over a hundred volunteers who support our work, most of whom contribute each week. Around 40% are young people in education, around 30% are unemployed or experiencing barriers to returning to the working world, and around 30% are retired or self-employed. NLW was awarded funding by Volunteer Wales to increase support and mentoring to the volunteers suffering from mental or physical health issues.

Volunteers have been involved in 25 different projects during 2024/25, including transcribing on Torf (our digital crowdsourcing platform), cataloguing photographs, transcribing ITV programme index cards, and listing posters. These projects provide opportunities for everyone to contribute to the Library's mission.

5. Enablers

With financial constraints and the resulting reduction in staffing, NLW had to work harder than ever to support a skilled and healthy workforce. This involved working ever more closely with NLW's trade union representatives and to communicate and consult with the staff. Towards the end of the year a series of changes to NLW's structure were introduced, including the creation of two new Departments, responsible for Collection Care and Engagement. These new Departments provide greater capacity for addressing two of the very clear priorities in the new strategy. Across NLW, there were programmes to deliver training and development as well as a new focus on succession planning. Training programmes for new and existing managers continued to run alongside professional development courses in areas such as collections care in specialist curatorial areas.

Work continued to protect and develop NLW's physical as well as digital estate. The most significant project saw the completion of urgent repairs to the roof of Bookstacks 1 and 2. Other projects made good progress too, including decarbonisation schemes with the installation of infrastructure for new ground source heating and additional PV panels. Improvements were made to internal spaces for users, visitors and for staff. Plans were developed for a series of further improvements that will lead to creating new engagement and exhibition facilities.

With the decision not to continue with the Atrium infill project to provide additional storage, NLW began work on a truly long-term solution for storage and preservation needs. This looks set to become a major project in the coming years.

As with the physical estate, NLW's digital estate is a vital asset to be developed and protected. NLW successfully achieved Cyber Essentials Plus and continued a robust programme to deal with older legacy systems and websites.

6. Looking Forward

The year began with NLW facing up to serious challenges that brought the need to adapt and to change. Thanks to the efforts of the staff and the support of the Board the Library went a long way to addressing those challenges while still maintaining overall an exceptionally high standard of service for the users, visitors and the people of Wales.

The level of collaboration with diverse communities and groups across Wales has never been higher. The focus on engagement will continue as we seek to provide opportunities and benefits for communities in every part of the country.

Development and care for the collections will continue to be the other major priority. Plans for long-term storage and preservation will be a crucial part of NLW's activities, and this will be in tandem with the need to protect the Library's digital infrastructure.

While protecting the estate, we also want to develop the Library's facilities for the benefit of NLW's users and visitors.

Lastly, we expect to make further progress on decarbonisation and getting closer to the milestone of Net Zero.

2.2. Key Achievement Indicators

The Library's performance against its targets was reported to the Welsh Government in 2024/25 as follows:

	Target	Attainment
Digital visits	1,900,000	1,962,534
International digital visitors to Library sites	850,000	837,850
Reach of the Library's content on Wikimedia	190,000,000	173,680,099
Number of impressions across social media channels	2,750,000	3,106,681
New items with interpretation published by the Library	1,200	1,052
Visitors to Library sites	50,000	88,844
On site volunteer hours	5,000	9,313
Social prescribing referrals	20	25
Number of events	150	552
Number of participants in events	10,000	13,876
User satisfaction - physical visits	96%	98%
User satisfaction - digital visits	80%	82%
Digital educational resources published online	20	14
Formal education workshops delivered	80	133
Informal learning sessions	100	185
Interactions with under-represented groups or organisations that represent these groups	20	49
% legal deposit material processed within 10 working days	90%	97%
Number of conservation hours	8,250	4,000

Performance against targets is reviewed by the Welsh Government and the Board with notes and interpretations being provided regarding achievements against targets.

We are obliged to monitor continuously and evaluate our work both quantitatively and qualitatively. Although our quantitative achievement indicators provide a snapshot of performance, the qualitative data from case studies and narrative reports continue to provide a more detailed snapshot, and an opportunity to reflect on our work and enrich it.

3 SUSTAINABILITY REPORT

The Library has made significant progress on decarbonising the estate, although the PV panels did not go live until May 2025 (post-year-end).

This report has been complied in accordance with the guidelines laid down by HM Treasury in *Public Sector Annual Reports: Sustainability Reporting Guidance*. During 2024-25, the following was achieved: -

	2024-25	2023-24	2022-23	2021-22
Energy consumption				
Electricity (kWh'000)	2,264	2,049	2,193	2,210
Gas (kWh'000)	2,395	2,662	2,838	3,019
Business Travel – miles	21,465	40,797		
Energy generated				
Electricity (kWh'000)	52	83	-	-
Financial indicators				
Electricity (£'000)	664	670	344	314
Gas (£'000)	133	234	118	87
Expenditure on business travel (£'000)	7	38	24	6
Total energy expenditure (£'000)	798	942	494	401
Water consumption				
Water consumption m^3	4,326	3,947	6,095	6,559
Water consumption m^3 per FTE*	18.8	17.3	26.73	30.78
Water supply costs £	£17,268	£18,001	£25,209	£27,785
Waste				
Total waste (tonnes)	15.26	34.80	33.37	38.99
Reused, recycled, composted	12.74	22.10	18.66	12.21
Landfill	2.52	12.70	14.71	26.78
Hazardous	-	-	-	-
Reused, recycled, composted as % of total waste	83%	63.5%	55.9%	31.3%
Total disposal cost	£25,303	£26,761	£17,756	£12,003
Greenhouse gas emission				
Total emission tonnes CO_2 equivalent				
Attributable to business travel	8.6	12	11	4
Attributable to energy consumption (1,000 tCO_2e)				
Electricity and Gas	937	1,209	934	1,020
Attributable to energy consumption				

*FTE = full-time equivalent

Note on Energy:

Costs are total for the site including energy supplied to adjacent building, but consumptions are only for National Library buildings.

Horticultural waste generated on site is composted on site. The quantity of this waste is not measured.

4 FINANCIAL REVIEW

4.1 Financial Results and Allocations

The accounts are prepared under Section 9(4) of the Museums & Galleries Act 1992 in a form directed by Ministers of the Welsh Government with the approval of the Treasury. The Library's net income/(expenditure) for the financial year were **£5,196k** (2023/24: **£2,271k**). The Library's incoming resources totalled £22.33m (2023/24: £21.1m) and total resources expended were £17.6m (2023/24: £20m).

The unrestricted public reserve decreased from £588k to £440k.

Fund balances on 31 March 2025 stood at £112.9m (31 March 2024 £106.9m).

4.2 Charities Statement of Recommended Practice

The Charity Commission issued a Statement of Recommended Practice (SORP) for charities in October 1995, which was most recently updated by the Charities SORP 2019. The Library has complied with the SORP since the 1996/97 accounts.

4.3 Valuation of Tangible Fixed Assets

Land and buildings values are adjusted annually by indexation between each formal valuation which usually takes place every five years. However, the Library commissioned a desktop revaluation by Cooke and Arkwright, Chartered Surveyors, of the Library's buildings and freehold land as at 31 March 2025 due to uncertainty ensure that the capital improvements to the building were accurately reflected within the valuation of freehold land and building. Other fixed assets are not revalued nor indexed, and from 2017/18, are held at original cost less depreciation.

4.4 Charity Reserves Policy

The Charities SORP 2019 requires the Library to disclose its policy on Reserves.

4.4.1 Unrestricted Public Funds

The National Library of Wales is currently dependent on the Welsh Government to sustain most of its activities. The Library's Public Funds reserves policy is to conform to the requirements of the Welsh Government's Framework Document, which sets out the financial framework under which the Library is required to operate.

The main requirement of the Framework Document in relation to reserves is that only 2% of gross Grant-in-Aid can be held as cash balances. The ultimate effect of this will be to restrict the level of reserves that can be held. Low levels of reserves and working capital are particularly difficult in times of financial uncertainly and mitigation of risks would justify carrying higher levels of reserves due to the financial outlook. It is also the case that public reserves cannot be spent without informing Welsh Government so that they can include them in their budget planning for the whole of the public sector in Wales.

4.4.2 Restricted Public Funds

Public restricted funds represent Capital and Purchase Grants received from the Welsh Government or any grant received from a public body for specific purposes. Welsh Government funding is also restricted to 2% of gross Grant-in-Aid carry over in cash balances, however most of this fund reflects the capital income received less depreciation to date.

4.4.3 Unrestricted Private Funds

The Library's unrestricted private funds have four main objectives:

- To fund short term contribution to the revenue costs of running the Library's services and contribution towards restructuring costs.
- To finance specific costs or project, as approved by the Board, which are of strategic importance to the Library.
- To supplement the Collections Purchase Grant to enable the Library to fulfil its collections policy.
- Where a shortfall exists in capital funding, to finance capital investment or future developments including equipment, buildings and computer hardware and software.

The level of reserves is being reviewed and monitored by the Board through the Finance & Resources Committee and has been agreed in the Library's Medium Term Financial Strategy.

4.4.4 Restricted Private Funds

The Library's restricted private funds can only be used in accordance with any stipulated terms of each specific bequest. They can only be used for the purposes described and therefore they are only used when an item of expenditure that directly relates to the fund is approved by the Board or the funder.

4.5 Investment Policy

The portfolio has been invested in both equities and bonds and the amount that can be invested in different asset classes has been set in accordance with a risk assessment. The Library's attitude to risk is considered "moderate", accepting that to achieve higher returns than placing cash in a deposit account, there will be a consequent risk in investing in bonds and equities.

The Board reviews the Investment Policy and Strategy on an annual basis, which includes consideration of social, environmental or ethical investments.

The investments were managed on a discretionary basis in accordance with the requirements of the Trustee Investments Act 1961 and latterly the Trustee Act 2000. The performance of the portfolio is monitored and submitted regularly in the form of a report to the Financial & Resources Committee and the Trustees. On 31 March 2025, the market value of the investments and cash was £16.7m (£14m on 31 March 2024).

4.6 Key risks

4.6.1 Financial planning

The Library has prepared a Mid Term Financial Plan for the three years 2025-26 to 2027-28 which encompasses both revenue and capital expenditure. The plan highlights the need for the Library to utilise unrestricted private funds during the period to cover expected funding deficits.

Unrestricted private funds are available to the Board to manage financial risk as part of its reserves policy.

4.6.2 Defined Benefit Pension Liability Impact on Financial Position

The charity participates in a defined benefit pension scheme which provides retirement benefits to eligible employees. As at 31 March 2025, the scheme reported a net pension liability of £15.98 million (2024: £14.22 million). This liability represents the present value of future obligations to pay pensions, less the fair value of scheme assets.

The increase in the liability during the year is primarily due to changes in actuarial assumptions, including a reduction in the discount rate and increased life expectancy projections. These factors have increased the projected cost of future pension payments.

The pension liability is recognised as a long-term liability on the balance sheet and has a material impact on the charity's net assets. While the liability does not require immediate cash outflows, it reflects a significant future obligation that must be managed. The trustees consider the liability when assessing the charity's reserves policy and long-term sustainability.

The charity continues to make regular contributions to the scheme in accordance with the funding plan agreed with the scheme trustees. These contributions are expected to reduce the deficit over time. The trustees remain confident that the charity has sufficient resources to meet its obligations as they fall due.

5 PLANS FOR FUTURE PERIODS

The Library worked on its new 2025-2030 Strategic Plan under the title 'Connecting Wales and the World'. The final version was approved by the Board of Trustees in March 2025. It is an ambitious plan that provides a clear, coordinated and prioritised focus and direction for everyone involved in the organisation up to 2030.

The plan identifies four strategic and well-being objectives:

- **Preserve and develop the nation's memory**
- **Share Knowledge about Wales and its People**
- **Connecting Communities**
- **Education, Skills and Research**

As well as the enablers to deliver the Strategy— Supporting and Developing the Institution.

The Strategy has been influenced by the Well-being of Future Generations Act and ten years on, it continues to herald a much-admired and joined-up approach to sustainable development for the benefit of everyone. The Welsh Government's Programme for Government is an important guide for all partners working in Wales — and its Remit Letter for the Library is central to our planning. The Welsh Government has set out Priorities for Culture and the Library sees key points in those statements that are central to our mission, such as the democratisation of culture, developing and safeguarding the national collections, workforce skills, diversity and the Welsh language, digital infrastructure and engagement. We recognise where we and sector partners can improve and take greater responsibility for delivering against other Welsh Government priorities including the Anti-Racist Wales Action Plan and Cymraeg 2050.

The Tailored Review and other assessments of the Library and of other partners have informed the Strategic Plan in placing emphasis on engagement and broadening the appeal of the Library. There is a key focus on creating commercial income and raising funds through donations and maximising the potential for grant income.

Data and research are fundamental to informing developments — the quantitative and qualitative data gives direction to services for readers and researchers, and our figures demonstrate how we are increasing the participative opportunities and our external engagement activities. This is central to in-person programmes as well as digital services. The evidence shows that there has been a terrific increase in digital engagement, and we are focusing on the user experience and the needs and behaviours of users across the different means of interacting with the Collections and the Library. Audience research shows very high levels of satisfaction among users who know and come back to the Library time and again and the focus for us is to expand our audiences to ensure all sections of our communities can engage with, access and enjoy our services.

Participation by staff, trustees, and trade union representatives (using the Social Partnership model) has brought out important messages for the institution in preparing the Strategic Plan. These include the importance of succession planning, investing in staff development and well-being, flexibility and diversity, maintaining our position as an employer committed to the Welsh language and continuing to be an institution that operates mainly through the medium of Welsh. The Library is fortunate that these essential stakeholders have a very high level of commitment to the institution's future.

Strategic Objective 1 **Preserve and develop the nation's memory**	**How will we achieve this?**
➢ Capturing contemporary Wales ➢ Committed to diversity ➢ Leading in preservation and management of information	• Safeguard collections by ensuring that they receive care and conservation work of the highest order and promoting excellence in international standards of physical and digital preservation. • Expand and develop archive and unique content collections whilst nurturing the expertise to improve the diversity of the physical and digital collections and the means to describe them. • Maintain the national published collections as Wales's only Legal Deposit Library and enhance access to the print and non-print Legal Deposit collection in Aberystwyth and beyond.
Strategic Objective 2 **Share Knowledge about Wales and its People**	**How will we achieve this?**
➢ Knowledge that invigorates and inspires ➢ Creating opportunities to participate ➢ Improving user experience	• Expand our programmes for sharing content digitally on state-of-the-art platforms so that the widest range of people can enjoy access to the collections. • Collaborate with Higher Education institutions and national and international partners to develop new and innovative methods to expand and safeguard born-digital content. • Grow the digital, audio-visual and born-digital collections by working with groups and communities, businesses and partner institutions to expand contemporary collections that reflect the diversity of modern Wales. • We will provide imaginative exhibitions and creative opportunities for volunteering, participation and enjoyment.
Strategic Objective 3 **Connecting Communities**	**How will we achieve this?**
➢ Connecting communities ➢ Sharing collections ➢ Promoting a global Wales	• Develop and co-produce programmes with a wider range of Wales's communities that enable these communities to benefit from the collections and for the Library to learn and improve from this creative dialogue with communities. • Give priority to voices and lived experiences that have been under-represented in the Library's collections and activities and committing to an anti-racist Wales. • Engage further by developing the Library's partnerships with the library and archives sector in Wales, our Legal Deposit partners, and our international partners in the knowledge and culture sectors. • Create new connections beyond Wales with communities and international partners that can benefit from the wealth of the collections about Wales and to raise the profile of Wales and its culture.
Strategic Objective 4 **Education, Skills and Research**	**How will we achieve this?**

➢ Enabling research and innovation ➢ Supporting formal learning ➢ Promoting informal learning	• Work collaboratively to develop resources, skills and experiences that support learners and schools to meet the requirements of the new curriculum, including literacy and information literacy and a deep understanding of 'Cynefin' and the nation's cultural richness and diversity. • Develop resources, expertise, and skills that support researchers and lifelong learners to meet the needs of individuals, groups, and employers in different sectors of the economy. • Develop partnerships with colleges, universities and other institutions to support research and innovation by developing ground-breaking work in linked data, big data, Artificial Intelligence, and digital humanities
Develop, Change, Improve	• Support and maintain a highly skilled, specialist and flexible workforce which benefits from investment in its skills and well-being. • Ensure financial sustainability by prudent management of expenditure, proactively developing income sources, and investing wisely with robust business plans. • Achieving net zero by 2030 and to become a leading organisation in environmental sustainability. • Develop the Library's estate and buildings to provide welcoming public spaces, efficient long-term storage for collections, and a workplace that is fit for future needs. • Develop information technology infrastructure that is resilient in the face of cyber-security challenges, and which enables innovation in the management of big data and international technological standards. • Continue to develop the workforce's use of Welsh as the main medium of everyday communication and to gain recognition as an institution that supports learning and using the language. • Maintain high standards of governance where Trustees challenge and support activities and performance in ways that are constructive, and which support the Library's mission.

Trustees

The Trustees have complied with their duties to have due regard to guidance published by the Charity Commission.

Auditor

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

Rhodri Llwyd Morgan
CHIEF EXECUTIVE
28 November 2025

Gronw Percy
TREASURER
28 November 2025

SECTION 2: ACCOUNTABILITY

SECTION 2.1: CORPORATE GOVERNANCE REPORT

2.1.1 Reference and Administrative Details

Board of Trustees (from 1 April 2024, and since the year-end)

Appointed by the Welsh Government:

- Ashok Ahir, President ^
- Andrew Evans, Vice President *
- Quentin Howard +
- David Hay ^ +
- Lydia Rumsey * (resigned 30 June 2024)
- Dr Janet Wademan * ^
- Dr Andrew Cusworth *
- John Trevor Allen *
- Josephine Goretti Williams * + (from 1 May 2025)

Appointed by the National Library of Wales:

- Andrew Prescott * ^ (from 1 May 2025)
- Lee Yale-Helms, (re-appointed as Trustee from 1 June 2023 until 30th of April 2025)
- Dr Anwen Jones (resigned 30 September 2024)
- Professor Elaine Treharne ^ (resigned 25 July 2024)
- Gronw Percy, Treasurer * +
- Susan Davies ^
- Hannah Lindsay * + ^
- Michael Gibbon (from 10 January 2025)
- Heledd Bebb ^ (from 10 January 2025)
- Mohini Gupti ^ (from 10 January 2025)

*Members of the Audit, Risk and Assurance Committee
+ Members of the Finance and Resources Committee
^ Members of the Performance, Quality and Governance Committee

Independent External Members of the Audit, Risk and Assurance Committee:
Rhian Evans (to 31 May 2024)
Huw Lloyd Jones
Bruce Roberts (from 1st December 2024)

Co-opted members of the Finance and Resources Committee:
Rhian Evans (from 1 July 2024)

Executive Team Members:

Chief Executive and Accounting Officer

Pedr ap Llwyd (until 31 March 2024)

Dr Rhodri Llwyd Morgan (from 1 April 2024)

Director of Corporate Services

Emyr Evans (from 16 August 2023 to 13 May 2024)

Director of Finance and Corporate Services

Mererid Boswell (from 13 May 2024)

Director of Collections and Digital Services

Dr Owain Rh Roberts

Director of Communications, Engagement and Partnerships

Rhian Gibson

Principal Advisers:

Bankers	National Westminster Bank, Aberystwyth
Solicitors	Geldards LLP, Cardiff Humphreys Roberts & Bott, Aberystwyth Darwin Gray, Cardiff Blake Morgan, Cardiff (Wales Broadcast Archive)
External Auditors	Audit Wales, Cardiff
Internal Auditors	Welsh Government Internal Audit Service (to 19-4-24). RSM from 20-4-24 onwards
Investment Brokers	Rathbones, London (formally known as Investec)
Actuarial and Pensions	Willis Towers Watson, Edinburgh
Registered Charity No.	525775
VAT No.	905194137
Registered Address	National Library of Wales Penglais Aberystwyth Ceredigion, SY23 3BU
Corporation Tax	The National Library of Wales is exempt from corporation tax under Section 505 of the Income and Corporation Taxes Act 1988

2.1.2 STATEMENT OF THE BOARD OF TRUSTEES AND CHIEF EXECUTIVE'S RESPONSIBILITIES

Under Section 9(4) of the Museums and Galleries Act 1992, the Board of the National Library of Wales is required to prepare a statement of accounts for each financial year in the form and on the basis determined by Ministers of the Welsh Government with the consent of the Treasury. The accounts are prepared to give a true and fair view of the Library's financial activities during the year and of its financial position at the end of the year.

In preparing the accounts, the Trustee and the Chief Executive are required to comply with the requirement of Charities Statement of Recommended Practice FRS102 and the Government Financial Reporting Manual and in particular to:-

- Observe the accounts direction issued by ministers of the Welsh Government 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 a going concern basis, unless it is inappropriate to assume that the Library will continue in operation.

The Principal Accounting Officer for Ministers of the Welsh Government has designated the Chief Executive as the Accounting Officer for the Library. The Chief Executive's relevant responsibilities as Accounting Officer, including his or her responsibility for the propriety and regularity of the public finances for which he or she is answerable and for the keeping of proper records, are set out in the Welsh Government's Accounting Officer Memorandum.

Statement of the Disclosure of Relevant Audit Information

As far as the Accounting Officer is aware, there is no relevant audit information of which the auditors are unaware, and the Accounting Officer has taken all steps that he ought to have taken to make himself aware of any audit information and to establish that the auditors are aware of that information.

2.1.3 Annual Governance Statement

2.1.3.1 Statutory Background

The Library was established by Royal Charter on 19 March 1907. Supplemental Charters were granted in 1911 and in 1978, with slight constitutional revisions. On 19 July 2006, a new Supplemental Charter was granted by Queen Elizabeth II. This Charter changed the Library's constitution and governance significantly and recognised devolution of government from Westminster to Wales. Whereas previously the Library had a Court of Governors and a Council, it now has a Board of Trustees.

The Library is a registered charity, and a Welsh Government Sponsored Body. It is funded by a combination of grant-in-aid allocated by Welsh Government, and income secured through its commercial, fundraising and charging activities. The Library's grant in aid allocation and conditions are set out in the remit letter from the Welsh Government

The Library's nature as a Royal Charter foundation and a registered charity, and a Welsh Government Sponsored Body governs how it operates and fulfils its role and obligations. The Library must balance these two roles to fulfil the objects of its Charter and charitable status, which reflects its foundation purpose, while at the same time adhering to the principles of arms-length government. The Library's objects are "to collect, preserve and give access to all kinds and forms of recorded knowledge, especially relating to Wales and the Welsh and other Celtic peoples, for the benefit of the public, including those engaged in research or learning".

Statement of the Board of Trustees' and Accounting Officer's responsibilities

The Library is required under its Royal Charter and sections 8 (1) and 8 (2) of its Statutes to prepare annual accounts, and to prepare and publish a report upon the affairs and position of the Library during the preceding year including such information as the Trustees from time to time determine.

The Library must prepare its accounts in accordance with the Accounts Direction issued by the Welsh Ministers, Section 9(4) of the Museums and Galleries Act 1992 and the Charities Statement of Recommended Practice.

The Library is accountable to the Welsh Government for the public funds it receives through the *Framework Agreement*, which is demonstrated through regular monitoring meetings with its sponsor body and via the annual audit of the Library's accounts by Audit Wales, the Library's statutory auditors.

The Chief Executive is the designated Accounting Officer for the National Library of Wales. His responsibility as Accounting Officer is set out in the Accounting Officer's Memorandum issued by the treasury and includes responsibility for the propriety and regularity of the public finances for which he is answerable, for keeping proper records, for safeguarding the Library's assets, and for the preparation of the annual report and accounts.

Scope of Responsibility

The Accounting Officer and Trustees have collective responsibility for maintaining a sound governance framework and a system of internal control that supports the achievement of the Library's vision, aims and objectives, while safeguarding the public funds and assets for which they are responsible, in accordance with the responsibilities assigned to them in *Managing Welsh Public Money (2016)*.
These responsibilities are also outlined in the *Framework Document* drafted by the Welsh Government, which regulates the relationship between the Welsh Government and the Library.

The Board is responsible for effective leadership, defining and developing strategic direction, setting challenging objectives, promoting high standards of public finance, ensuring that the Library discharges its functions effectively and efficiently, and monitoring performance, to ensure that the Library fully meets its aims, objectives and performance targets and delivery against plans and budgets.

The President is the primary communicator between the Board and the Minister for Culture, Skills and Social Partnership of Wales. It is the President's role to ensure that other Board members are kept appraised of all such communications. The President is also responsible for ensuring that the Board's policies and actions support the Minister's wider strategic policies through the Welsh Government's *Programme for Government*.

1. Board of Trustees

1.1 Recruitment and Appointment of Trustees

The Library's Board consists of fifteen Trustees, eight of whom are appointed by the Welsh Government in consultation with the Trustees, and seven by the Library in accordance with the Regulations. The Trustees include the three Officers of the Library – President, Vice President and Treasurer; the President and Vice President are appointed by the Welsh Government, and the Treasurer is appointed by the Library. All appointments are made in accordance with the Library's *Statutes* and *Regulations* and the principles of open selection as recommended by the Nolan Review.

In accordance with Section 6 (v) of its Royal Charter, the Library has remunerated the post of President since 1 April 2022 based on one day's weekly service in the role at a fee of £337 per day, or annualised remuneration of £16,519. The President doesn't receive pension benefits.

No other Officers or Trustees were remunerated during the year but all, including the President, were entitled to claim reasonable expenses while undertaking their Trustee duties on behalf of the Library. Details of Trustees' significant interests are maintained in a register of interests, held at the Library.

Lee Yale Helms's term as Trustee ended on 30th April 2025 but we are grateful to him for continuing in his role as Chair of the Library's Pension Scheme Board until Autumn 2026.

The Library appointed 4 new Trustees: Michael Gibbon, Heledd Bebb and Mohini Gupti commenced their duties on 1st January 2025 and Andrew Prescott from 1st May 2025. Welsh Government appointed Josephine Goretti Williams who took office as of 1st May 2025.

1.2 Trustees' Handbook

The *Trustees' Handbook* contains a range of documentation to assist the Trustees in undertaking their duties, including the *Corporate Governance Framework* and *Regulations*.

The *Corporate Governance Framework* was revised with minor amendments; the framework sets out the key responsibilities of the Board of Trustees and Executive while the *Regulations* sets out the proceedings of the Board and its committees.

The Regulations were revised with minor amendments during the year pertaining to public attendance at Board of Trustee meetings, and revisions to the names of standing committees.

1.3 Trustee Induction and Training

As noted in 1.1, during the year, we welcomed new Trustees, Heledd Bebb, Mohini Gupta, Michael Gibbon, Andew Prescott and Josephine Williams, who were provided with an insight into key areas of work at the Library.

Trustees are also completing the National Cyber Security Centre's *Cyber Security Toolkit for Boards*, which will assist Board members to ensure that cyber resilience and risk management are embedded throughout the organisation.

A training programme for 2025/2026 was approved by the Board in May 2025 and will be implemented during the year.

1.4 Board and Committees – Membership and Meetings

The Board held its six scheduled meetings during the year, all of which were hybrid, with members able to attend in the building in Aberystwyth or online. As part of the Library's outreach programme the March Board meeting was held at Ty Pawb, Wrexham on 7th of March 2025. In addition to the six scheduled meetings, an additional meeting was held on 3 October 2024 to discuss the Strategic Plan and Pension Scheme.

The Board meetings were also attended by representatives from the Welsh Government, the Library's Chief Executive and Directors, Union representative and auditors (where relevant). Board agendas and minutes are published on the Library website, together with a summary of papers to be presented at each meeting.
https://www.library.wales/about-nlw/governance/nlw-governance

Board members' biographies can be seen at;
https://www.library.wales/about-nlw/governance/nlw-governance/board-members

The Board has three standing committees, whose Terms of Reference clearly define the remit and responsibilities of each committee, and which are included in the *Corporate Governance Framework*.

Committee	Key Responsibilities
Audit, Risk and Assurance	A standing committee which encompasses all the assurance needs of the Board of Trustees and Accounting Officer in their responsibilities for the Library's risk management, internal controls, statutory accounts, and governance. The committee also reviews with the work of internal and external audit and financial, procurement or compliance issues relating to the Library.
Finance and Resources	A standing committee which encompasses all the assurance needs of the Board of Trustees in respect of the Library's effective, efficient and sustainable financial and other resource management, particularly the Library's investment portfolio, the use of its private funds, its commercial activities, and the performance of its fundraising campaigns
Performance Quality and Governance	A standing committee which encompasses all the assurance needs of the Board of Trustees on upholding effective and efficient delivery standards, monitoring, reviewing and developing the services provided, ensuring accessibility and quality of service for all stakeholders, ensuring that the requirements of all stakeholders are equitably met, overseeing appointment arrangements to the Board of Trustees and to the Executive Team, and acting as Remuneration Committee with oversight for the annual pay remit

In addition to the standing committees, the Board has established a Buildings Panel which provides assurances and makes recommendations to the Board of Trustees on matters regarding the Library's buildings and estate, including its maintenance, use, and development, and oversees the decarbonisation programme. The Panel is chaired by Quentin Howard, and the following trustees also serve on the panel, Andrew Evans, John Allen, David Hay and Susan Davies.

The following Trustees serve on the Pensions Fund Board – Lee Yale-Helms (Chair), Ashok Ahir, Andrew Evans, Michael Gibbon, Heledd Bebb and Josephine Williams.

Quentin Howard serves on the Wales Broadcast Archive Programme Board to represent the interest of the Trustees.

Board and Committee Attendance

	Board	Audit, Risk and Assurance	Finance and Resources	Performance, Quality and Governance
Ashok Ahir	7/7			2/2
Lee Yale-Helms	4/7			
Andrew Evans	6/7	5/5		
Quentin Howard	7/7		3/3	
Anwen Jones	3/3			
David Hay	7/7		3/3	2/2
Lydia Rumsey	0/1	1/1		
Gronw Percy	7/7	4/5	3/3	
Susan Davies	7/7			2/2
Elaine Treharne	0/2			
Janet Wademan	7/7	5/5		
Andrew Cusworth	6/7	2/5		
John Allen	5/7	2/5		
Hannah Lindsay	6/7		3/3	
Michael Gibbon	2/2			
Heledd Bebb	2/2			
Mohini Gupta	2/2			
Andrew Prescott	Start date after 1st of April 2025			
Jo Williams	Start date after 1st of April 2025			

1.5 Overview of Board Performance

Performance appraisals of individual Trustees were undertaken by the President. The President's performance review was undertaken by Welsh Government.

The Board considered the following matters during the year:

- Approval of the statutory Annual Accounts 2023/2024
- Wales Broadcast Archive progress updates and budget
- Budget 2024/2025 (May 2024) and 3-year budget 2025/26 to 2027/28 (January 2025)
- Approval of the pay remit 2024/2025
- Approval of the annual *Equality, Diversity and Inclusion Report*
- Approval of the annual *Health and Safety Report*
- Pension Scheme
- Corporate risk register
- Management accounts
- Private funds commitments
- Training programme for Trustees
- Minutes of all three standing committees and the Buildings Panel
- Library Structure April 2025 onwards
- Strategic Plan 2025-2030
- Equality Strategic Plan 2024-2028
- Change and Renewal Programme
- Lessons learnt from the CIPFA reviews
- Update on Tailored Review recommendations

- Revised Financial Regulations 2024
- Urgent work on the Library Roofs tender
- Beaufort Audience Research
- Revised Library Regulations
- Revised Corporate Governance Framework
- Membership of Board Committees
- ISA 260 Report
- Future storage discussions / Atrium Project
- Welsh Government Gateway 4 report
- Fundraising update
- Grants update

Internal Audit

Following a competitive tender process, RSM were appointed as the Library's internal auditors effective from 1 April 2024. The Audit, Risk and Assurance Committee approved RSM's internal audit plan for 2024/2025 at its meeting on 9 April 2024.

The internal audit service reports independently on an annual basis on the adequacy and effectiveness of the Library's system of internal control, together with recommendations for improvement. Reports are presented to the Audit, Risk and Assurance Committee for members to review and challenge the assurances provided by the Executive. The Internal Audit Opinion for the period 2024-2025 has confirmed that the Library has an adequate and effective framework for risk management, governance and internal controls in place. Some matters require management attention in control design or compliance with moderate risk exposure until resolved.

During the year, significant progress was made against the internal audit tracker which has been simplified for ease of reading and to ensure that target dates are achievable.

The following were the audit reports presented to the committee which related to 2024/2025:

- Cyber Security (reasonable assurance)
- Estates Management Audit (reasonable assurance)
- Stakeholder Engagement (reasonable assurance)
- Customer Journey (reasonable assurance)
- Risk Maturity Assessment (advisory)
- Financial Controls; CIPFA (partial assurance)

2. Code of Best Practice on Governance

As far as the Board of Trustees and Accounting Officer are aware, there is no relevant audit information of which the Library's auditors are unaware. The Board and Accounting Officer have taken all necessary or required steps to make themselves aware of relevant audit information and to establish that the Library's auditors are aware of that information.

As a registered charity, the Library followed the *Good Governance Code: A Code for the Third Sector in Wales* and the Charity Commission's guides and codes of practice. The Board of Trustees has made sure the Library has robust governance arrangements in place to ensure it runs effectively and responsibly.

3. Risk Management and Controls

The Library's system of internal control is detailed in the *Board Assurance Framework*.

The Risk Management Policy, which defines the Library's approach to risk and how risk management is embedded into management processes to ensure that key strategic risks are effectively managed is currently being revised.

The corporate risk register identifies, documents, assesses and details the key strategic and operational risks relating to the Library's activities. The corporate risk register is underpinned by departmental risk registers, which are also kept under regular review by the Executive Team, and departmental risks are escalated to the corporate register where necessary. During the year, the corporate risk register has been completely revised. Major risks on the register include affordability of the Library's pension scheme, failure to achieve financial sustainability, insufficient and inappropriate storage space for collections, and cyber security. Mitigating actions are in place for these, and all other risks, and are regularly reviewed by the Audit, Risk and Assurance Committee.

The Library remains cautious in its approach to managing risks in terms of its responsibilities as a publicly funded body, and in areas such as compliance with legislation or conditions imposed by the Welsh Government, it will always seek to comply without exception. The Library continues to manage the risks that the significant financial challenges which it faces poses to its ability to offer pay increases to staff, meet significant increases in other running costs and to deliver on Welsh Government priorities.

The Financial Regulations (2024) was presented to the Audit, Risk and Assurance Committee in July 2024, as well as the Anti-Fraud Policy, the latter being formally ratified in June 2025.

The Modern Slavery Statement for 2023-24 was approved in July 2024, and the Modern Slavery Statement for 2024-25 was approved in June 2025.

No matters were raised during the year under the Whistleblowing Policy, and no instances of fraud or corruption were recorded.

Complaints were dealt with in line with our Complaints Policy. All complaints were fully investigated, and any resulting improvements or changes to working practices implemented where appropriate.

4. Information Security

The Library has information security procedures and protocols in place to ensure the confidentiality, integrity and availability of the information that we hold and process, and to ensure compliance with the UK GDPR and Data Protection Act 2018. These include;

- Data Protection Policy
- Information Security Policy
- Acceptable Use Policy
- Internal policies on information security – data deletion, mobile computing, password, removable media

Cyber Essentials + accreditation was achieved in April 2024 and work is now being undertaken to work towards achieving IASME Level 1. All information security incidents are reported to the Audit,

Risk and Assurance Committee. There were no security breaches during the year which required reporting to the Information Commissioner.

A paper outlining the Library's controls and defences, monitoring and detection capabilities, policies and procedures, and training in place in face of a cyber-attack was presented at the July 2024 meeting.

The Library received 10 Freedom of Information requests, ranging from collection-related enquiries to management queries. All such enquiries were answered within the 20 working days allowed for a response.

5. The Future

During 2025 the Library will commence to deliver its new Strategic Plan for 2025-2030 "Connecting Wales and the World". The Plan will guide how we develop the National Collections of the nation's memory and engage with a wider range of audiences in every part of the country. Moving forward, we will: -

- Draw up a Digital Manifesto to lead our ambitious plans for digital innovation
- Implement the Engagement and User Experience Strategy
- Implement a new Collections Strategy
- Develop a long-term storage strategy for the National Collections and the nation's records.
- Commence negotiations on revising the Library's Pension Scheme

Signed on behalf of the Board:



Rhodri Llwyd Morgan
Chief Executive & Accounting Officer
28 November 2025



Gronw Percy
Treasurer
28 November 2025

Section 2.2 Remuneration & Staff Report

2.2.1 Living Wage

The Library has undertaken to pay the living wage as set out by the Living Wage Foundation since April 2014.

2.2.2 Recruitment and Retention of Staff

The Library can only achieve its goals through the commitment of its staff; therefore, the Library focuses on providing a staff training and development programme annually to ensure that all staff members achieve their potential.

2.2.3 Employment of Disabled People

The Library operates a non-discriminatory recruitment procedure and is always prepared to consider applications from, and to appoint, disabled persons. The Library makes every effort to ensure that disabled employees are provided with the facilities necessary to carry out their employment effectively.

2.2.4 Consultation with Employees

The Library communicates information to staff by various methods including staff meetings, weekly e-mails, team briefing sessions, Core Brief, and regular consultation and negotiation with the Partnership Council and representatives of the national Trade Unions. The Library adopted an Internal Communication Strategy in 2016 and implementation of this Strategy will be a further opportunity to develop the relationship between managers and staff.

2.2.5 Remuneration Report

The Library remunerates its entire staff under an agreed pay and grading system. The current system was approved by the Library's Executive Team and agreed with the staff unions through the collective bargaining arrangements. An independent appeals process is in place to consider grading issues.

Each year, the Library, in consultation with the staff unions, considers the Library's remuneration package against external comparators, movements in the economy and any internal inequities that may have developed. From this, a pay remit or proposal is produced, and this is submitted to the Welsh Government for approval and is then formally negotiated with the unions. This leads to a new pay and conditions package for the whole of the Library staff which is binding until the next round of negotiation. Incremental increases under the pay remit are dependent upon the Library's system of annual appraisals. Inflationary elements contained within the agreed pay remit are automatically awarded to all members of staff.

The salaries of the Chief Executive and the three Directors have been included as part of the pay remit negotiations in relation to all Library staff. The Chief Executive and the three Directors have permanent contracts of employment. All four are ordinary members of the Library's pension scheme.

The pay remit is approved by the Welsh Government. Membership of the Executive Team is shown on page 23 and further details of the remuneration and pension benefits are shown on page 33. The notice period for members of the Executive Team is 3 months. Provision for compensation for early termination is contained within the Library's standard redundancy agreement.

Remuneration and Pension Benefits of members of the Executive Team:

	2024/25			2023/24		
	Consolidated Salary	Real Increase (decrease) in Pension Benefits	Single Total Figure of Remuneration	Consolidated Salary	Real Increase (decrease) in Pension Benefits	Single Total Figure of Remuneration
	£	£	£	£	£	£
P ap Llwyd Chief Executive and Librarian Retired 31-5-2024	**20,197**	**(6,450)**	**13,747**	106,443	23,460	129,903
DH Michael Director and Deputy Chief Executive and Librarian Resigned 16-8-2023	-	-	-	37,161	(37,403)	(242)
O Rh Roberts Director of Collections and Digital Services	**90,803**	**35,498**	**126,301**	87,487	18,808	106,295
Rh Gibson Director of Communication, Engagement and Partnership	**92,696**	**27,600**	**120,296**	88,476	25,070	113,546
W E Evans Director of Finance and Corporate Services Contract ended 31-5-2024	**17,407**	-	**17,407**	74,434	-	74,434
Rh Ll Morgan Chief Executive Started 1 April 2024	**111,765**	**32,200**	**143,965**	-	-	-
S M Boswell Director of Finance and Corporate Services Started 13-5-2024 (not a full year)	**80,462**	**20,470**	**100,932**	-	-	-

The value of pension benefits is calculated as follows:

- (real increase in pension* x20) + (real increase in any lump sum*) – (contributions made by member)

*excluding increases due to inflation or any increase of decrease due to a transfer of pension rights.

The multiplier of 20 is specified in the disclosure requirements. The Library has used this figure to comply with the guidance. This is not an amount which has been paid to an individual by the Library during the year; it is a calculation which uses information from the pension benefit table.

These figures can be influenced by many factors e.g. changes in a person's salary, and other valuation factors affecting the pension scheme.

The National Library of Wales Staff Superannuation Scheme is a funded final salary scheme. The accrued pensions and lump sums are the amounts that would be paid from Normal Retirement Date if the member left service at the relevant date. The Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits, including any Additional Voluntary Contributions and transfers in of service, accrued by the member at a particular point in time. The transfer values have been calculated in accordance with the guidance note "GN11" published by the Institute of Actuaries and Faculty of Actuaries. The assumed rate of price inflation was 1.7% (2022/23 6.7%).

The pension entitlements of the Library's senior staff with responsibility for running policy-making departments are disclosed as follows:-

	Cash Equivalent Transfer Value at 31/3/24	Total Accrued Pension at 31/3/25	Lump Sum at 31/3/25	**Cash Equivalent Transfer Value at 31/3/25**	Increase/(Decrease) in accrued pension net of inflation	Increase/(Decrease) in lump sum net of inflation	Increase (Decrease) in transfer value net of inflation
	£	£	£	£	£	£	£
P ap Llwyd Chief Executive	**516,690**	29,760	89,280	**486,810**	(280)	(850)	(38,660)
Rh Ll Morgan Chief Executive	-	1,400	4,200	**17,300**	1,400	4,200	17,300
O Rh Roberts Director	**149,220**	17.760	53,280	**138,670**	1,650	4,950	(13,090)
Rh Gibson Director	**25,940**	2,960	8,880	**39,940**	1,200	3,600	13,560
W E Evans Director	-	-	-	-	-	-	-
S M Boswell Director	-	890	2,670	**9,290**	890	2,670	9,290

2.2.6 Median Remuneration

Welsh Government Sponsored Bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the 25th percentile, median and 75th percentile remuneration of the organisation's workforce.

The banded remuneration of the Chief Executive was £111,765. No employees received remuneration exceeding that of the Chief Executive in 2023/24 nor 2024/25.

In 2024/25, the Chief Executive's salary was:

- **3.39 times** the Library's median salary (£32,954)
- **4.2 times** the 25th percentile salary (£26,604)
- **2.88 times** the 75th percentile salary (£38,775)

In 2023/24, the Chief Executive's salary was:

- **3.55 times** the Library's median salary (£29,986)
- **4.2 times** the 25th percentile salary (£25,337)
- **2.88 times** the 75th percentile salary (£36,929)

Signed on behalf of the Board:

Rhodri Llwyd Morgan
Chief Executive & Accounting Officer
28 November 2025

Gronw Percy
Treasurer
28 November 2025

The Certificate and report of the Auditor General for Wales to the Trustees of National Library of Wales and the Senedd

Opinion on financial statements

I certify that I have audited the financial statements of National Library of Wales for the year ended 31 March 2025 under section 9 of the Museums and Galleries Act 1992.

The financial statements comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and the related notes including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). In my opinion, in all material respects the financial statements:

- give a true and fair view of the state of National Library of Wales's affairs as at 31 March 2025 and of its net income for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with section 9 of the Museums and Galleries Act 1992 and directions made thereunder by Welsh Ministers (with the Treasury's consent).

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of financial statements and regularity of public sector bodies in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my certificate.

My staff and I are independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

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

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

My responsibilities and the responsibilities of the Board of Trustees and Chief Executive with respect to going concern are described in the relevant sections of this certificate.

Other information

The other information comprises the information included in the Annual Report but does not include the financial statements nor my auditor's report thereon. The Board of Trustees and Chief Executive is responsible for the other information. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

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

In my opinion, based on the work undertaken in the course of my audit, the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

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 Annual Report.

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

- I have not received all of the information and explanations I require for my audit.
- sufficient accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- information specified by HM Treasury regarding remuneration and other transactions is not disclosed;

Responsibilities of the Board of Trustees and Chief Executive for the financial statements

The Board of Trustees and Chief Executive is responsible for:

- maintaining sufficient accounting records;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring the regularity of financial transactions;
- internal controls as the Board of Trustees and Chief Executive determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- assessing National Library of Wales'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 the Board of Trustees and Chief Executive anticipates that the services provided by National Library of Wales will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

My procedures included the following:

- Enquiring of management, the head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to National Library of Wales's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: posting of unusual journals;
- Obtaining an understanding of National Library of Wales's framework of authority as well as other legal and regulatory frameworks that the National Library of Wales operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of National Library of Wales;
- Obtaining an understanding of related party relationships.

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

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

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

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the National Library of Wales's controls, and the nature, timing and extent of the audit procedures performed. A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

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

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

Report

I have no observations to make on these financial statements.



Adrian Crompton	1 Capital Quarter
Auditor General for Wales	Tyndall Street
1 December 2025	Cardiff, CF10 4BZ

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2025

	Notes	PUBLIC FUNDS Unrestricted £'000	PUBLIC FUNDS Restricted £'000	PRIVATE FUNDS Unrestricted £'000	PRIVATE FUNDS Restricted £'000	2024/25 Total £'000	2023/24 Total £'000
Income:							
Donations and legacies	16b	-	-	455	529	**984**	473
Charitable activities							
Government Grants	2	11,447	7,374	-	-	**18,821**	17,867
Other Grants	3	-	1,417	-	-	**1,417**	1,807
Other trading activities	4	835	-	-	-	**835**	629
Investment income	16b	-	-	270	3	**273**	273
Total Income		**12,282**	**8,791**	**725**	**532**	**22,330**	21,049
Expenditure:							
Costs of raising funds	5	1,133	257	50	1	**1,441**	1,420
Charitable activities:							
Share knowledge	5	2,847	1,328	5	22	**4,202**	4,442
Connecting Communities	5	1,932	984	7	-	**2,923**	4,169
Education, skills and research	5	2,009	1,032	-	-	**3,041**	2,864
Preserve and Develop	5	1,926	746	-	-	**2,672**	3,005
Governance	5	1,471	1,217	-	-	**2,688**	2,184
Exceptional expenditure	5/8	-	-	-	-	-	1,144
Total expenditure		**11,318**	**5,564**	**62**	**23**	**16,967**	19,228
Pension Finance Costs	23d	650	-	-	-	**650**	760
Total expenditure		**11,968**	**5,564**	**62**	**23**	**17,617**	19,988
Net gains/ (losses) on investment	16b	-	-	477	6	**483**	1,210
Net income/ (expenditure)		**314**	**3,227**	**1,140**	**515**	**5,196**	2,271
Gross transfers between funds	16	8	136	(161)	17	-	-
		322	**3,363**	**979**	**532**	**5,196**	2,271
Other recognised gains/ (losses):							
Gain/ (Loss) on disposal of fixed assets		-	**(171)**	-	-	**(171)**	(22)
Tangible Fixed Assets Revaluation, Indexation and impairment	10	-	**3,164**	-	-	**3,164**	(2,336)
Actuarial (losses)/gains on defined benefit pension scheme	23e	(2,230)	-	-	-	**(2,230)**	4,660
Total gains/ (losses)		(2,230)	2,993	-	-	**763**	2,302
NET MOVEMENT IN FUNDS FOR THE FINANCIAL YEAR		**(1,908)**	**6,356**	**979**	**532**	**5,959**	4,573
FUND BALANCES BROUGHT FORWARD AT 1 APRIL	16	(13,632)	96,018	15,988	8,549	**106,923**	102,350
FUND BALANCES CARRIED FORWARD AT 31 MARCH	16	**(15,540)**	**102,374**	**16,967**	**9,081**	**112,882**	106,923

All activities are continuing. All recognised gains and losses are recorded in the Statement of Financial Activities. The notes on pages 42 to 63 form part of these accounts. There is no endowment income or expenditure to report.

BALANCE SHEET AS AT 31 MARCH 2025

	Notes	31st March 2025 £000	31st March 2025 £000	31st March 2024 £000	31st March 2024 £000
FIXED ASSETS					
Tangible Assets	10	**84,154**		78,537	
Intangible Assets	10	**-**		135	
Heritage Assets	12	**25,191**		24,284	
Investments	11	**16,462**		13,766	
			125,807		116,722
CURRENT ASSETS					
Stocks		**40**		42	
Debtors	13	**3,022**		5,485	
Bank and cash equivalent	19	**500**		837	
		3,562		6,364	
CREDITORS					
Amounts falling due within one year	14	**(507)**		(1,943)	
NET CURRENT ASSETS			**3,055**		4,421
Provisions for liabilities and charges	15		**-**		-
Net assets excluding pension scheme liability			**128,862**		121,143
Defined benefit pension liability	23		**(15,980)**		(14,220)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			**112,882**		106,923
FUNDS	16				
Public Unrestricted		**440**		588	
Pension Reserve		**(15,980)**		(14,220)	
Total Public Unrestricted Funds		**(15,540)**		(13,632)	
Public Restricted (exc Revaluation Reserve)		**71,471**		68,279	
Revaluation Reserve		**30,903**		27,739	
Private Unrestricted		**16,967**		15,988	
Private Restricted		**191**		168	
Private Restricted Collections		**8,890**		8,381	
			112,882		106,923

The trustees have prepared the accounts in accordance with section 132 of the Charities Act 2011.
The notes on pages 42 to 63 form part of these accounts.

Rhodri Llwyd Morgan
CHIEF EXECUTIVE AND LIBRARIAN
28 November 2025

Gronw Percy
TREASURER
28 November 2025

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

		2024/25		2023/24	
		£000	**£000**	£000	£000
Cash generated from operating activities	18		**7,239**		2,027
Cash flows from investing activities: -					
Purchase of tangible and intangible fixed assets	10	**(4,965)**		(3,885)	
Purchase of heritage assets	12	**(398)**		(285)	
Proceeds from sale of investments	11	**7,143**		4,671	
Purchase of Investments	11	**(9,356)**		(3,800)	
Net cash provided (used in) investing activities			**(7,576)**		(3,299)
(Decrease) in Cash and cash equivalents in the year			**(337)**		(1,272)
Cash and cash equivalents at the beginning of the year			**837**		2,109
Total cash and cash equivalents at the end of the year	19		**500**		837

The notes on pages 42 to 63 form part of these accounts.

NOTES TO THE ACCOUNTS AT 31 MARCH 2025

1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities SORP (FRS 102), and the 2007 Accounts Direction issued to the Library by the Welsh Government. The accounts are prepared on a going concern basis.

The National Library of Wales meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note (s),

The accounts meet the requirements of Accounting Standards issued or adopted by the Financial Reporting Council in so far as those requirements are appropriate. The Accounts Direction does not require the Library to produce a summary income and expenditure account or note of historical cost on surpluses or deficits.

(b) Incoming Resources

All income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item have been met, it is probable that the income will be received, and the amount can be measured reliably.

All Grant-in-Aid from Welsh Government is recognised in the Statement of Financial Activities (SOFA) on a receivable basis. Other grants of a more specific nature are recognised on a receivable basis when grant conditions are met.

For legacies, entitlement is taken as the earlier of the date on which either; the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor (s) to the Library that a distribution will be made, or when a distribution is received from the estate. Where legacies have been notified to the charity or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. Transfers from private funds are accounted for after consideration of movements in working capital. Income received relating to subsequent accounting periods will be treated as deferred income.

Fund Accounting

Unrestricted funds (public and private) are available to spend on activities that further any of the general objectives of the Library. Public restricted funds represent Capital and Purchase Grants received from the Welsh Government for specific purposes.

Private restricted funds are funds subject to specific restriction imposed by donors or by the purpose of the appeal. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside for a specific purpose. Private restricted

funds are donations which the donor has specified are to be solely used for areas of the Library's work or for a specific project being undertaken by the Library.

(c) Expenditure

Expenditure is 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 obligation can be measured reliably. Where expenditure has been incurred in advance and relates to a later period, the accounts will only consider a prepayment if higher than £5,000 in value. Where expenditure is incurred in arrears but relates to the current financial year, the accounts will only consider an accrual if higher than £5,000 in value. Expenditure is classified under the following activity headings:

- Cost of raising funds comprises the cost of commercial trading, fundraising costs and investment management fees.
- Expenditure of charitable activities includes the cost of maintaining collections, conservation, education and exhibitions and other activities undertaken to further the purposes of the charity.
- Other expenditure represents those items not falling into any other headings.

(d) Investments

Investments are stated at market value at the balance sheet date. 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 Charities SORP (FRS 102).

(e) Tangible and Intangible Assets

Individual plant, machinery, equipment and motor vehicles costing £5,000 or more are capitalised at cost, unless the equipment forms part of a group of assets, network or project where the value is over £5,000. Assets are depreciated over their estimated useful lives on a straight-line basis. Items of a capital nature costing less than £5,000 are not capitalised and are written off in-year. Non-property assets (i.e. plant & vehicles, and fixtures, fittings & equipment) are held at historic cost and not indexed as these assets have short useful economic lives or low values (or both). This is considered to provide a more reliable, appropriate and relevant representation of the fair value of these assets. Further details are provided in Note 10.

Land and buildings assets are usually 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 a 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 noted as revenue cost in the year in which it is undertaken.

Depreciation is provided in full in the year of acquisition, at rates calculated to reduce each asset to its estimated residual value evenly over its expected useful economic life, as advised by the valuers as follows:

- Freehold buildings - up to 125 years
- Plant, machinery and equipment - up to 30 years
- Computer equipment and digital development - up to 10 years
- Motor Vehicles - up to 5 years

Freehold land is not depreciated.
Collection Purchases are not depreciated (see Heritage Assets (f)).

Intangible assets with an economic life of more than one year and value greater than £5,000 are capitalised. All intangible assets are measured at cost. Intangible assets are amortised on a straight-line basis over a period of 10 years.

(f) Heritage assets

The Library accounts for the objects in its collection as non-operational heritage assets, in accordance with SORP Module 18 Accounting for Heritage Assets. A heritage asset is defined as "a tangible or intangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture."

Capitalised heritage assets are not depreciated because they are deemed to have indefinite lives but could be subject to damage or deterioration. Heritage Assets are not depreciated because they have indefinite life.

Prior to 1st April 2001, the Library's collection had not been capitalised in the balance sheet.

The Library includes donated or purchased heritage assets since 1 April 2001 on the balance sheet at cost or valuation at the time of acquisition.

Purchases for the collection are capitalised in the year of acquisition and held at historic value; these assets are not re-valued or indexed. The Library does not dispose of heritage assets and will ensure the preservation of assets under its Collection Development Policy.

Donations of items to the collections are accounted for when received at an estimate of their market value. The market value is determined by the Library's own Collections staff or independent valuers as appropriate. Valuation of heritage assets is complicated by the nature of such assets. They are rarely sold and often have a value enhanced through their association with a person, event or collection, there are a very limited number of buyers, no homogeneous population of assets on the market, and imperfect information about the items for sale. In contrast with many commercial assets, there is seldom an active market to provide indicative values of similar objects. This makes materially accurate valuations impossible to achieve for many heritage assets.

(g) Stocks

The cost of stocks of re-saleable items has been recognised in the balance sheet at the lower of cost or net realisable value. No value is given on assets produced historically by the Library where there is a restricted market for the goods or goods have impaired.

(h) Pension Costs

The Library operates its own superannuation scheme which provides benefits based on final pensionable salary. Contributions to the scheme are charged to the Statement of Financial Activities to spread the cost of pensions over employees working lives. The charge to the Statement of Financial Activities is calculated based upon the current service cost as calculated by the scheme actuary.

(i) Staff holiday pay

At the year end, staff holiday entitlements that has not yet taken and which is carried forward to the next financial year have been provided for in the accounts in line with FRS 102 requirements.

(j) Taxation

The Library has been granted charitable status by the HMRC and is therefore exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. Non-recoverable Value Added Tax arising from expenditure on non-trading activities is charged to the Statement of Financial Activities or capitalised if related to a fixed asset.

(k) Significant areas of estimation and judgement

The preparation of the financial statements requires judgements, estimations and assumptions to be made that affect the reported values of assets, liabilities, revenues and expenses. The nature of estimation and judgement means that actual outcomes could differ from expectation.

Sources of estimation uncertainty

- The defined benefit pension obligation is recognised and disclosed in accordance with FRS 102. The valuation, prepared by a qualified actuary, reflects a number of judgements and estimations including the expected return on assets, the discount rate, cost inflation and life expectancy. Changes in these assumptions have a significant effect on the value of the defined benefit pension obligation. Further details are provided in note 23.
- Land and buildings assets are professionally valued periodically. The valuation is prepared by a qualified surveyor and has been prepared in accordance with the RICS Red Book. Buildings have been valued on the basis of 'open market value' or 'depreciated replacement cost' and land is shown at 'existing use value'. These methods are subject to various assumptions and judgements and changes in either could have a significant effect on the valuation. Further details are provided in note 10.

(l) Going Concern

The Library's accounts have been prepared on a going concern basis. The Library's Board has recognised the significant revenue account deficits that have been forecast and will be considering plans to address this situation. The significant level of unrestricted public and unrestricted private funds reserves will ensure that the Library can continue with current activities until action is taken to address the deficit. There are no other material uncertainties about the charity's ability to continue.

2. GOVERNMENT GRANTS

	2024/25 £000	2023/24 £000
Unrestricted		
Grant-in-Aid	**11,447**	11,862
Restricted		
Additional contribution to pension scheme	**1,225**	-
Capital - Purchase Grant	**305**	305
Capital - General	**1,695**	1,695
Capital – Additional	**3,166**	1,455
Revenue – Voluntary Severance Scheme	**-**	1,144
Revenue – Asbestos	**-**	248
Revenue - Wales Broadcast Archive	**-**	400
Revenue- Job Mitigation Scheme	**342**	-
Digital Libraries	**411**	300
Education – Welsh Biography for Children	**22**	29
Peace Petition	**-**	149
Anti-racism biography	**114**	-
ARCW	**79**	151
Others	**15**	129
Total grant received from Welsh Government	**18,821**	17,867

3. OTHER GRANTS

	2024/25 £000	2023/24 £000
Restricted public fund		
British Film Institute	**3**	34
Arts Council of Wales	**174**	116
Amgueddfa Cymru – People's Collection Wales	**146**	154
National Heritage Lottery Fund – Wales Broadcast Archive	**878**	1,494
Ceredigion County Council	**93**	9
WCVA	**30**	-
Mellon Foundation	**3**	-
Hodge Foundation	**20**	-
Arts Council of Wales	**9**	
National Galleries	**5**	-
Other Minor Grants	**56**	-
	1,417	1,807
Unrestricted public fund	**-**	-
Total other grants	**1,417**	1,807

4. INCOME FROM OTHER TRADING ACTIVITIES

	2024/25	2023/24
Unrestricted public income	**£000**	£000
Catering	**279**	225
Shop income	**133**	108
Events	**42**	45
Consultancy and systems	**61**	35
Income generated from collections	**93**	67
Licensing and royalties	**139**	69
Miscellaneous	**88**	80
Total	**835**	629

5. ANALYSIS OF EXPENDITURE

	Staff Costs	Other direct costs	Depreciation and amortisation	2024/25 TOTAL	2023/24 TOTAL
	£000	£000	£000	**£000**	£000
Cost of raising funds	665	544	232	**1,441**	1,420
Charitable Expenditure					
Share knowledge	2,389	1,228	585	**4,202**	4,442
Connecting Communities	1,504	1,021	398	**2,923**	4,169
Education, skills and research	1,686	942	413	**3,041**	2,864
Preserve and Develop	1,843	433	396	**2,672**	3,005
Governance	2,002	235	451	**2,688**	2,184
Exceptional Items	-	-	-	-	1,144
	10,089	4,403	2,475	**16,967**	19,228

6. NET INCOME/ (EXPENDITURE) FOR THE YEAR

	2024/25	2023/24
This is stated after charging:	**£000**	£000
Depreciation and amortisation	**2,475**	2,378
External auditor's remuneration	**47**	~63
Internal audit fees	**37**	17
Investment management fees	**51**	54

~Of which £46K relates to the 23-24 audit fees with the additional £17K relating to an additional charge for the 22-23 audit

7. ANALYSIS OF SUPPORT COSTS

The Library initially identifies the costs of its support functions. It then identifies those costs which relate to its governance function. Having identified its governance costs, the remaining support costs are apportioned between the cost of raising funds and four key charitable activities undertaken in the year.

The 2024-25 support salary cost is apportioned in line with salary costs for each department, with the non-staff support cost allocated based on activity expenditure.

	Cost of generating funds	Governance	Share Knowledge	Connecting Communities	Education, Skills and Research	Preserve and Develop	Total
	£000	£000	£000	£000	£000	£000	£000
Exec Support	4	7	11	8	8	7	**45**
Finance	14	19	38	28	29	21	**149**
HR	16	32	51	36	37	33	**205**
ICT	132	303	432	291	312	297	**1,767**
Building	237	280	651	503	492	328	**2,491**
Other	3	10	12	8	9	9	**51**
	406	**651**	**1,195**	**874**	**887**	**695**	**4,708**

Comparative figures for 2023-24 are as follows:

	Cost of generating funds	Governance	Collection	Giving Access & Information	Publicising & Interpretation	Conservation & Preservation	Total
	£000	£000	£000	£000	£000	£000	£000
Exec Support	5	9	19	18	13	14	**78**
Finance	22	37	73	71	47	48	**298**
HR	23	35	66	68	42	39	**273**
ICT	116	193	403	380	263	279	**1,634**
Building	247	363	635	686	416	342	**2,689**
	413	**637**	**1,196**	**1,223**	**781**	**722**	**4,972**

8. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

(a) Total Staff Costs

	2024/25		2023/24	
	£000	£000	£000	£000
Salaries and Wages		7,469		7,663
Cost of living one off payment		-		358
Voluntary severance payments paid to staff		4		315
Voluntary severance agreed but not yet paid		-		568
Social Security Costs (including Apprenticeship Levy)		771		842
Pension Cost				
Employer Cost	1,658		1,797	
Deficit contributions	1,307		495	
Deficit contributions based on Voluntary Severance	-		250	
FRS 102 current service cost adjustment (note 23)	(1,120)		40	
		1,845		2,582
Total salary costs as per Note 5		10,089		12,328
FRS 102 finance interest charge (note 23)		650		760
Total		10,739		13,088

There were no agency or short-term contractors employed.

Other than members of the Executive Team (noted on Page 23), there were 4 members of staff who earned normal pay between £60,000 and £70,000 (2023/24 5). This did not include staff who received over £60,000 including their pay in lieu of notice and voluntary severance payments.

(b) Pension Scheme

The Library operates a funded defined benefit pension scheme providing benefits based on final pensionable pay at a normal retirement age. Members leaving the scheme who have contributed for a period of less than 2 years receive a refund of member's contributions. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to 3 years' pension is payable on retirement. On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service, the scheme pays a lump sum benefit. Medical retirement is possible in the event of serious ill-health.

Note 23 provides further information on the finances of the pension scheme to comply with the requirements of FRS 102. The actuarial statement is published in the National Library of Wales's Pension Fund Annual Accounts. Welsh Government granted in 2006/07 a Crown Guarantee which exempts the Scheme from the Pension Protection Fund and the associated levy.

(c) Remuneration of Executive Team

This is noted in Section 2.2.5 of the Trustees Report.

(d) Gifts Register

The Library operates a gifts register. No items noted during the year are considered of material interest to these financial statements.

(e) Severance

There were 2 voluntary severance payments accounted for in 2024/25: £3,868 compared to 24 payments in 2023/24 amounting to £1,143,500.

(f) Board emoluments

The Board, except for the President, do not receive any emoluments. Based on a review of similar organisations, and with the support of Welsh Government, the Board has decided to remunerate the post of President (see page 26 (Annual Governance Report)).

The President received emoluments of £16,519 during 2024/25 (2023/24: £17,187). The total amount of travel, subsistence, and hospitality expended by the Library for its Board and committee members was £5,198 (2023/24 £6,669), this was claimed by 11 members (2023/24: 11 members).

9. STAFF NUMBERS

The average monthly head count was 232 (2023/24: 252) and the average full-time equivalent staff employed by the Library (including casual and part-time staff) during the year were as follows:

Staff Numbers	**2024/25**	**2023/24**
Fundraising & Trading	**13.5**	14.1
Share knowledge	**57.2**	63.0
Connecting Communities	**37.6**	44.0
Education, skills and research	**41.8**	45.7
Preserve and Develop	**41.7**	50.1
Governance	**10.0**	11.7
Total	**201.8**	228.6

10. TANGIBLE AND INTANGIBLE ASSETS

A. Tangible Assets – Current Year

	Freehold Land & Buildings	Plant, Fittings & Equipment	Computer equipment	Motor Vehicles	Total
	£000	£000	£000	£'000	£000
Cost & Valuation					
At 1 April 2024	72,230	6,386	4,279	-	82,895
Additions	2,057	2,416	399	93	4,965
Disposal	-	(318)	(404)	-	(722)
Revaluation	1,970	-	-	-	1,970
At 31 March 2025	**76,257**	**8,484**	**4,274**	**93**	**89,108**
Depreciation					
At 1 April 2024	-	1,949	2,409	-	4,358
Charged for the year	1,194	650	477	19	2,340
Disposals	-	(191)	(359)	-	(550)
Revaluation	(1,194)	-	-	-	(1,194)
At 31 March 2025	-	**2,408**	**2,527**	**19**	**4,954**
Net Book Value					
At 31 March 2025	**76,257**	**6,076**	**1,747**	**74**	**84,154**
At 31 March 2024	72,230	4,437	1,870	-	78,537

b. Tangible Assets - Prior year comparatives

	Freehold Land & Buildings	Plant, Fittings & Equipment	Computer equipment	Total
	£000	£000	£000	£000
Cost & Valuation				
At 1 April 2023	76,751	4,607	4,842	86,200
Additions	1,282	2,413	190	3,885
Disposals	-	(634)	(753)	(1,387)
Revaluation	(5,803)	-	-	(5,803)
At 31 March 2024	**72,230**	**6,386**	**4,279**	**82,895**
Depreciation				
At 1 April 2023	2,218	1,974	2,688	6,880
Charged for the year	1,249	606	455	2,310
Disposals	-	(631)	(734)	(1,365)
Revaluation	(3,467)	-	-	(3,467)
At 31 March 2024	-	**1,949**	**2,409**	**4,358**
Net Book Value				
At 31 March 2024	**72,230**	**4,437**	**1,870**	**78,537**
At 31 March 2023	74,533	2,633	2,154	79,320

The Library received a valuation as at 31st of March 2025 on the Library's freehold buildings and land by Cooke and Arkwright, Chartered Surveyors. Their valuation was carried out in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual. Buildings have been valued based on "open market value" or "depreciated replacement cost", and land is shown at "existing use value". Freehold building valuations have been indexed according to the BCIS All-In TPI.

Of the £76.257m Land & Buildings balance, £1.315m has been valued on a Fair Value basis as these are leased/ occupied by an external organisation.

The carrying amount of freehold land and buildings under the historic cost convention would be £45.355m (2023/24: £44.292m).

Included within the Net Book Value above is £Nil of Assets under Construction relating to Freehold Land and Building £Nil (2023/24: £Nil), Plant Fitting & Equipment £Nil (2023/24: £Nil) and Computer Equipment £Nil (2023/24: £Nil)

All tangible assets were used for the furtherance of the charitable activities of the Library.

10C. Intangible Assets

	Digital development
	£000
Cost	
At 1 April 2024	1,086
Additions	-
At 31 March 2025	**1,086**
Amortisation	
At 1 April 2024	**951**
Charged for the year	135
At 31 March 2025	**1,086**
Net Book Value	
At 31 March 2025	-
At 31 March 2024	**135**

11. INVESTMENTS

	2024/25	2023/24
	£000	£000
Investments	16,462	13,766
Market Value at 1 April 2024	13,766	13,427
Acquisitions at cost	9,356	3,800
Less disposals	(7,143)	(4,671)
Net gain/(loss) on disposal/revaluation	483	1,210
Market Value at 31 March 2025	16,462	13,766

The historic cost of investments at 31 March 2025 was £14.726m (2023/4 £12.621m).

Cash held of £216K (2023/24: £212K) are shown under current assets (see note 19).

The assets were invested as follows:

	Gilts, bonds, debentures & preference	Unit trusts, overseas equities, property & alternative assets	UK equities directly invested on UK stock market	Cash (shown under current assets)	**Total**
	£'000	£'000	£'000	£'000	**£'000**
Portfolio 1	1,219	8,508	1,218	183	**11,128**
Portfolio 2	722	4,190	605	33	**5,550**
	1,941	**12,698**	**1,823**	**216**	**16,678**

In deciding on the returns that the Library requires from its portfolio, and the balance between capital growth and income, the Library is prepared to accept that there will be risks attached to the investment of funds above that of simply placing cash on deposit. The Library is prepared to accept these provided that they are within acceptable levels.

The Library's appetite for risk could best be described as "moderate". The Library is willing to accept that in order to achieve higher returns risks must be taken, but the Trustees will also consider the Library's position as a charity largely funded from government grant and consequently the standards of stewardship that are implied. The risks of investment will therefore be tempered by:

- **Asset allocation** – an asset allocation strategy that does not overly expose the funds to variances in one particular sector of the investment spectrum – i.e. a balance will be struck between the amount of bonds, equities, cash and other investments including property, and UK and non-UK investments.
- **Quality of investments** – the Library will only consider high quality investments such as gilts and investment grade bonds, or FTSE 350 equities and collectives.

12. HERITAGE ASSETS

Purchases of Heritage Assets are capitalised at historic cost.

Acquired or donated during the year:

	Books	Subscription	Pictures Manuscripts &Maps	Others	Digital Collections	NSSAW	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 01/04/24	2,170	2,953	14,022	380	4,370	389	**24,284**
Additions	81	141	172	-	-	4	**398**
Donations	8	-	501	-	-	-	**509**
At 31/03/25	**2,259**	**3,094**	**14,695**	**380**	**4,370**	**393**	**25,191**

Additions to heritage assets are stated at cost, whilst donations are stated at market value.

Five Year financial summary of additions:

	2024/25 £'000	2023/24 £'000	2022/23 £000	2021/22 £'000	2020/21 £000
Books	**89**	43	44	87	25
Subscriptions	**141**	42	50	30	32
Pictures, Manuscripts & Maps	**673**	629	239	180	157
Film and music	**4**	8	5	5	4
Total Additions	**907**	722	338	302	218

The Library has an agreed policy for the acquisition, preservation and management of heritage assets. A copy of the agreed policy is available on request. The Library does not loan items to users, but collections are accessible in the reading rooms and exhibition spaces, as well as on-line.

The Library (since 1911) has the right to receive a copy of all books, magazines, newspapers and other printed material published in the UK and Ireland. It mainly collects material of Welsh and Celtic interest. Its collections currently include:

- **Printed material:** ranging from *Yny lhyvyr hwnn,* the first Welsh-language book (printed in 1546) to programmes of local events, such as concerts and shows.
- **Manuscripts and archives:** including priceless items from the Middle Ages, such as the Book of Llandaf, the Hengwrt Chaucer manuscript and the Black Book of Carmarthen.
- **Maps:** Both antiquarian and modern and atlases, Ordnance survey maps, sea charts, maps of farms, estates and tithe maps, railway and public utility plans.
- **Pictures:** portraying people and places in Wales including, paintings, prints, engravings and other pictures.
- **Photographs:** the works of Mary Dillwyn, John Thomas, D.C. Harries and Geoff Charles.
- **Electronic resources and digital images:** New and created mainly by the Library the collections include over 5 million images.
- **The Wales Broadcast Archive** houses 250,000 hours of sound recordings, 300,000 hours of moving images, 7 million feet of film, 200,000 items from the ITV film and TV archive and 15km unique archive.

13 DEBTORS – due within one year

	31st March 2025	31st March 2024
	£000	£000
Trade Debtors	146	175
VAT repayment due	623	814
Prepayments	923	342
Other Debtors & Accrued Income	1,284	3,078
Private Funds Accrued Income	46	1,076
	3,022	5,485

The above includes £500,000 prepayment made to the Pension Scheme against future years deficit contribution, which is a £250,000 reduction to the deficit payment in 2025/26 and an equal amount for 2026/27.

14 (a) CREDITORS - Falling due within one year

	31st March 2025	31st March 2024
	£000	£000
Trade Creditors	88	102
Accruals and deferred income	218	1,676
Holiday pay accrual	201	165
	507	1,943

14 (b) CREDITORS – Movement on deferred income

	31st March 2025	31st March 2024
	£000	£000
Deferred income brought forward	26	49
Release from previous year	(5)	(23)
Income deferred in the current year	-	-
Deferred income carried forward	21	26

Deferred income relates to grants received.

15 PROVISION FOR LIABILITIES & CHARGES

There are no legal claims or ongoing litigation which require disclosure in the financial statements.

16 ANALYSIS OF CHARITABLE FUNDS

a. Analysis of movements in funds - Public

	At 1 April 2024	Incoming Resources	Resources Expended	Other Movements In Year	At 31 March 2025
	£000	£000	£000	£000	£000
PUBLIC FUNDS					
Unrestricted – Public Pension	(14,220)	-	470	(2,230)	**(15,980)**
Unrestricted	588	12,282	(12,438)	8	**440**
	(13,632)	12,282	(11,968)	(2,222)	**(15,540)**
Restricted: -					
Capital and digital development	56,844	4,861	(2,475)	(171)	**59,059**
Revaluation Reserve*	27,739	-	-	3,164	**30,903**
Other restricted funds	1,453	3,625	(3,089)	136	**2,125**
Purchase grant funds	9,982	305	-	-	**10,287**
Total restricted public funds	96,018	8,791	(5,564)	3,129	**102,374**
TOTAL PUBLIC FUNDS	82,386	21,073	(17,532)	907	**86,834**

*Revaluation reserve has been calculated based on the revaluation to assets since 1999 in line with the FRS 102 requirement for separate identification of revaluation reserve. Revaluations prior to 1999 are not included in this reserve.

Other movements in the year £907k include:

- Tangible Fixed Asset Revaluation, Indexation and impairment – £3,164k
- Transfers from private funds - £144K
- Loss on disposal of fixed assets – (£171K)
- Actuarial (losses)/ gains– (£2,230K)

b. PRIVATE FUNDS (including collections)

	Unrestricted	Restricted	Collection	**Total 2024/25**	Total **2023/24**
	£000	£000	£'000		£000
Income					
Donations and Bequests	455	20	509	**984**	473
Investment income and interest Receivable	270	3	-	**273**	273
Total income	725	23	509	**1,257**	746
Resources Expended					
Costs of raising funds	50	1	-	**51**	55
Private project expenditure	12	22	-	**34**	54
Net (gain) / loss of investments	(477)	(6)	-	**(483)**	(1,210)
Total resources expended	(415)	17	-	**(398)**	(1,101)
Net Incoming/ (Outgoing) Resources	1,140	6	509	**1,655**	1,847
Transfers	(161)	17	-	**(144)**	(637)
Net movement in private funds during the year	979	23	509	**1,511**	1,210
Brought forward at 1 April	15,988	168	8,381	**24,537**	23,327
Carried Forward at 31 March	**16,967**	**191**	**8,890**	**26,048**	24,537

The total of private restricted and collection funds represents total restricted private funds of £9,081k.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted public	Restricted public	Unrestricted private	Restricted private	**Total**
	£'000	£'000	£'000	£'000	**£'000**
Fixed Assets	-	100,455	16,271	9,081	**125,807**
Cash at bank and in hand	(150)	-	650	-	**500**
Other net current assets/ (liabilities)	590	1,919	46	-	**2,555**
Creditors of more than one year	(15,980)	-	-	-	**(15,980)**
Total	**(15,540)**	**102,374**	**16,967**	**9,081**	**112,882**

18. RECONCILIATION OF NET INCOME/ (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024/25	2023/24
	£000	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	**5,196**	2,271
Net (gain)/loss on investment	**(483)**	(1,210)
FRS 102 interest pension adjustment	**650**	760
Depreciation and amortisation charges	**2,475**	2,378
Decrease in stock	**1**	5
Heritage asset donations (non-cash)	**(509)**	(437)
(Increase)/ Decrease in debtors	**2,465**	(2,617)
Increase/ (Decrease) in creditors	**(1,436)**	837
Pension current service cost adjustment	**(1,120)**	40
Net cash flow from operating activities	**7,239**	2,027

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2024/25	2023/24
	£000	£000
Bank account balances	**284**	625
Bank accounts held within investments	**216**	212
Cash and cash equivalents on 31 March	**500**	837

20. RELATED PARTY TRANSACTIONS

The Welsh Government is regarded as a related party. During the year the Library received funding from the Government in the form of Grant in Aid, Purchase, Capital and Project Grants as disclosed in note 2. Welsh Government received repayment of the interest of £20K (2023/24: £18.5K) generated from public fund balances.

Details of expenditure in respect of board member travel, subsistence and hospitality are disclosed in Note 8(f).

Lee Yale-Helms, Andrew Evans, Michael Gibbon, Heledd Bebb, Anwen Jones and Ashok Ahir, all of which have been Board members during the year have also acted as trustees of the National Library of Wales Staff Superannuation Scheme for which the transactions and balances with the pension scheme are disclosed in Note 23.

Related party transactions with Board members and members of the senior management team are noted in the table below.

Related Party	Relationship	2024/25 Income (Expenditure)	Debtor (Creditor)	2023/24 Income (Expenditure)	Debtor (Creditor)
		£	£	£	£
National Lottery Heritage Fund	David Michael, a former Director of the Library is an independent member of the Audit Committee. Pedr ap Llwyd, the previous Chief Executive of the Library is a Member of the executive Board in Wales. Susan Davies, Trustee is a consultant for NLHF	877,803	209,534	1,493,763	1,202,405
Coleg Cymraeg Cenedlaethol (CCC)	Pedr ap Llwyd, the previous Chief Executive and Anwen Jones, a previous Trustee are Non-Executive Directors of CCC.	3,912	-	5,257	-
Cardiff Council	Janet Wademan, Trustee of the Library is an independent Member of the Governance and Audit Committee at Cardiff Council.	(2,709)	-	(26,544)	-
Eisteddfod Genedlaethol	Ashok Ahir, Trustee of the Library is President of the National Eisteddfod Court and Chair of the Eisteddfod Management Board	(29,817)	-	85	-
The Chartered Institute of Public Finance & Accountancy	Lee Yale-Helms, Treasurer of the Chartered Institute of Public Finance & Accountancy	-	-	(17,550)	-
Diverse Cymru	Rhian Gibson. Director of the Library is a Trustee of Diverse Cymru	-	-	(319)	-
Aberystwyth University	Anwen Jones, a previous Trustee of the Library is a member of staff of Aberystwyth University. Rhodri Llwyd Morgan was also a previous staff member of this organisation.	(8,000)/5,116	-	(17,245)	-
EE Consulting Ltd	Emyr Evans, the previous Director of Corporate Services is	-	-	(12,637)	-

	also a director of his consultancy business				
Pembrokeshire County Council	Mike Cavanagh, who was a member of the Board until 31 of August 2023 is also a Head of Cultural, Leisure, Tourism and Registration Services for Pembrokeshire County Council	(17,205)	-	(17,659)	(16,579)

On 31 March 2025, the Library had consolidated debtors and creditors with other Government financed bodies as follows:

	Debtors £000	Creditors: within 1 year £000
Central Government bodies	1,638	-
Local Government bodies	93	-
Non-Government Bodies	1,291	507
Total	3,022	507

21. FINANCIAL INSTRUMENTS – RISK DISCLOSURE

The Library has no borrowings and relies primarily on departmental grants for its cash requirements and is therefore not exposed to liquidity risks. The only material deposit is disclosed in note 11, and all material assets and liabilities are denominated in sterling, so it is not exposed to interest rate risk or currency risk. In 2024/25, £18.821m or 84% of the Library's consolidated income derived from the Welsh Government (2023/24 £17.867m or 85%). The balance, £3.509m or 16% (2023/24 £3.182m or 15%) is derived from income on the Library's private funds (note 16b), from trading activities (note 4) and grants from other bodies as disclosed in Note 3 to these accounts.

The Library has exposure to market risk through its investments, and this is managed through portfolio diversification as well as setting the risk appetite and investment objectives to be used by the Fund Manager.

22. LEASES

The Library made no lease payments during the year or the previous year.

23. PENSION COSTS

The Library operates a defined benefit scheme with benefits accruing at the rate of 1/80th of pensionable salary for each year of service. The latest full actuarial valuation was at 31 March 2022 and it was assessed that the Scheme was 99% funded (2019: 100% funded).

During 2024/25, the Library contributed 22.8% of pensionable salaries and employer contributions for 2024/25 were £2.25 million (including deficit contribution of £582K).

(a) Development of the Net Balance Sheet Position

	31 March 2025	31 March 2024
	£m	£m
Fair value of assets **(23b)**	**50.30**	54.05
Actuarial value of scheme liabilities **(23c)**	**(66.28)**	(68.27)
Pension liability recognised in balance sheet	**(15.98)**	(14.22)

(b) Changes in the fair value of plan assets

	Year Ended 31 March 2025	Year Ended 31 March 2024
	£m	£m
Scheme assets at beginning of year	**54.05**	56.38
Benefits paid from plan assets	**(3.56)**	(3.28)
Employer contributions	**3.14**	2.43
Member contributions	**0.08**	0.09
Interest income on Scheme Assets	**2.75**	2.33
Return on scheme assets greater/(less) than discount rate	**(6.16)**	(3.90)
Scheme assets at end of year – (23a)	**50.30**	54.05

(c) Analysis of changes in the Defined Benefit Obligations (DBO)

	Year Ended 31 March 2025	Year Ended 31 March 2024
	£m	£m
Scheme liabilities at beginning of year	**68.27**	74.46
Interest cost on the DBO	**3.40**	3.09
Effect of employee services in the current period	**1.74**	2.19
Member contributions	**0.08**	0.09
Benefits paid from plan assets	**(3.28)**	(3.00)
Remeasurement on the DBO/ change of assumptions	**(3.93)**	(8.56)
Scheme liabilities at end of year – (23a)	**66.28**	68.27

(d) Amounts charged to SOFA (Total Expenditure)

	Year Ended 31 March 2025	Year Ended 31 March 2024
	£m	£m
Effect of employee services in the current period	**1.74**	2.19
Net interest on net defined benefit liability/ (asset)	**0.65**	0.76
Defined benefit cost recognised in P&L	**2.39**	2.95
Administration costs during the period	**0.28**	0.28
Total cost recognised in SOFA	**2.67**	3.23

(e) Actuarial Gains/(Losses) charged to the SOFA (Other recognised gains/(losses))

	Year Ended 31 March 2025	Year Ended 31 March 2024
	£m	£m
Return on scheme assets (greater)/ less than discount rate – (23b)	**6.16**	3.90
Actuarial loss/(gain) arising during period – (23c)	**(3.93)**	(8.56)
Total actuarial loss/(gain) recognised in reserves	**2.23**	(4.66)

(f) Total defined benefit cost

	Year Ended 31 March 2025	Year Ended 31 March 2024
	£m	£m
Total cost recognised in SOFA – (23(d))	**2.67**	3.23
Remeasurement effect recognised in reserves (23(e))	**2.23**	(4.66)
Defined benefit cost	**4.90**	(1.43)

(g) Reconciliation of Net Balance Sheet Position

	Year Ended 31 March 2025	Year Ended 31 March 2024
	£m	£m
Net defined (liability) at beginning of year	**(14.22)**	(18.08)
Effect of employee services in the current period (23c)	**(1.74)**	(2.19)
Net interest on net defined benefit liability/ (asset)	**(0.64)**	(0.76)
Remeasurement effect recognised in reserves (23(e))	**(2.24)**	4.66
Employer contributions (23b)	**3.14**	2.43
Administrative costs (23b)	**(0.28)**	(0.28)
Scheme liabilities at end of year – (23a)	**(15.98)**	(14.22)

(h) Market value of Assets and Percentage of Total Scheme Assets

	31 March 2025		31 March 2024	
	£m	**%**	£m	%
Equities	**14.89**	**29.6**	10.32	19.1
Bonds	**17.62**	**35.0**	31.62	58.5
Property and other	**11.57**	**23.0**	12.11	22.4
Cash	**6.22**	**12.4**	-	-
Total value of assets	**50.30**		54.05	

(i) Financial Assumptions

The financial assumptions made to calculate the FRS 102 disclosure requirements are as follows:

	31 March 2025	31 March 2024
	%per annum	%per annum
Price Inflation	**2.80**	2.55
Rate of Salary Increase	**2.80**	2.55
Rate of increase of pensions in payment*	**2.80**	2.55
Discount rate**	**5.75**	5.10

* in excess of any Guaranteed Minimum Pension (GMP) element
** prescribed by HM Treasury

The discount rate used for FRS 102 disclosures is different to that used by the Actuary for the most recent financial assessment of the Scheme on 31 March 2022. The requirement to use the Treasury's discount rate for the FRS 102 disclosure will result in the financial position of the Scheme being assessed differently under this measure in comparison to the method used in the formal actuarial valuation of the Scheme.

24. CAPITAL COMMITMENTS

At the balance sheet date, the outstanding commitments are as follows:

	31 March 2025	31 March 2024
	£'000	£000
Contracted – building works	**532**	772
Contracted – plant fittings & equipment	**-**	-
	532	772

25. POST BALANCE SHEET EVENTS

There were no material post balance sheet events up to the date on which the accounting statements were authorised by the Accounting Officer **on 28 November 2025**, which would have meant that the accounts had to be adjusted.

NATIONAL LIBRARY OF WALES

England & Wales - Charity number 525775

Accounts

LLYFRGELL GENEDLAETHOL CYMRU
THE NATIONAL LIBRARY OF WALES

ANNUAL ACCOUNTS 2023-24

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SECTION 1: PERFORMANCE

1 OBJECTIVES AND ACTIVITIES

1.1 Primary objectives

The National Library of Wales (the Library)'s primary objective, as expressed in Supplemental Charter 2006 is:

- *to collect, preserve and give access to all kinds and forms of recorded knowledge, especially relating to Wales and the Welsh and other Celtic peoples, for the benefit of the public, including those engaged in research and learning.*

The fundamental purpose and vision was to ensure that the unique history, culture and heritage of Wales, which has been documented in various forms and media over the years, is available at all times to enable everyone to obtain a better understanding of who we are, to explain the historic and cultural heritage that has shaped us as a nation over the centuries, and to encourage learning and research. It has two dimensions - a splendid physical building, in Aberystwyth, housing the print, manuscript, visual and audio-visual collections and also a library and archives, as well as a digital presence on the internet.

1.2 Public Benefit

Our vision 'to deliver change for the better for everyone in Wales now and in the future', as stated in our Strategic Plan for 2021-26, ensures that public benefit is at the core of all our activities. In fulfilling their duties, the Trustees have complied with section 2 of the Charities Act 2011 by having due regard to the guidance published by the Charity Commission on public benefit. While our main beneficiaries are people living in Wales, the Strategic Plan 'A Library for Wales and the World' also emphasises our global impact both as a cultural destination for visitors and through our services to online users worldwide.

1.3 Main Activities

Our main activities, which are undertaken to further the charity's purposes for the benefit of the public in Wales, are as follows:-

1.3.1. Collecting:

Collecting materials by legal deposits, purchases, donations, bequests, exchanges, and deposit, according to agreed collection development policies.

This function is carried out through:

- creating as complete a collection as possible, in all media, of published material relating to Wales (and other Celtic countries to a lesser extent), including electronic and printed publications and audio/moving image material;
- maintaining (mainly through legal deposits and purchases) the most comprehensive collection in Wales of printed materials published in the UK and Ireland, and research material from other countries;
- developing collections of unpublished materials relating to or deriving from Wales, including archives and artistic work;
- gaining access to acquired work, processing, cataloguing and storing it in the most effective way.

1.3.2. Preserving and Conserving:

Preserving and conserving the collections. This function is carried out through:

- ensuring environment, storage and handling conditions are appropriate for continued preservation of the collections;
- intervening to actively conserve materials to arrest deterioration or to repair damage;
- transferring information to more appropriate preservation formats.

1.3.3. Providing access and information:

Providing suitable/effective public access to the Library building, its collections and services, and information about them. This function is carried out through:

- monitoring and analysis of user needs;
- providing access to public spaces, collections and facilities within the building;
- arranging access to collection items and information services for on-site users or via on-line communication for remote users;
- providing easy access to catalogues of the Library's collections and electronic resources, and to its corresponding digital versions.

1.3.4 Publicising and interpreting:

Raising awareness of, and disseminating knowledge of, the Library's work and collections. This function is carried out through:

- materials on the Library's website;
- guides and publicity materials in paper and on-line formats;
- exhibitions and educational/community activities derived from the collections, both at the Library and in other venues across Wales;
- events, lectures and seminars.

1.3.5. Professional collaboration:

Collaborating with, and sometimes leading, related professional groups, across and beyond Wales. This function is carried out through:

- acting as a focal point for library and archive bodies in Wales;
- working with bodies in Wales and beyond to pursue collaborative initiatives and partnerships in the broad heritage, culture and information sectors, and to advance professional practice.

Support functions:

The ***core functions*** are supported by essential management and business functions, including managing and developing staff; controlling and being accountable for financial resources and income generation; and maintaining and developing ICT infrastructure and the Library's building and facilities.

The Library submits an Annual Operational Plan to the Welsh Government on how the activities will be delivered and targets against these activities.

2. ACHIEVEMENT AND PERFORMANCE

2.1 Key highlights in 2023/24

It has been a year of notable achievements but also a period of serious challenges as the financial situation continues to press. It has been the end of an era as the Chief Executive since 2019 retired from his post. It has also been a time to show our appreciation and to bid farewell to a significant number of other staff who have chosen to leave the Library. The next phase will undoubtedly present further challenges, but there will be new opportunities as well, and the Library will continue to develop and to serve the people of Wales as one of the nation's leading cultural institutions.

I would like to thank the Trustees and members of the Library Board, and to non-Board committee members. Their role in the effective governance and leadership of the organisation is vital. I fully appreciate that they have been generous in their support and advice to my predecessor and his team, and I look forward to working with the Board and committees in the coming period.

I would also like to note my debt to my predecessor, Professor Pedr ap Llwyd, who steered the Library throughout the year 2023-24. He led the Library through unprecedented times, to use that term which became so familiar during the extraordinary circumstances of the COVID-19 pandemic. Pedr and the remarkable staff at the Library achieved several remarkable developments during his time at the helm. The establishment and official opening of the Wales Broadcasting Archive represents a truly notable achievement.

Despite the uncertainties of the future operating environment, the Library must remain faithful and confident in its mission in serving the people of Wales, and people beyond Wales, as we preserve and nurture the nation's memory and lived experience.

Section 1: Nurturing and Caring for the Nation's Memory

We continue to improve our emphasis on promoting diversity and making our work and collections better reflect the communities and lived experiences across all parts of the country.

Black History Month

During this year's Black History Month, a digital calendar - **the Wales and World Calendar** - was published, highlighting cultural and religious events, promoting awareness and global diversity, and their relevance to Wales and items in the National Library's collections.

As part of the activities of the Library in support of the Welsh Government's Anti-racist Wales Action Plan, the calendar is a rich resource for the public. The events selected to be represented in the calendar have been chosen with care and objectivity, using the Library's collections as a guide to ensure balance, fairness and diversity. The project highlighted materials from the Library's collections that have been available but under-examined and these were used in a series of events.

The Library also celebrated Black History in Wales with an exhibition of items from the collections in the Peniarth exhibition area. Curated by Miidong P. Daloeng, the *Meditation* exhibition aimed to gain a better understanding of Black History by exploring the themes of music, arts, education, empire and protest, reflecting on and celebrating Black contributions to Welsh society, and the World at large. The Library hosted two events in Aberystwyth and at the Riverside Gallery, Haverfordwest, relating to its work to decolonise the collections.

People's Collection Wales providing training for people across Wales
The People's Collection Wales, a joint project with Amgueddfa Cymru - National Museum Wales and other partners, has run training for people across Wales, both digitally and face-to-face. This included working with Swansea MAD, which is a youth organisation, BAWSO Cymru, which provides support to black ethnic minority groups in Wales, Kumbukumbu Cymru, which is a project to create a website about Welsh-African heritage and culture, Wales PUJA, which promotes Indian culture and traditions, and the Dictionary of Welsh Biography to increase the representation of people from diverse backgrounds.

June Pride Day
On **26 June** Pride **month was celebrated** with an afternoon of special activities. We conducted **a queer guided tour** taking visitors on a journey through our **Pride Collections** in the company of expert **Norena Shopland**. It is an important part of the Library's work to collect and preserve diverse knowledge about Wales and its people, and this tour looked at special items across our collections that shed light on LGBTQ+ lives in Wales – from the time of Hywel Dda to the present day. **Llyfrau Lliwgar**, Bangor and Cardiff's Welsh LGBTQ+ book club, joined us to deliver a talk in the company of Llenorion Lliwgar discussing the extent to which Welsh literature is inclusive and shows diversity, with contributions from guest writers. The day also featured stalls and delicious cakes at Pen Dinas Café and there was a display of items from Jenny Porter's collection in the Peniarth exhibition area.

Women's Peace Petition Wales 2023-24 – further progress
The Peace Petition Exhibition proved to be a popular attraction and drew visits by many different groups including visits from the University of Birmingham Alabama Gospel Choir and the North American Welsh Choir and numerous groups based in Wales including Clybiau Cinio, Merched y Wawr, Women's Institute and other societies. Seeing the chest and part of the petition inspires a range of emotional responses among visitors.

Under the care of specialist staff, the seven-mile-long petition has been digitised and this was followed by the beginning of a crowd-sourcing campaign in the Autumn. The aim of the campaign is to encourage members of the public to try to identify their relatives who have recorded their names on the petition and tell us their story so that these unique stories can be shared as widely as possible. The Petition was also the focus of the Library's exhibition and engagement activities at the National Eisteddfod in Llŷn and Eifionydd during August and at the Merched y Wawr National Conference in September in Aberystwyth.

The Library commissioned theatre company In Character to create a touring show about Annie Hughes Griffiths, the main driver of the petition. The show's first performance was held at the Library on 11th October. A launch for the book written about the Petition was also held at the Library on 9th November.

It was also a privilege for Library representatives to attend the plaque unveiling ceremony at Annie Hughes Griffiths' home on 4th November in Maes Lowri, Aberystwyth. The next significant step in the Library's plans will be to launch a searchable website to facilitate access for the public to information about signatories of the Petition in every part of the country.

Purchases and receipts
A fundamental aspect of the Library's work is the development and enrichment of the collections through accessions and purchases overseen by specialist staff in the fields of rare books, archives and manuscripts and works of art.

Rare Books:

- *The Mabinogion: from the Red Book of Hergest and other ancient Welsh manuscripts*. A rare example from the original edition of this translation, bound in seven parts.
- *Le premier [-second & -tiers] volume de lancelot du lac* (Nouvellement imprime a Paris: Pour Anthoine Verard, 1502-1504). An addition to the Library's Arthurian collections, and an example of early printing with woodcuts.
- *Introduction to the Arctic zoology*. The second edition (London: Printed for Robert Faulder, 1792). Works by Thomas Pennant (1726-1798), naturalist, antiquary and traveller from Downing, Flintshire. A copy in fine binding from Downing's library, with annotations by David Pennant, the author's son.

Archives and Manuscripts

The illuminated pedigree of William Gruffyth, 'Justice of the peace and corum of the Cittie and Libertie of Westminster and of the countie of Middlesex, and Sergeant of Arms to the Kinge', created around 1600 by herald-bard Rhys Cain (*c.* 1540-1614) of Oswestry. Griffith was grandson of Sir Rhys Griffith (or Gruffydd, d. 1580) of Penrhyn, Caernarfonshire, and nephew of adventurer Pirs (or Perys) Griffith (1568-1628).

A document issued by King Charles I, on 28 December 1641, ordering the High Sheriff of Monmouth and his officers to offer all assistance to Henry Somerset, fifth Earl of Worcester, should 'any Abuse outrage or Tumult' be attempted against him. The document was signed on the eve of the first First Civil War which led to the siege – and eventual destruction - of the Earl's castle at Raglan.

Four autograph letters, dated 1936-37, 1957 and 1961, from author and garden-designer Vita Sackville-West (1892-1962) addressed to her distant relative and fellow novelist, Berta Ruck (1878-1978).

The papers of Ned (Edward Morley) Thomas (1936-), author of the influential *Welsh Extremist* (1971), literary critic, and founding editor of the magazine *Planet* (1970-). The papers include letters from Emyr Humphreys, Jan Morris, Iris Murdoch and R.S. Thomas, together with an important series of letters from Basque nationalist Jose-Luis Alvarez Enparantza (Txillardegi, 1929-2012) (Papurau Ned Thomas).

Artworks

Two works have been added by Mfikela Jean Samuel, a Bangor artist who emigrated to Wales from Cameroon in 2014. The main inspiration of his art is his African Cultural heritage. The painting 'Windrush' is a work in acrylic, specially created by the artist to commemorate the landing of the ship *Empire Windrush* at Tilbury Dock, Essex on June 22, 1948. It carried over 450 passengers from the Caribbean, who had responded to the British Government's call for workers following World War II.

Another work purchased from the artist was a triptych responding to the description of West Africa by the famous Welsh naturalist, antiquarian, and traveller Thomas Pennant, in his multi-volume work, 'Outlines of the Globe' published between 1798 and 1800. Within the work, the artist reflects on Thomas Pennant's description of West Africa, and what the African continent means to him. The work was commissioned by the Centre for Advanced Welsh and Celtic Studies.

Another addition to the collection was the powerful work in oil 'Refugees at Sea II' by Alison Lochhead. In her work the artist focuses on the heartbreaking impact of war on humanity. Originally a sculptor, Alison Lochhead has recently turned to paint to convey her feelings about worldly injustices. The artist has lived in a several countries, working in support of human rights and access to justice for women. Her experiences are reflected in her artwork.

Our collections also benefited from a generous donation by artist Meinir Mathias of her portrait of peace campaigner Annie Jane Hughes-Griffiths, who contributed much to the work of the Welsh Society of the League of Nations Union in the 1920s as well as the Welsh Women's Peace Petition.

Notable works created by brothers Paul and Peter Davies, founders of the BECA Art group, were also added to the collections. The BECA group was an art movement formed in the 1970s to create Welsh political art which reflected on Welsh history and identity. It is hoped that this collection will raise people's awareness of the important work of the movement, which successfully brought challenging political art to the Welsh arts scene.

Section 2: Laying the Foundation of a Knowledge Economy

Wales Broadcasting Archive
Following the official opening of the Archive in March 2023, there was significant progress this year in digitising more of the archive's content, opening new clip corners and implementing an engagement programme to reach wide-ranging groups and communities.

Thanks to the collaboration of our local partners, the official openings of the new clip corners were held in Carmarthen, Conwy, Llanrwst and Swansea. We are extremely grateful to our partners, namely Carmarthenshire County Council, Conwy Council, Swansea University, and West Glamorgan Archives Service. We continued to promote events using *The Welsh Broadcasting Archive presents…* brand, hosting the first event outside Aberystwyth at Carmarthen Town Library. The event was a sell-out, and the Library transformed into a dazzling venue and the audience enjoyed an evening reflecting on the careers of some of BBC Radio Wales' leading broadcasters: Gilbert John, Roy Noble and Aleighcia Scott. The audience was also able to view archive clips of the town selected by individuals from the community who worked on the project with our engagement officers. Back in Aberystwyth a partnership with the Department of Theatre, Film and Television Studies came to fruition as a group of students and researchers presented the story of one of the earliest and most innovative radio plays on the BBC, and among the speakers was one of BBC Radio 4's senior drama commissioners.

Work continued to process material from the archives of the three broadcasters to be ingested into the Media Asset Management system, and the BBC's primary source files (296 tapes containing approximately 70,000 files / 2.6PB of data) have been received. Engagement activities have included Sense of Place workshops in Llanrwst, Conwy, Cardiff and Carmarthen; Learning Clip Sessions at Ysgol Dewi Sant in Llanelli; and volunteers continue to work on ITV News descriptions.

On 8th March, the first anniversary of the Wales Broadcasting Archive Centre was celebrated at the Library with pupils from Ysgol Henry Richard, Tregaron, meeting camera operator and director of photography Aled Jenkins, who has worked in over seventy countries filming all types of programmes, and experienced television presenter Elin Llwyd. Pupils had the opportunity to be behind and in front of a camera using the green screen, learning from discussion with the professional staff, and visited the Library cells where rare audio and video footage is stored.

Over 6,800 video and film items have been digitised and work is underway to increase the number of clips available online and on social media to promote the Archive.

Promoting Participation
The Library Volunteering Scheme has now been fully reintroduced following Covid and between the beginning of April and the end of June this year 64 people came to participate in volunteering at the Library. This is a new record, and the highest number since the scheme was established over a decade ago. The Library is very fortunate in its volunteers who in turn are very appreciative of the opportunities they receive. Gwyneth Davies, Library Volunteer Manager won the CAVO (Ceredigion Association of Voluntary Organisations) Volunteer Coordinator award and received the award at a

ceremony in June. Gwyneth has been with the Library since the scheme began and deserves huge credit for its success.

Contemporary Art Gallery
The development of a National Contemporary Art Gallery for Wales is a commitment in the Welsh Government's Programme for Government and is a project that involves close collaboration between the Arts Council, Amgueddfa Cymru – Museum Wales and the National Library of Wales.

Thanks to the support of the Welsh Government, the Library has contributed to the development of the project through a programme to digitise thousands of artworks from the collections. The digital images will feature on the Contemporary Art Gallery website - https://celfarycyd.wales/. Future plans involve collaboration with the major partners and nine partner galleries to facilitate artwork loans and thereby enable wider access to the national art collection across the country.

Section 3: Being Central to Welsh Life

The Library's work is relevant to a wide range of audiences, and we facilitate access through exhibitions, lectures and talks, and by developing partnerships with communities and a host of organisations.

Communities of Wales
There has been an increasing emphasis on widening engagement and working with groups that are under-represented in our work. The **'Communities of Wales'** project, funded through the Welsh Government's Anti-Racist Wales Plan, has been an opportunity to collaborate with partners and schools in ten communities across Wales. These included: Monkton School, Pembrokeshire, focusing on Gypsy and Welsh storytelling traditions; Ysgol Bodhyfryd, Wrexham, and Bom Dia, a Portuguese diaspora association; Cathays High School, Cardiff, and artist studio Unify; Ysgol Hamadryad, Cardiff, and the history of the black community and the coal industry; Sketty Primary School, Swansea, and anti-Apartheid demonstrations in Swansea in 1969; Whitestone School, Swansea, and Ysgol Plascrug, Aberystwyth, working together on a Cynefin project; EYST and Lioness Community Projects, Cardiff, exploring the experiences of people who have historically been ignored or marginalised; partnering with KIRAN Cymru and others to produce information packs on the history of immigration to Wales; Maesydderwen School and The Welfare, Ystradgynlais, exploring the experiences of refugees.

Exhibitions
There was considerable effort put into preparing an ambitious exhibition at Oriel Gregynog called **CYFOES: Contemporary Welsh Art**. The exhibition used the entire space in Oriel Gregynog and gave a taste of the wealth of contemporary artists' work in the collections. There were 80 works in the exhibition and highlights included a brand-new work by artist Dr Adéọlá Dewis, Y Fari Lwyd, commissioned as part of the Library's work to decolonise the art collections; Tryweryn Memorial by John Meirion Morris; Greenham Peace Vigil by Claudia Williams; and Ponterwyd / Gaia by Mary Lloyd Jones. The exhibition opened on 27 October and received a very positive response. The Education Team delivered workshops based on the exhibition to schools with artists Lisa Eurgain Taylor, Kim James-Williams and Gwenllian Beynon involved. The backdrop of Adeola Dewis depiction the Fari Lwyd and Jonkonnu's Caribbean tradition provided the perfect backdrop for a visit by Butetown Carnival to the Library and the collaboration also involved Mama Fay's restaurant and Irie's bar.

The **Wales for the World** exhibition opened at Haverfordwest Riverside Gallery on 23rd September. The purpose of the exhibition was to present a selection of maps from the more than 1.5 million items held in the National Map Collection in Aberystwyth. It ranged from the oldest map at the Library of Wales to newly commissioned works of art funded by the Welsh Government's Anti-racist Wales Action Plan. A week-long series of workshops were held for around 250 pupils at the Riverside to coincide with the exhibition. Alongside the ***Wales for the World*** exhibition, there is a permanent

Pembrokeshire: Past and Present exhibition, focusing on Pembrokeshire's history, culture and landscape.

Lectures – The Welsh Political Archive
"Constitutional change is vital to creating a pathway to a better Wales". This was one of the central messages as Professor Laura McAllister delivered the Welsh Political Archive's annual lecture on Wednesday 22nd November 2023. Over 150 people attended the annual lecture, which started in 1987, held this year at Cardiff University's School of Journalism, Media and Culture.

Section 4: Empowering Research and Learning

Central to the Library's mission is to work to promote education and research and this year again saw new plans and partnerships being developed.

Welsh Higher Education Libraries Forum: Celebrating 30 Years
The Forum came into being in 1993, and the group includes librarians from all of Wales's universities in Wales, the Open University in Wales, the National Library of Wales, the Natural Resources Wales library and Amgueddfa Cymru. The Forum's mission is to 'encourage collaboration and innovation in library and information services across Wales'.

To celebrate the 30th anniversary, in June 2023, a large group of librarians and their guests from Wales and beyond gathered at the Pierhead Building to celebrate more than 30 years of collaboration. At an event hosted by Jeremy Miles MS, Minister for Welsh Language and Education, attendees gathered to hear talks detailing the achievements of the Forum's collaboration and the impact it has had.

AHRC Collaborative Doctoral Awards
The National Library of Wales is part of the new CDP4 Culture and Heritage Wales consortium along with Amgueddfa Cymru and the National Botanic Garden Wales. This year the Library secured three doctoral scholarships as part of this innovative partnership.

The collaborative doctorates are overseen by members of Library staff and academic staff at UK universities, with support and training opportunities provided by the CDP Consortium. A key benefit of the research scholarships is that each project offers students the possibility to combine academic work leading to a doctorate along with building practical skills and unique work experience within a library or museum context.

During the year the Library was pleased to invite applications for the 2024 research scholarship round: Arts, Action and Accessibility: Disability Arts in Wales, 1980 to the present; *Augustus John: Reassessing the collections of Amgueddfa Cymru* and the National Library of Wales; From Wales to the World: A History of the Children's Message of Peace and Goodwill, 1922-1972. It is anticipated that the successful candidates will start during 2024.

Department of Learning and Engagement
During the year, staff in the Department of Learning and Engagement developed activities to support e-sgol. The purpose of e-sgol is to expand opportunities for learners to study courses and gain knowledge that would not otherwise be available to them. After piloting the project in Ceredigion and Powys, e-sgol is now supporting schools across Wales and expanding into the primary sector. The discussion with the Library is around how we can adapt some of the ready-made online learning presentations we have to support e-sgol.

The team offers learning sessions that present the historical, social and cultural context of the Welsh language. These are specifically targeted at people of all ages who are learning the language. They also

offer school pupils the opportunity to visit a Welsh-language workplace and see Welsh in action as a working language. Some schools where Welsh is taught as a second language undertook visits to the Library specifically so that pupils can practise using the language.

The Library was part of *Kids in Museum Takeover Day* where school pupils worked alongside Library staff to offer a service to the public through the medium of Welsh.

During 2024, the Library Education Service has published materials in Welsh in support of the Welsh Government's anti-racist Wales initiative, including a film about the experiences of Welsh people during Ramadan, bilingual resources on the fight against Apartheid, and a resource about the Welsh tales of the Gypsies and the traditions of traveller and Romani communities.

Section 5: Our People

The Library thrives thanks to its skilled and expert staff who are dedicated to serving users and the people of Wales.

Skilled workforce - recognition of achievements

This year the UK and Ireland Archives and Records Association (ARA) Annual Conference was held in Belfast from 30 August to 1 September. During the conference two members of staff at the National Library of Wales received recognition for their hard work in the Archives sector.

The Distinguished Service in Archives Award was presented to Sally McInnes, Head of Unique and Contemporary Content. Sally qualified as an archivist in 1988 and came to work at the Library in 1989 and at the end of March this year, after years of distinguished service to the institution, Sally retired.

Congratulations also to Julian Evans, Conservation Assistant, who received his Certificate in Archival Conservation. Julian is now starting his career as a fully qualified Archives Conservator, helping to retain essential skills for future archive conservation.

Developing Future Managers

We were proud of our staff who completed Level 4 and Level 5 ILM courses during the year. The course has been a combination of attending workshops, individual research and providing evidence of experiences. Modules included understanding the culture of our organisation, developing leadership styles to be able to lead effectively, managing to improve performance, managing change and developing people in the workplace.

2.2. Key Achievement Indicators

The Library's performance against its targets was reported to the Welsh Government in 2023/24 as follows:

	Target	Attainment
Digital visits	1,900,000	1,844,101
International digital visitors to Library sites	850,000	644,667
Reach of the Library's content on Wikimedia	190,000,000	207,659,578
Number of impressions across social media channels	2,750,000	3,413,973
New items with interpretation published by the Library	1,200	1,242
Visitors to Library sites	50,000	76,207
On site volunteer hours	5,000	8,265
Social prescribing referrals	20	35
Number of events	150	739
Number of participants in events	10,000	13,011
User satisfaction - physical visits	96%	99%
User satisfaction - digital visits	80%	75%
Digital educational resources published online	20	25
Formal education workshops delivered	80	176
Informal learning sessions	100	237
Interactions with under-represented groups or organisations that represent these groups	20	76
% legal deposit material processed within 10 working days	90%	97%
Number of conservation hours	8,250	8,628

Performance against targets is reviewed by the Welsh Government and the Board with notes and interpretations being provided regarding achievements against targets.

We are obliged to monitor continuously and evaluate our work both quantitatively and qualitatively. Although our quantitative achievement indicators provide a snapshot of performance, the qualitative data from case studies and narrative reports continue to provide a more detailed snapshot, and an opportunity to reflect on our work and enrich it.

3 SUSTAINABILITY REPORT

The Library has made significant progress on decarbonising the estate, although this is not reflected in the energy costs below due to a problem with charges for electricity with a significant bill in December 2023 backdated to previous years. In future years, gas usage will decrease,

This report has been complied in accordance with the guidelines laid down by HM Treasury in *Public Sector Annual Reports: Sustainability Reporting Guidance*. During 2023-24, the following was achieved: -

	2023-24	2022-23	2021-22
Energy consumption			
Electricity (kWh'000)	2,049	2,193	2,210
Gas (kWh'000)	2,662	2,838	3,019
Business Travel – miles	40,797		
Energy generated			
Electricity (kWh'000)	83	-	-
Financial indicators			
Electricity (£'000)	670	344	314
Gas (£'000)	234	118	87
Expenditure on business travel (£'000)	38	24	6
Total energy expenditure (£'000)	942	494	401
Water consumption			
Water consumption m^3	3,947	6,095	6,559
Water consumption m^3 per FTE*	17.3	26.73	30.78
Water supply costs £	£18,001	£25,209	£27,785
Waste			
Total waste (tonnes)	34.8	33.37	38.99
Reused, recycled, composted	22.1	18.66	12.21
Landfill	12.7	14.71	26.78
Hazardous	-	-	-
Reused, recycled, composted as % of total waste	63.5%	55.9%	31.3%
Total disposal cost	£26,761	£17,756	£12,003
Greenhouse gas emission			
Total emission tonnes CO_2 equivalent			
Attributable to business travel	12	11	4
Attributable to energy consumption (1,000 tCO_2e)			
Electricity and Gas	1,209	934	1,020
Attributable to energy consumption			

*FTE = full-time equivalent

Note on Energy:

Costs are total for the site including energy supplied to adjacent building, but consumptions are only for National Library buildings.

Horticultural waste generated on site is composted on site. The quantity of this waste is not measured.

4 FINANCIAL REVIEW

4.1 Financial Results and Allocations

The accounts are prepared under Section 9(4) of the Museums & Galleries Act 1992 in a form directed by Ministers of the Welsh Government with the approval of the Treasury. The Library's net income/(expenditure) for the financial year were £2,271k (2022/23: £2,914k). The Library's incoming resources totalled £21.1m (2022/23: £17.43m) and total resources expended were £20.0m (2022/23: £19.39m).

The unrestricted public reserve decreased from £1,055k to £588k.

Fund balances at 31 March 2024 stood at £106.9m (31 March 2023 £102.3m).

4.2 Charities Statement of Recommended Practice

The Charity Commission issued a Statement of Recommended Practice (SORP) for charities in October 1995, which was most recently updated by the Charities SORP 2019. The Library has complied with the SORP since the 1996/97 accounts.

4.3 Valuation of Tangible Fixed Assets

The Library commissioned a revaluation by Cooke and Arkwright, Chartered Surveyors, of the Library's buildings and freehold land as at 31 March 2024. Land and buildings values are adjusted annually by indexation between each formal valuation which usually takes place every five years, however an additional valuation was required to comply with accounting standards as there had been a significant level of additions over the last 3 years. Other fixed assets are not revalued nor indexed, and from 2017/18, are held at original cost less depreciation.

4.4 Charity Reserves Policy

The Charities SORP 2019 requires the Library to disclose its policy on Reserves.

4.4.1 Unrestricted Public Funds

The National Library of Wales is currently dependent on the Welsh Government to sustain the majority of its activities. The Library's Public Funds reserves policy is to conform to the requirements of the Welsh Government's Framework Document, which sets out the financial framework under which the Library is required to operate. The main requirement of the Framework Document in relation to reserves is that only 2% of gross Grant-in-Aid can be held as cash balances. The ultimate effect of this will be to restrict the level of reserves that can be held. Low levels of reserves and working capital are particularly difficult in times of financial uncertainly and mitigation of risks would justify carrying higher levels of reserves due to the financial outlook. It is also the case that public reserves cannot be spent without informing Welsh Government so that they can include them in their budget planning for the whole of the public sector in Wales.

4.4.2 Restricted Public Funds

Public restricted funds represent Capital and Purchase Grants received from the Welsh Government or any grant received from a public body for specific purposes. Welsh Government funding is also restricted to 2% of gross Grant-in-Aid carry over in cash balances, however the majority of this funds reflects the capital income received less depreciation to date.

4.4.3 Unrestricted Private Funds

The Library's unrestricted private funds have four main objectives:

- To fund short term contribution to the revenue costs of running the Library's services and contribution towards restructuring costs.
- To finance specific costs or project, as approved by the Board, which are of strategic importance to the Library.
- To supplement the Collections Purchase Grant to enable the Library to fulfil its collections policy.
- Where a shortfall exists in capital funding, to finance capital investment or future developments including equipment, buildings and computer hardware and software.

The level of reserves is being reviewed and monitored by the Board through the Financial Planning Committee and has been agreed in the Library's Medium Term Financial Strategy.

4.4.4 Restricted Private Funds

The Library's restricted private funds can only be used in accordance with any stipulated terms of each specific bequest. They can only be used for the purposes described and therefore they are only used when an item of expenditure that directly relates to the fund is approved by the Board or the funder.

4.5 Investment Policy

The portfolio has been invested in both equities and bonds and the amount that can be invested in different asset classes has been set in accordance with a risk assessment. The Library's attitude to risk is considered "moderate", accepting that to achieve higher returns than placing cash in a deposit account, there will be a consequent risk in investing in bonds and equities.

The Board reviews the Investment Policy and Strategy on an annual basis, which includes consideration of social, environmental or ethical investments.

The investments were managed on a discretionary basis in accordance with the requirements of the Trustee Investments Act 1961 and latterly the Trustee Act 2000. The performance of the portfolio is monitored and submitted regularly in the form of a report to the Financial Planning Committee and the Trustees. On 31 March 2024, the market value of the investments and cash was £14m (£13.55m on 31 March 2023).

4.6 Key risks

4.6.1 Financial planning

The Library has prepared a Mid Term Financial Plan for the three years 2023-24 to 2025-26 which encompasses both revenue and capital expenditure. The plan highlights the need for the Library to utilise unrestricted private funds during the period to cover expected funding deficits.

Unrestricted private funds are available to the Board to manage financial risk as part of its reserves policy.

5 PLANS FOR FUTURE PERIODS

The Library continues to implement the 2021-2026 Strategic Plan under the title 'A Library for Wales and the World'. The final version was approved by the Board of Trustees in January 2021. It is an ambitious plan that provides a clear, coordinated and prioritised focus and direction for everyone involved in the organisation up to 2026.

The plan identifies four strategic and well-being objectives:

- Cultivate and care for the nation's memory
- Lay the foundation for a knowledge economy
- Be at the heart of national life
- Empower learning and research

The Well-being of Future Generations Act was a key consideration when drafting the Strategic Plan and the requirements of the Act have been considered when formulating plans to deliver against the objectives.

Strategic Objective 1 Cultivate and care for the nation's memory	**How will we achieve this?**
➢ Capturing contemporary Wales ➢ Committed to diversity ➢ Leading in preservation and management of information	• We will develop and invest in the work of collecting and preserving digital materials in various formats • We will establish a Wales Broadcast Archive that will be a rich and comprehensive record of life in the 20th and 21st Centuries • We will deliver guidance and advice on conservation and raise awareness of the risks of losing the national memory in the digital age • We will develop our relationships with libraries, archives, museums and others in the heritage sector as we collect the nation's memory • We will foster our connections with ethnically diverse communities across Wales • We will work with these communities as we continue to develop our Collections Policy • We will review the way in which our collections are described, interpreted and promoted • We will invest in the cultivation and transfer of physical and digital conservation skills within the Library and across the sector • We will invest in the development of our technical infrastructure as a trusted home for our digital collections • We will support other organisations with the preservation of digital collections • We will share good practice in information management, conservation and collections development internationally

Strategic Objective 2 **Lay the foundation for a knowledge economy**	**How will we achieve this?**
➢ Knowledge that invigorates and inspires ➢ Creating opportunities to participate ➢ Improving user experience	• We will continually review the way we describe collections, to provide effective access and highlight 'hidden' collections • We will improve access to physical collections by continuing our digitisation programme • We will seek opportunities to increase the use of collections by businesses and the creative sector • We will work to ensure that information is available in an open and accessible format • We will continue to offer a range of volunteering opportunities at Library sites • We will increase opportunities for volunteering and engaging with the collections on a digital basis, using approaches such as crowdsourcing • We will support national and international participatory programmes and projects • We will develop new and innovative ways of widening access to knowledge • We will ensure that user feedback and the voice of the user are central to the development of our services • We will invest in the building in Aberystwyth as a visitor destination, where visitors from Wales and the world can research, discover and enjoy
Strategic Objective 3 **Be at the heart of national life**	**How will we achieve this?**
➢ Connecting communities ➢ Sharing collections ➢ Promoting a global Wales	• We will invest in our relationship and connections with individuals and communities with the aim of increasing the value and impact of our collections and services • We will establish connections with new communities and audiences • We will consider all opportunities to expand our connections with public bodies and organisations throughout Wales and further afield • We will improve access and connections across Wales through the activities of the Wales Broadcast Archive. • We will share our collections widely and openly with the aim of achieving the greatest reach and deepest engagement • We will develop methods and channels for acting in collaboration with the public to jointly interpret our history and culture • We will hold exhibitions and events on themes that are timely and relevant to Wales today • We will promote the Library's sites as cultural destinations • We will develop and deliver an International Strategy and collaborate with Welsh Government and other organisations to promote Wales on a global stage

	• We will continue to foster and strengthen our relationship with the Welsh diaspora
Strategic Objective 4 Empowering learning and research	**How will we achieve this?**
➢ Enabling research and innovation ➢ Supporting formal learning ➢ Promoting informal learning	• We will foster a relationship with Higher Education Institutions and research teams interested in the collections • We will explore and experiment with new technologies as means of enhancing access and research, supporting aspects such as geodata, artificial intelligence and adopting concepts such as 'collections as data' • We will collaborate with partners and stakeholders with the aim of establishing an accredited trusted digital repository as research infrastructure • We will continue to contribute to the development of the Curriculum for Wales • We will continue to increase our own range of digital learning resources in collaboration with partners • We will invest in our services for schools and post-16 education • We will develop a programme that supports informal learning and foster skills and transfer knowledge • We will increase the interpretative content available o nline as resources for informal learning • We will explore opportunities to work in partnership to support informal learning in communities across Wales

Trustees

The Trustees have complied with their duties to have due regard to guidance published by the Charity Commission.

Auditor

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





Rhodri Llwyd Morgan
CHIEF EXECUTIVE
10 January 2025

Gronw Percy
TREASURER
10 January 2025

SECTION 2: ACCOUNTABILITY

SECTION 2.1: CORPORATE GOVERNANCE REPORT

2.1.1 Reference and Administrative Details

Board of Trustees (from 1 April 2023, and since the year-end)

Appointed by the Welsh Government:

Ashok Ahir, President ^
Andrew Evans, Vice President *
Quentin Howard + (reappointed from 1 September 2023 for further four-year term)
Michael Cavanagh (to 31 August 2023)
David Hay ^ +
Lydia Rumsey * (resigned 30 June 2024)
Dr Janet Wademan *
Dr Carl Williams (to 31 August 2023)
Dr Andrew Cusworth (from 1 November 2023)
John Trevor Allen * (from 1 November 2023)

Appointed by the National Library of Wales:

Lee Yale-Helms, (re-appointed as Trustee from 1 June 2023 for two years)
Gronw Percy, Treasurer (from 1 April 2023) * +
Dr Gwenllian Lansdown Davies * (to 29 February 2024)
Dr Anwen Jones (resigned 30 September 2024)
Susan Davies ^
Professor Elaine Treharne ^ (resigned 25 July 2024)
Hannah Lindsay +

***Members of the Audit, Risk and Assurance Committee**
+ Members of the Finance and Resources Committee
^ Members of the Performance, Quality and Governance Committee

Independent External Members of the Audit, Risk and Assurance Committee:
Rhian Evans (to 31 May 2024)
Huw Lloyd Jones

Co-opted members of the Finance and Resources Committee:
Dr Ieuan Griffiths (resigned 19 January 2024)
Rhian Evans (from 1 July 2024)

Executive Team Members:

Chief Executive and Accounting Officer
Pedr ap Llwyd (until 31 March 2024)
Dr Rhodri Llwyd Morgan (from 1 April 2024)

Director of Corporate Services
David Michael (resigned 16 August 2023)
Emyr Evans (from 16 August 2023 to 13 May 2024)

Director of Finance and Corporate Services
Mererid Boswell (from 13 May 2024)

Director of Collections and Digital Services
Dr Owain Rh Roberts

Director of Communications, Engagement and Partnerships
Rhian Gibson

Principal Advisers:

Bankers	National Westminster Bank, Aberystwyth
Solicitors	Geldards LLP, Cardiff Humphreys Roberts & Bott, Aberystwyth Hugh James, Cardiff Darwin Gray, Cardiff
External Auditors	Audit Wales, Cardiff
Internal Auditors	Welsh Government Internal Audit Service (to 19-4-24). RSM from 20-4-24 onwards
Investment Brokers	Investec Wealth and Investment, London
Actuarial and Pensions	Willis Towers Watson, Edinburgh
Registered Charity No.	525775
VAT No.	905194137
Registered Address	National Library of Wales Penglais Aberystwyth Ceredigion, SY23 3BU
Corporation Tax	The National Library of Wales is exempt from corporation tax under Section 505 of the Income and Corporation Taxes Act 1988

2.1.2 STATEMENT OF THE BOARD OF TRUSTEES AND CHIEF EXECUTIVE'S RESPONSIBILITIES

Under Section 9(4) of the Museums and Galleries Act 1992, the Board of the National Library of Wales is required to prepare a statement of accounts for each financial year in the form and on the basis determined by Ministers of the Welsh Government with the consent of the Treasury. The accounts are prepared to give a true and fair view of the Library's financial activities during the year and of its financial position at the end of the year.

In preparing the accounts, the Trustee and the Chief Executive are required to comply with the requirement of Charities Statement of Recommended Practice FRS102 and the Government Financial Reporting Manual and in particular to:-

- Observe the accounts direction issued by ministers of the Welsh Government 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 a going concern basis, unless it is inappropriate to assume that the Library will continue in operation.

The Principal Accounting Officer for Ministers of the Welsh Government has designated the Chief Executive as the Accounting Officer for the Library. The Chief Executive's relevant responsibilities as Accounting Officer, including his or her responsibility for the propriety and regularity of the public finances for which he or she is answerable and for the keeping of proper records, are set out in the Welsh Government's Accounting Officer Memorandum.

Statement of the Disclosure of Relevant Audit Information

As far as the Accounting Officer is aware, there is no relevant audit information of which the auditors are unaware, and the Accounting Officer has taken all steps that he ought to have taken to make himself aware of any audit information and to establish that the auditors are aware of that information.

2.1.3 Annual Governance Statement

2.1.3.1 Statutory Background

The Library was established by Royal Charter on 19 March 1907. Supplemental Charters were granted in 1911 and in 1978, with slight constitutional revisions. On 19 July 2006, a new Supplemental Charter was granted by Queen Elizabeth II. This Charter changed the Library's constitution and governance significantly and recognised devolution of government from Westminster to Wales. Whereas previously the Library had a Court of Governors and a Council, it now has a Board of Trustees.

The Library is a registered charity and a Welsh Government Sponsored Body. It is funded by a combination of grant-in-aid allocated by Welsh Government, and income secured through its commercial, fundraising and charging activities. The Library's grant in aid allocation and conditions are set out in the remit letter from the Welsh Government

The Library's nature as a Royal Charter foundation and a registered charity, and also a Welsh Government Sponsored Body governs how it operates and fulfils its role and obligations. The Library must balance these two roles to fulfil the objects of its Charter and charitable status, which reflects its foundation purpose, while at the same time adhering to the principles of arms-length government. The Library's objects are "to collect, preserve and give access to all kinds and forms of recorded knowledge, especially relating to Wales and the Welsh and other Celtic peoples, for the benefit of the public, including those engaged in research or learning".

Statement of the Board of Trustees' and Accounting Officer's responsibilities

The Library is required under its Royal Charter and sections 8 (1) and 8 (2) of its Statutes to prepare annual accounts, and to prepare and publish a report upon the affairs and position of the Library during the preceding year including such information as the Trustees from time to time determine.

The Library must prepare its accounts in accordance with the Accounts Direction issued by the Welsh Ministers, Section 9(4) of the Museums and Galleries Act 1992 and the Charities Statement of Recommended Practice.

The Library is accountable to the Welsh Government for the public funds it receives through the *Framework Agreement*, which is demonstrated through regular monitoring meetings with its sponsor body and via the annual audit of the Library's accounts by Audit Wales, the Library's statutory auditors.

The Chief Executive is the designated Accounting Officer for the National Library of Wales. His responsibility as Accounting Officer is set out in the Accounting Officer's Memorandum issued by the treasury and includes responsibility for the propriety and regularity of the public finances for which he is answerable, for keeping proper records, for safeguarding the Library's assets, and for the preparation of the annual report and accounts.

Scope of Responsibility

The Accounting Officer and Trustees have collective responsibility for maintaining a sound governance framework and a system of internal control that supports the achievement of the Library's vision, aims and objectives, while safeguarding the public funds and assets for which they are responsible, in accordance with the responsibilities assigned to them in *Managing Welsh Public Money (2016)*.

These responsibilities are also outlined in the *Framework Document* drafted by the Welsh Government, which regulates the relationship between the Welsh Government and the Library.

The Board is responsible for effective leadership, defining and developing strategic direction, setting challenging objectives, promoting high standards of public finance, ensuring that the Library discharges its functions effectively and efficiently, and monitoring performance, to ensure that the Library fully meets its aims, objectives and performance targets and delivery against plans and budgets.

The President is the primary communicator between the Board and the Minister for Culture and Social Justice and it is the President's role to ensure that other Board members are kept appraised of all such communications. The President is also responsible for ensuring that the Board's policies and actions support the Minister's wider strategic policies through the Welsh Government's *Programme for Government*.

1. Board of Trustees

1.1 Recruitment and Appointment of Trustees

The Library's Board consists of fifteen Trustees, eight of whom are appointed by the Welsh Government in consultation with the Trustees, and seven by the Library in accordance with the Regulations. The Trustees include the three Officers of the Library – President, Vice President and Treasurer; the President and Vice President are appointed by the Welsh Government, and the Treasurer is appointed by the Library. All appointments are made in accordance with the Library's *Statutes* and *Regulations* and the principles of open selection as recommended by the Nolan Review.

In accordance with Section 6 (v) of its Royal Charter, the Library has remunerated the post of President since 1 April 2022 based on one day's weekly service in the role at a fee of £337 per day, or annualised remuneration of £17,591. The President doesn't receive pension benefits.

Trustees took a decision in April 2023 to appoint Lee Yale-Helms as Trustee for a period of two years to fill the vacancy left by Elin Royles' resignation, effective from 1 June 2023. This appointment provides continuity in the ongoing discussions surrounding the Library's pension scheme, as Lee continues in his role as Chair of the Library's Pension Scheme Board.

At the end of their initial four-year term of office, Quentin Howard was reappointed for a further four-year term, effective from 1 September 2023, while Anwen Jones was reappointed for a further four-year term effective from 1 March 2024, but resigned on 30 September 2024. John Trevor Allen and Andrew Cusworth were appointed by Welsh Government as Trustees for a four-year term, effective from 1 November 2023.

Gwenllian Lansdown Davies stepped down at the end of her term of office on 29 February 2024, while Lydia Rumsey and Elaine Treharne resigned from the Board of Trustees on 30 June 2024 and 25 July 2024 respectively.

No other Officers or Trustees were remunerated during the year but all, including the President, were entitled to claim reasonable expenses while undertaking their Trustee duties on behalf of the Library. Details of Trustees' significant interests are maintained in a register of interests, held at the Library.

1.2. Trustees' Handbook

The *Trustees' Handbook* contains a range of documentation to assist the Trustees in undertaking their duties, including the *Corporate Governance Framework* and *Regulations*.

The *Corporate Governance Framework* sets out the key responsibilities of the Board of Trustees and Executive while the *Regulations* sets out the proceedings of the Board and its committees.

In September 2023, *Terms of Reference for the Board of Trustees* were drafted and approved by the Board and included in the *Corporate Governance Framework*.

The Regulations were revised with minor amendments during the year pertaining to public attendance at Board of Trustee meetings, and revisions to the names of standing committees.

1.3 Trustee Induction and Training

In October 2023, the Trustees took part in an anti-fraud workshop led by the Wesh Government's Anti-Fraud Department. Trustees are also completing the National Cyber Security Centre's *Cyber Security Toolkit for Boards*, which will assist Board members to ensure that cyber resilience and risk management are embedded throughout the organisation.

A training programme for 2024/2025 was approved by the Board in May 2024 and will be implemented during the year.

1.4 Board and Committees – Membership and Meetings

The Board held its six scheduled meetings during the year, all of which were hybrid, with members able to attend in the building in Aberystwyth or online. In addition to the six scheduled meetings, an additional meeting was held on 22 January 2024 to discuss the revised 2024/2025 budget, private funds commitments and a voluntary severance scheme.

The Board meetings were also attended by representatives from the Welsh Government, Chief Executive, and Directors. Board agendas and minutes are published on the Library website, together with a summary of papers to be presented at each meeting.
https://www.library.wales/about-nlw/governance/nlw-governance

Board members' biographies can be seen at;
https://www.library.wales/about-nlw/governance/nlw-governance/board-members

The Board has three standing committees, whose Terms of Reference clearly define the remit and responsibilities of each committee, and which are included in the *Corporate Governance Framework.*

Committee	Key Responsibilities
Audit, Risk and Assurance	A standing committee which encompasses all the assurance needs of the Board of Trustees and Accounting Officer in their responsibilities for the Library's risk management, internal controls, statutory accounts, and governance. The committee also reviews with the work of internal and external audit and financial reporting issues
Finance and Resources	A standing committee which encompasses all the assurance needs of the Board of Trustees in respect of the Library's effective, efficient and sustainable financial and other resource management, particularly the Library's investment portfolio, the use of its private funds, its commercial activities, and the performance of its fundraising campaigns
Performance Quality and Governance	A standing committee which encompasses all the assurance needs of the Board of Trustees on upholding effective and efficient delivery standards, monitoring, reviewing and developing the services provided, ensuring accessibility and quality of service for all stakeholders, ensuring that the requirements of all stakeholders are equitably met, overseeing appointment

	arrangements to the Board of Trustees and to the Executive Team, and acting as Remuneration Committee with oversight for the annual pay remit

In addition to the standing committees, the Board has established a Buildings Panel which provides assurances and makes recommendations to the Board of Trustees on matters regarding the Library's buildings and estate, including its maintenance, use, and development, and oversees the decarbonisation programme. The Panel is chaired by Quentin Howard, Trustee.

The following Trustees serve on the Pensions Fund Board – Lee Yale-Helms (Chair), Andrew Evans, Anwen Jones (until her resignation on the 30 September 2024) and Ashok Ahir.

Quentin Howard and Lydia Rumsey (until her resignation) serve on the Wales Broadcast Archive Programme Board to represent the interest of the Trustees.

Board and Committee Attendance

	Board	Audit, Risk and Assurance	Finance and Resources	Performance, Quality and Governance
Ashok Ahir	7/7			4/4
Lee Yale-Helms	6/7			
Andrew Evans	7/7			
Quentin Howard	6/7		4/4	
Gwenllian Lansdown Davies	5/6	0/4		
Anwen Jones	6/7			
David Hay	6/7			4/4
Lydia Rumsey	7/7	4/4		
Gronw Percy	7/7	2/4	4/4	
Susan Davies	7/7			4/4
Elaine Treharne	4/7		1/4	
Janet Wademan	7/7	4/4		
Andrew Cusworth	4/4			
John Allen	4/4			
Hannah Lindsay	7/7			3/4

1.5 Overview of Board Performance

An effectiveness review of the Board's performance was undertaken in February 2023 by the Library's internal auditors, Welsh Government Internal Audit Service, and Trustees are actively pursuing the recommendations of the report to improve its performance.

Performance appraisals of individual Trustees were undertaken by the President. The President's performance review was undertaken by Welsh Government.

The Board considered the following matters during the year;

- Approval of the statutory Annual Accounts 2022/2023
- Wales Broadcast Archive progress updates
- Budget 2023/2024 and draft budget 2025/2026
- Recommendations of the *Board Effectiveness Review*
- Approval of the pay remit 2023/2024
- Approval of the annual *Equality and Diversity Report*
- Approval of the annual *Health, Safety and Security Report*
- Approval of *Fundraising Strategy*
- Approval of *Gifts and Donations Policy*
- Deaccessioning and storage plan to address lack of storage space at the Library, including transformation of the Atrium to provide controlled storage areas
- Audience engagement and Fourth Street reports
- Review of the finance function
- Terms of Reference for Board of Trustees
- Pension Scheme
- Corporate risk register
- Management accounts
- Private funds commitments
- Voluntary severance scheme
- Training programme for Trustees
- Revised Terms of Reference for the Performance, Quality and Governance Committee
- Minutes of all three standing committees and the Buildings Panel

Internal Audit

The internal audit was provided until 19 April 2024 by the Welsh Government's Audit Service. A programme of work for 2023/2024 was approved by the Audit, Risk and Assurance Committee on 24 April 2023.

Following a competitive tender process, RSM were appointed as the Library's internal auditors effective from 1 April 2024. The Audit, Risk and Assurance Committee approved RSM's internal audit plan for 2024/2025 at its meeting on 9 April 2024.

The internal audit service reports independently on an annual basis on the adequacy and effectiveness of the Library's system of internal control, together with recommendations for improvement. Reports are presented to the Audit, Risk and Assurance Committee for members to review and challenge the assurances provided by the Executive.

The Head of Internal Audit can provide only limited assurance that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively. Some significant matters require attention with moderate to high-risk exposure until resolved. The factors underlying the assurance opinion were that only three reviews were carried out, giving cause to reflect whether

there was sufficient cover for an opinion to be given on the adequacy and effectiveness of risk management, control and governance arrangements.

Two audits were agreed by management to evaluate progress made to strengthen financial controls in areas previously highlighted by the independent financial reviews undertaken by CIPFA, and to provide a focused review of procurement. The decision to defer the financial controls review was made by the Board, and the procurement review by the Chief Executive. This led to no assurance being provided that the control weaknesses reported by CIPFA were being remedied.

The deferral of the procurement review meant that it wasn't possible for the Head of Internal Audit to consider whether the Library was adequately preparing to meet its new obligations as a named body under the Social Partnership and Public Procurement Act (Wales) 2023, and the Welsh Regulations associated with the Procurement Act 2023, in the design of its procurement controls.

Owing to the limitations placed upon the 2023/2024 programme of work, WGIAS discussed the possibility of having sight of any audit outcomes provided by the incoming auditor, RSM, within the timeframe for producing the Head of Internal Audit Annual Opinion. As a result, the incoming internal auditor focused their first audit review on the financial controls issues raised by CIPFA – namely financial policies and procedures, budget monitoring and reporting, and procurement. It concluded that there was "inadequate control design and non-compliance with required processes across the areas focused on". RSM expressed the level of assurance as partial, which equates to the Head of Internal Audit's limited assurance rating.

The following were the audit reports presented to the committee during 2023/2024:

- Risk Management (no assurance)
- Security of Assets (limited assurance)
- Cyber Security (reasonable assurance)

2. Code of Best Practice on Governance

As far as the Board of Trustees and Accounting Officer are aware, there is no relevant audit information of which the Library's auditors are unaware. The Board and Accounting Officer have taken all necessary or required steps to make themselves aware of relevant audit information and to establish that the Library's auditors are aware of that information. As a registered charity, the Library has acted in accordance with the *Good Governance Code: A Code for the Third Sector in Wales* and the Charity Commission's guides and codes of practice, and the Board of Trustees has ensured, again in accordance with this code of practice, that the Library has robust governance arrangements in place to promote high performance and safeguard propriety and regularity.

3. Risk Management and Controls

The risk management audit undertaken in October 2023 provided no assurance that governance, risk management and control processes were suitably designed and applied effectively. The audit found that the Library doesn't have a robust, up to date risk policy, staff lack guidance and training to support effective risk management practice, there is no assessment of risks relating to fraud and corruption, corporate risks are not well articulated, and no effective risk leadership role in place due to staff absences.

The appointment of the Director of Finance and Corporate Services in May 2024 has seen a focus on risk management issues, and leadership to ensure that the recommendations of the risk management audit are all being addressed.

The Library's system of internal control is detailed in the *Board Assurance Framework*.

The Risk Management Policy, which defines the Library's approach to risk and how risk management is embedded into management processes to ensure that key strategic risks are effectively managed is currently being revised. An internal audit on risk management is scheduled for 2024-25.

An updated Anti-Fraud Policy was presented to the Audit, Risk and Assurance Committee in July 2024.

The corporate risk register identifies, documents, assesses and details the key strategic and operational risks relating to the Library's activities. The corporate risk register is underpinned by departmental risk registers, which are also kept under regular review by the Executive Team, and departmental risks are escalated to the corporate register where necessary.

The corporate risk register has been completely revised and a new risk added relating to the affordability of the Library's pension scheme. Other major risks on the register include failure to achieve financial sustainability in the face of continuing cuts to its grant-in -aid, insufficient and inappropriate storage space for collections, and cyber security. Mitigating actions are in place for these, and all other risks, and are regularly reviewed by the Audit, Risk and Assurance Committee.

The Library remains cautious in its approach to managing risks in terms of its responsibilities as a publicly funded body, and in areas such as compliance with legislation or conditions imposed by the Welsh Government, it will always seek to comply without exception. The Library continues to manage the risks that the significant financial challenges which it faces poses to its ability to offer pay increases to staff, meet significant increases in other running costs and to deliver on Welsh Government priorities.

No matters were raised during the year under the Whistleblowing Policy, and no instances of fraud or corruption were recorded.

Complaints were dealt with in line with our Complaints Policy. All complaints were fully investigated, and any resulting improvements or changes to working practices implemented where appropriate.

4. Information Security

The Library has information security procedures and protocols in place to ensure the confidentiality, integrity and availability of the information that we hold and process, and to ensure compliance with the UK GDPR and Data Protection Act 2018. These include;

- Data Protection Policy
- Information Security Policy
- Acceptable Use Policy
- Internal policies on information security – data deletion, mobile computing, password, removable media

Cyber Essentials + accreditation was achieved in April 2024 and work is now being undertaken to work towards achieving IASME Level 1. All information security incidents are reported to the Audit, Risk and Assurance Committee. There were no security breaches during the year which required reporting to the Information Commissioner.

The Library received 14 Freedom of Information requests, ranging from collection-related enquiries to management queries. All such enquiries, apart from one complex enquiry which took 22 days to answer, were answered within the 20 working days allowed for a response.

5. The Future

During 2024, the Library will strive to deliver its strategy in the face of diminished funding but will continue discussions with the Welsh Government on future grant-in-aid funding and will explore other funding sources to support the achievement of our strategic aims.

Moving forward, the Trustees and the Executive Team will work together to;

- Draft a new strategy for the period 2025/2030
- Continue to act on recommendations made in the Tailored Review and CIPFA reviews
- Continue to support Welsh Government's *Programme for Government*
- Consider any changes to the existing Pension Scheme
- Develop a change programme of how the Library will address the reduced budget in place
- Continue to develop new public spaces as part of the Wales Broadcast Archive at sites beyond Aberystwyth
- Continue to implement its decarbonisation plan ensuring that the Library is carbon zero by 2030
- Support the formation of the National Contemporary Art Gallery

Signed on behalf of the Board:





Rhodri Llwyd Morgan
Chief Executive & Accounting Officer
10 January 2025

Gronw Percy
Treasurer
10 January 2025

Section 2.2 Remuneration & Staff Report

2.2.1 Living Wage

The Library has undertaken to pay the living wage as set out by the Living Wage Foundation since April 2014.

2.2.2 Recruitment and Retention of Staff

The Library can only achieve its goals through the commitment of its staff; therefore, the Library focuses on providing a staff training and development programme annually to ensure that all staff members achieve their potential.

2.2.3 Employment of Disabled People

The Library operates a non-discriminatory recruitment procedure and is always prepared to consider applications from, and to appoint, disabled persons. The Library makes every effort to ensure that disabled employees are provided with the facilities necessary to carry out their employment effectively.

2.2.4 Consultation with Employees

The Library communicates information to staff by various methods including staff meetings, weekly e-mails, team briefing sessions, Core Brief, and regular consultation and negotiation with the Partnership Council and representatives of the national Trade Unions. The Library adopted an Internal Communication Strategy in 2016 and implementation of this Strategy will be a further opportunity to develop the relationship between managers and staff.

2.2.5 Remuneration Report

The Library remunerates its entire staff under an agreed pay and grading system. The current system was approved by the Library's Executive Team and agreed with the staff unions through the collective bargaining arrangements. An independent appeals process is in place to consider grading issues.

Each year, the Library, in consultation with the staff unions, considers the Library's remuneration package against external comparators, movements in the economy and any internal inequities that may have developed. From this, a pay remit or proposal is produced, and this is submitted to the Welsh Government for approval and is then formally negotiated with the unions. This leads to a new pay and conditions package for the whole of the Library staff which is binding until the next round of negotiation. Incremental increases under the pay remit are dependent upon the Library's system of annual appraisals. Inflationary elements contained within the agreed pay remit are automatically awarded to all members of staff.

The salaries of the Chief Executive and the three Directors have been included as part of the pay remit negotiations in relation to all Library staff. The Chief Executive and the three Directors have permanent contracts of employment. All four are ordinary members of the Library's pension scheme.

The pay remit is approved by the Welsh Government. Membership of the Executive Team is shown on page 20 and further details of the remuneration and pension benefits are shown on page 31. The notice period for members of the Executive Team is 3 months. Provision for compensation for early termination is contained within the Library's standard redundancy agreement.

Remuneration and Pension Benefits of members of the Executive Team:

	2023/24			2022/23		
	Consolidated Salary	**Real Increase (decrease) in Pension Benefits**	**Single Total Figure of Remuneration**	**Consolidated Salary**	**Real Increase (decrease) in Pension Benefits**	**Single Total Figure of Remuneration**
	£	**£**	**£**	**£**	**£**	**£**
Mr P ap Llwyd Chief Executive and Librarian Retired 31-5-2024	**106,443**	**23,460**	**129,903**	101,285	(5,300)	95,985
Mr. DH Michael Director and Deputy Chief Executive and Librarian Resigned 16-8-2023	**37,161**	**(37,403)**	**(242)**	84,811	(15,640)	69,171
Dr O Roberts Director of Collections and Digital Services	**87,487**	**18,808**	**106,295**	83,868	4,186	88,054
Rhian Gibson Director of Communication, Engagement and Partnership	**88,476**	**25,070**	**113,546**	47,816	13,800	61,616
Mr. Emyr Evans Director of Finance and Corporate Services Contract ended 31-5-2024	**74,434**	**-**	**74,434**	-	-	-

The value of pension benefits is calculated as follows:

- (real increase in pension* x20) + (real increase in any lump sum*) – (contributions made by member)

*excluding increases due to inflation or any increase of decrease due to a transfer of pension rights.

The multiplier of 20 is specified in the disclosure requirements. The Library has used this figure to comply with the guidance. This is not an amount which has been paid to an individual by the Library during the year; it is a calculation which uses information from the pension benefit table.

These figures can be influenced by many factors e.g. changes in a person's salary, and other valuation factors affecting the pension scheme.

The National Library of Wales Staff Superannuation Scheme is a funded final salary scheme. The accrued pensions and lump sums are the amounts that would be paid from Normal Retirement Date if the member left service at the relevant date. The Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits, including any Additional Voluntary Contributions and transfers in of service, accrued by the member at a particular point in time. The transfer values have been calculated in accordance with the guidance note "GN11" published by the Institute of Actuaries and Faculty of Actuaries. The assumed rate of price inflation was 6.7% (2022/23 10.1%).

The pension entitlements of the Library's senior staff with responsibility for running policy-making departments are disclosed as follows:-

	Cash Equivalent Transfer Value at 31/3/23	Total Accrued Pension at 31/3/24	Lump Sum at 31/3/24	**Cash Equivalent Transfer Value at 31/3/24**	Increase/(Decrease) in accrued pension net of inflation	Increase/(Decrease) in lump sum net of inflation	Increase (Decrease) in transfer value net of inflation
	£	£	£	**£**	£	£	£
Mr P ap Llwyd Chief Executive	500,040	29,540	88,620	**516,690**	1,020	3,060	(16,850)
Mr DH Michael Director and Deputy Chief Executive	557,040	29,330	87,990	**537,840**	(1,590)	(4,770)	(56,520)
Dr O Roberts Director and Deputy Chief Executive	149,560	15,840	47,520	**149,220**	920	2,770	(10,360)
Rhian Gibson Director	11,330	1,730	5,190	**25,940**	1,090	3,270	13,850

2.2.6 Median Remuneration

Welsh Government Sponsored Bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the 25th percentile, median and 75th percentile remuneration of the organisation's workforce.

The banded remuneration of the Chief Executive was £106,443. No employees received remuneration more than the Chief Executive in 2022/23 nor 2023/24

The Chief Executive's salary was 3.55 times the median salary (£29,986) of the Library, 4.2 times the 25th percentile salary (£25,337) and 2.88 times the 75th percentile salary (£36,929). For 2022-23, the Chief Executive's salary was 3.71 times the median salary (£27,226) of the Library, 4.18 times the 25th percentile salary (£24,130) and 2.87 times the 75th percentile salary (£35,170).

The Chief Executive's salary has increased by 5.5% year on year, whilst the median salary has increased by 10%. Other senior staff receive a gross salary, which is determined as part of the negotiation of the pay remit for all other staff in the Library.

Signed on behalf of the Board:





Rhodri Llwyd Morgan
Chief Executive & Accounting Officer
10 January 2025

Gronw Percy
Treasurer
10 January 2025

The Certificate and report of the Auditor General for Wales to the Trustees of the National Library of Wales and the Senedd

Opinion on financial statements

I certify that I have audited the financial statements of National Library of Wales for the year ended 31 March 2024 under section 9 of the Museums and Galleries Act 1992.

The financial statements comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and related notes, including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Statement of Recommended Practice (United Kingdom Generally Accepted Accounting Practice).
In my opinion, in all material respects, the financial statements:

- give a true and fair view of the state of National Library of Wales's affairs as at 31 March 2024 and of its net income for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with HM Treasury directions issued under section 9 of the Museums and Galleries Act 1992.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my certificate.

My staff and I are independent of the National Library of Wales in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

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

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

My responsibilities and the responsibilities of the Board of Trustees and Librarian with respect to going concern are described in the relevant sections of this certificate.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and my auditor's report thereon.

The Board of Trustees and Librarian are responsible for the other information in the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.
I have nothing to report in this regard.

Opinion on other matters

Although there are no legislative requirements for a Remuneration Report, the National Library of Wales has prepared such a report and in my opinion, that part ordinarily required to be audited has been properly prepared in accordance with HM Treasury guidance.
In my opinion, based on the work undertaken in the course of my audit, the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the National Library of Wales and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Accounts.

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

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

Responsibilities of the Board of Trustees and Librarian for the financial statements

As explained more fully in the Statement of Board of Trustees and Librarian's Responsibilities, the Board and Librarian as Accounting Officer are responsible for:

- maintaining proper accounting records;
- the preparation of the financial statements and Annual Accounts in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Accounts as a whole are fair, balanced and understandable;
- ensuring the regularity of financial transactions;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error; and
- assessing National Library of Wales'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 the Accounting Officer anticipates that the services provided by National Library of Wales will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

My procedures included the following:

- Enquiring of management, and those charged with governance, including obtaining and reviewing supporting documentation relating to National Library of Wales's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: expenditure recognition, posting of unusual journals and any significant transactions outside the normal course of business;
- Obtaining an understanding of National Library of Wales's framework of authority as well as other legal and regulatory frameworks that the National Library of Wales operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of National Library of Wales; and
- Obtaining an understanding of related party relationships.

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

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

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

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

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

Other auditor's responsibilities

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

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

Report

I have no observations to make on these financial statements.



Adrian Crompton
Auditor General for Wales
14 January 2025

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2024

							As restated
		PUBLIC	FUNDS	PRIVATE	FUNDS	2023/24	2022/23
		Unrestricted	Restricted	Unrestricted	Restricted	Total	Total
	Notes	£'000	£'000	£'000	£'000	**£'000**	**£'000**
Income:							
Donations and legacies	16b	-	-	36	437	**473**	466
Charitable activities							
Government Grants	2	11,862	6,005	-	-	**17,867**	15,341
Other Grants	3	-	1,807	-	-	**1,807**	853
Other trading activities	4	629	-	-	-	**629**	492
Investment income	16b	-	-	269	4	**273**	278
Total Income		**12,491**	**7,812**	**305**	**441**	**21,049**	17,430
Expenditure:							
Costs of raising funds	5	1,146	219	54	1	**1,420**	1,161
Charitable activities:							
Collection	5	3,278	1,164	-	-	**4,442**	5,633
Giving Access & Information	5	2,576	1,556	37	-	**4,169**	2,996
Publicising & Interpretation	5	1,971	876	17	-	**2,864**	3,717
Conservation & Preservation	5	2,344	661	-	-	**3,005**	2,943
Governance	5	1,683	501	-	-	**2,184**	2,453
Exceptional expenditure	8	-	1,144	-	-	**1,144**	-
Total expenditure		**12,998**	**6,121**	**108**	**1**	**19,228**	18,903
Pension Finance Costs	23d	760	-	-	-	**760**	490
Total expenditure		**13,758**	**6,121**	**108**	**1**	**19,988**	19,393
Net gains/ (losses) on investment	16b	-	-	1,188	22	**1,210**	(951)
Net income/ (expenditure)		**(1,267)**	**1,691**	**1,385**	**462**	**2,271**	(2,914)
Gross transfers between funds	16	-	637	(599)	(38)	**-**	-
		(1,267)	**2,328**	**786**	**424**	**2,271**	(2,914)
Other recognised gains/ (losses):							
Gain/ (Loss) on disposal of fixed assets		-	(22)	-	-	**(22)**	(3)
Tangible Fixed Assets Revaluation, Indexation and impairment	10	-	(2,336)	-	-	**(2,336)**	4,236
Actuarial gains / (losses) on defined benefit pension scheme	23e	4,660	-	-	-	**4,660**	18,010
Total gains/ (losses)		4,660	(2,358)	-	-	**2,302**	22,243
NET MOVEMENT IN FUNDS FOR THE FINANCIAL YEAR		**3,393**	**(30)**	**786**	**424**	**4,573**	19,329
FUND BALANCES BROUGHT FORWARD AT 1 APRIL	16	(17,025)	96,048	15,202	8,125	**102,350**	83,021
FUND BALANCES CARRIED FORWARD AT 31 MARCH	16	**(13,632)**	**96,018**	**15,988**	**8,549**	**106,923**	102,350

All activities are continuing. All recognised gains and losses are recorded in the Statement of Financial Activities. The notes on pages 40 to 61 form part of these accounts. There is no endowment income or expenditure to report.

Details of why 2022-23 has been restated is included in note 2 and 3 and relates to movement from Government Grant to Other Grants, but have no impact on the overall fund balances for 2022-23.

BALANCE SHEET AS AT 31 MARCH 2024

		31st March 2024		31st March 2023	
	Notes	£000	£000	£000	£000
FIXED ASSETS					
Tangible Assets	10	**78,537**		79,320	
Intangible Assets	10	**135**		203	
Heritage Assets	12	**24,284**		23,562	
Investments	11	**13,766**		13,427	
			116,722		116,512
CURRENT ASSETS					
Stocks		**42**		47	
Debtors	13	**5,485**		2,868	
Bank and cash equivalent	19	**837**		2,109	
		6,364		5,024	
CREDITORS					
Amounts falling due within one year	14	**(1,943)**		(606)	
NET CURRENT ASSETS			**4,421**		4,418
Provisions for liabilities and charges	15		**-**		(500)
Net assets excluding pension scheme liability			**121,143**		120,430
Defined benefit pension liability	23		**(14,220)**		(18,080)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			**106,923**		102,350
FUNDS	16				
Public Unrestricted		**588**		1,055	
Pension Reserve		**(14,220)**		(18,080)	
Total Public Unrestricted Funds		**(13,632)**		(17,025)	
Public Restricted (exc Revaluation Reserve)		**68,279**		65,691	
Revaluation Reserve		**27,739**		30,357	
Private Unrestricted		**15,988**		15,202	
Private Restricted		**168**		181	
Private Restricted Collections		**8,381**		7,944	
			106,923		102,350

The trustees have prepared the accounts in accordance with section 132 of the Charities Act 2011.
The notes on pages 40 to 61 form part of these accounts.





Rhodri Llwyd Morgan
CHIEF EXECUTIVE AND LIBRARIAN
10th of January 2025

Gronw Percy
TREASURER
10th of January 2025

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

		2023/24		2022/23	
		£000	**£000**	£000	£000
Cash generated from operating activities	18		**2,027**		3,387
Cash flows from investing activities: -					
Purchase of tangible and intangible fixed assets	10	**(3,885)**		(3,679)	
Purchase of heritage assets	12	**(285)**		(338)	
Proceeds from sale of investments	11	**4,671**		4,032	
Purchase of Investments	11	**(3,800)**		(4,452)	
Net cash provided (used in) investing activities			**(3,299)**		(4,437)
(Decrease) in Cash and cash equivalents in the year			**(1,272)**		(1,050)
Cash and cash equivalents at the beginning of the year			**2,109**		3,159
Total cash and cash equivalents at the end of the year	19		**837**		2,109

The notes on pages 40 to 61 form part of these accounts.

NOTES TO THE ACCOUNTS AT 31 MARCH 2024

1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities SORP (FRS 102), and the 2007 Accounts Direction issued to the Library by the Welsh Government. The accounts are prepared on a going concern basis.

The National Library of Wales meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note (s),

The accounts meet the requirements of Accounting Standards issued or adopted by the Financial Reporting Council in so far as those requirements are appropriate. The Accounts Direction does not require the Library to produce a summary income and expenditure account or note of historical cost on surpluses or deficits.

(b) Incoming Resources

All income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item have been met, it is probable that the income will be received, and the amount can be measured reliably.

All Grant-in-Aid from Welsh Government is recognised in the Statement of Financial Activities (SOFA) on a receivable basis. Other grants of a more specific nature are recognised on a receivable basis when grant conditions are met.

For legacies, entitlement is taken as the earlier of the date on which either; the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor (s) to the Library that a distribution will be made, or when a distribution is received from the estate. Where legacies have been notified to the charity or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. Transfers from private funds are accounted for after consideration of movements in working capital. Income received relating to subsequent accounting periods will be treated as deferred income.

Fund Accounting

Unrestricted funds (public and private) are available to spend on activities that further any of the general objectives of the Library. Public restricted funds represent Capital and Purchase Grants received from the Welsh Government for specific purposes.

Private restricted funds are funds subject to specific restriction imposed by donors or by the purpose of the appeal. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside for a specific purpose. Private restricted

funds are donations which the donor has specified are to be solely used for areas of the Library's work or for a specific project being undertaken by the Library.

(c) Expenditure

Expenditure is 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 obligation can be measured reliably. Where expenditure has been incurred in advance and relates to a later period, the accounts will only consider a prepayment if higher than £5,000 in value. Where expenditure is incurred in arrears but relates to the current financial year, the accounts will only consider an accrual if higher than £5,000 in value. Expenditure is classified under the following activity headings:

- Cost of raising funds comprises the cost of commercial trading, fundraising costs and investment management fees.
- Expenditure of charitable activities includes the cost of maintaining collections, conservation, education and exhibitions and other activities undertaken to further the purposes of the charity.
- Other expenditure represents those items not falling into any other headings.

(d) Investments

Investments are stated at market value at the balance sheet date. 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 Charities SORP (FRS 102).

(e) Tangible and Intangible Assets

Individual plant, machinery, equipment and motor vehicles costing £5,000 or more are capitalised at cost, unless the equipment forms part of a group of assets, network or project where the value is over £5,000. Assets are depreciated over their estimated useful lives on a straight-line basis. Items of a capital nature costing less than £5,000 are not capitalised and are written off in-year. Non-property assets (i.e. plant & vehicles, and fixtures, fittings & equipment) are held at historic cost and not indexed as these assets have short useful economic lives or low values (or both). This is considered to provide a more reliable, appropriate and relevant representation of the fair value of these assets. Further details are provided in Note 10.

Land and buildings assets are usually 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 a 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 noted as revenue cost in the year in which it is undertaken.

Depreciation is provided in full in the year of acquisition, at rates calculated to reduce each asset to its estimated residual value evenly over its expected useful economic life, as advised by the valuers as follows:

- Freehold buildings - up to 125 years
- Plant, machinery and equipment - up to 30 years
- Computer equipment and digital development - up to 10 years
- Motor Vehicles - up to 5 years

Freehold land is not depreciated.
Collection Purchases are not depreciated (see Heritage Assets (f)).

Intangible assets with an economic life of more than one year and value greater than £5,000 are capitalised. All intangible assets are measured at cost. Intangible assets are amortised on a straight-line basis over a period of 10 years.

(f) Heritage assets

The Library accounts for the objects in its collection as non-operational heritage assets, in accordance with SORP Module 18 Accounting for Heritage Assets. A heritage asset is defined as "a tangible or intangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture."

Capitalised heritage assets are not depreciated because they are deemed to have indefinite lives but could be subject to damage or deterioration. Heritage Assets are not depreciated because they have indefinite life. The carrying amount of an asset will be reviewed only where there is evidence of impairment.

Prior to 1st April 2001, the Library's collection had not been capitalised in the balance sheet.

The Library includes donated or purchased heritage assets since 1 April 2001 on the balance sheet at cost or valuation at the time of acquisition.

Purchases for the collection are capitalised in the year of acquisition and held at historic value; these assets are not re-valued or indexed. The Library does not dispose of heritage assets and will ensure the preservation of assets under its Collection Development Policy.

Donations of items to the collections are accounted for when received at an estimate of their market value. The market value is determined by the Library's own Collections staff or independent valuers as appropriate. Valuation of heritage assets is complicated by the nature of such assets. They are rarely sold and often have a value enhanced through their association with a person, event or collection, there are a very limited number of buyers, no homogeneous population of assets on the market, and imperfect information about the items for sale. In contrast with many commercial assets, there is seldom an active market to provide indicative values of similar objects. This makes materially accurate valuations impossible to achieve for many heritage assets.

(g) Stocks

The cost of stocks of re-saleable items has been recognised in the balance sheet at the lower of cost or net realisable value. No value is given on assets produced historically by the Library where there is a restricted market for the goods or goods have impaired.

(h) Pension Costs

The Library operates its own superannuation scheme which provides benefits based on final pensionable salary. Contributions to the scheme are charged to the Statement of Financial Activities to spread the cost of pensions over employees working lives. The charge to the Statement of Financial Activities is calculated based upon the current service cost as calculated by the scheme actuary.

(i) Staff holiday pay

At the year end, staff holiday entitlements that has not yet taken and which is carried forward to the next financial year have been provided for in the accounts in line with FRS 102 requirements.

(j) Taxation

The Library has been granted charitable status by the HMRC and is therefore exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. Non-recoverable Value Added Tax arising from expenditure on non-trading activities is charged to the Statement of Financial Activities or capitalised if related to a fixed asset.

(k) Significant areas of estimation and judgement

The preparation of the financial statements requires judgements, estimations and assumptions to be made that affect the reported values of assets, liabilities, revenues and expenses. The nature of estimation and judgement means that actual outcomes could differ from expectation.

Sources of estimation uncertainty

- The defined benefit pension obligation is recognised and disclosed in accordance with FRS 102. The valuation, prepared by a qualified actuary, reflects a number of judgements and estimations including the expected return on assets, the discount rate, cost inflation and life expectancy. Changes in these assumptions have a significant effect on the value of the defined benefit pension obligation. Further details are provided in note 23.
- Land and buildings assets are professionally valued periodically. The valuation is prepared by a qualified surveyor and has been prepared in accordance with the RICS Red Book. Buildings have been valued on the basis of 'open market value' or 'depreciated replacement cost' and land is shown at 'existing use value'. These methods are subject to various assumptions and judgements and changes in either could have a significant effect on the valuation. Further details are provided in note 10.

(l) Going Concern

The Library's accounts have been prepared on a going concern basis. The Library's Board has recognised the significant revenue account deficits that have been forecast and will be considering plans to address this situation. The significant level of unrestricted public and unrestricted private funds reserves will ensure that the Library can continue with current activities until action is taken to address the deficit. There are no other material uncertainties about the charity's ability to continue.

2. GOVERNMENT GRANTS

		As restated
	2023/24	2022/23
	£000	£000
Unrestricted		
Grant-in-Aid	**11,862**	12,155
Restricted		
Capital - Purchase Grant	**305**	305
Capital - General	**1,695**	2,195
Capital – Additional	**1,455**	-
Revenue – Voluntary Severance Scheme	**1,144**	-
Revenue – Asbestos	**248**	-
Revenue - Wales Broadcast Archive	**400**	-
Digital Libraries	**300**	451
Education – Welsh Biography for Children	**29**	-
Peace Petition	**149**	-
ARCW	**151**	86
Others	**129**	149
Total grant received from Welsh Government	**17,867**	15,341

3. OTHER GRANTS

		As restated
	2023/24	2022/23
	£000	£000
Restricted public fund		
British Film Institute	**34**	5
Arts Council of Wales	**116**	-
Amgueddfa Cymru – People's Collection Wales*	**154**	145
National Heritage Lottery Fund – Wales Broadcast Archive	**1,494**	703
Ceredigion County Council – LEADER	**9**	-
	1,807	853
Unrestricted public fund	**-**	-
Total other grants	**1,807**	853

*Note 2 and 3 comparative years have been restated as People's Collection Wales income was received from Amgueddfa Cymru rather than Welsh Government in the previous year.

4. INCOME FROM OTHER TRADING ACTIVITIES

	2023/24	2022/23
Unrestricted public income	**£000**	£000
Catering	**225**	154
Shop income	**108**	113
Events	**45**	23
Consultancy and systems	**35**	8
Income generated from collections	**67**	75
Licensing and royalties	**69**	55
Miscellaneous	**80**	64
Total	**629**	492

5. ANALYSIS OF EXPENDITURE

	Staff Costs	Other direct costs	Depreciation and amortisation	**2023/24 TOTAL**	2022/23 TOTAL
	£000	£000	£000	**£000**	£000
Cost of raising funds	645	564	211	**1,420**	1,161
Charitable Expenditure					
Collection	2,828	1,012	602	**4,442**	5,633
Giving Access & Information	2,447	1,247	475	**4,169**	2,996
Publicising & Interpretation	1,835	667	362	**2,864**	3,717
Conservation & Preservation	2,204	372	429	**3,005**	2,943
Governance	1,225	660	299	**2,184**	2,453
Exceptional Items	1,144	-	-	**1,144**	-
	12,328	4,522	2,378	**19,228**	18,903

6. NET INCOME/ (EXPENDITURE) FOR THE YEAR

	2023/24	2022/23
This is stated after charging:	**£000**	£000
Depreciation and amortisation	**2,378**	1,886
External auditor's remuneration	**~63**	52
Internal audit fees	**17**	16
Investment management fees	**54**	54

~Of which £46K relates to the 23-24 audit fees with the additional £17K relating to an additional charge for the 22-23 audit

7. ANALYSIS OF SUPPORT COSTS

The Library initially identifies the costs of its support functions. It then identifies those costs which relate to its governance function. Having identified its governance costs, the remaining support costs are apportioned between the cost of raising funds and four key charitable activities undertaken in the year.

The 2023-24 support salary cost is apportioned in line with salary costs for each department, with the non-staff support cost allocated based on activity expenditure.

	Cost of generating funds	Governance	Collection	Giving Access & Information	Publicising & Interpretation	Conservation & Preservation	Total
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Exec Support	5	9	19	18	13	14	**78**
Finance	22	37	73	71	47	48	**298**
HR	23	35	66	68	42	39	**273**
ICT	116	193	403	380	263	279	**1,634**
Building	247	363	635	686	416	342	**2,689**
	413	**637**	**1,196**	**1,223**	**781**	**722**	**4,972**

Comparative figures for 2022-23 are as follows:

	Cost of generating funds	Governance	Collection	Giving Access & Information	Publicising & Interpretation	Conservation & Preservation	Total
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Exec Support	4	5	22	14	19	16	**80**
Finance	18	51	92	42	48	34	**285**
HR	21	65	107	45	49	32	**319**
ICT	120	273	619	323	395	308	**2,038**
Building	149	439	746	320	358	241	**2,253**
Other	2	3	13	9	11	10	**48**
	314	**836**	**1,599**	**753**	**880**	**641**	**5,023**

8. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

(a) Total Staff Costs

	2023/24		2022/23	
	£000	**£000**	£000	£000
Salaries and Wages		**7,663**		6,931
Cost of living one off payment		**358**		-
Voluntary severance payments paid to staff		**315**		-
Voluntary severance agreed but not yet paid		**568**		-
Social Security Costs (including Apprenticeship Levy)		**842**		713
Pension Cost				
Employer Cost	**1,797**		1,840	
Deficit contributions	**495**		-	
Deficit contributions based on Voluntary Severance	**250**			
FRS 102 current service cost adjustment (note 23)	**40**		2,840	
		2,582		4,680
Total salary costs as per Note 5		**12,328**		12,324
FRS 102 finance interest charge (note 23)		**760**		490
Total		**13,088**		12,814

There were no agency or short term contractors employed.

Other than members of the Executive Team (noted on Page 2), there were 5 members of staff who earned normal pay between £60,000 and £70,000 (2022/23 Nil). This did not include staff who received over £60,000 including their pay in lieu of notice and voluntary severance payments.

(b) Pension Scheme

The Library operates a funded defined benefit pension scheme providing benefits based on final pensionable pay at a normal retirement age. Members leaving the scheme who have contributed for a period of less than 2 years receive a refund of member's contributions. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to 3 years' pension is payable on retirement. On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service, the scheme pays a lump sum benefit. Medical retirement is possible in the event of serious ill-health.

Note 23 provides further information on the finances of the pension scheme to comply with the requirements of FRS 102. The actuarial statement is published in the National Library of Wales's Pension Fund Annual Accounts. Welsh Government granted in 2006/07 a Crown Guarantee which exempts the Scheme from the Pension Protection Fund and the associated levy.

(c) Remuneration of Executive Team

This is noted in Section 2.2.5 of the Trustees Report.

(d) Gifts Register

The Library operates a gifts register. No items noted during the year are considered of material interest to these financial statements.

(e) Severance

There were 24 voluntary severance payments accounted for in 2023/24: £1,143,500 (2022/23: £Nil).

(f) Board emoluments

The Board, except for the President, do not receive any emoluments. Based on a review of similar organisations, and with the support of Welsh Government, the Board has decided to remunerate the post of President (see page 23 (Annual Governance Report)).

The President received emoluments of £17,187 during 2023/24 (2022/23: £16,850). The total amount of travel, subsistence, and hospitality expended by the Library for its Board and committee members was £6,669 (2022/23 £1,746), this was claimed by 11 members (2022/23: 7 members).

9. STAFF NUMBERS

The average monthly head count was 252 (2022/23: 238) and the average full-time equivalent staff employed by the Library (including casual and part-time staff) during the year were as follows:

Staff Numbers	**2023/24**	2022/23
Fundraising & Trading	**14.1**	11.9
Collection	**63.0**	64.2
Giving Access & Information	**44.0**	41.5
Publicising and Interpretation	**45.7**	56.7
Conservation & Preservation	**50.1**	43.9
Governance	**11.7**	9.3
Total	**228.6**	227.5

10. TANGIBLE AND INTANGIBLE ASSETS

A. Tangible Assets – Current Year

	Freehold Land & Buildings	Plant, Fittings & Equipment	Computer equipment	Total
	£000	£000	£000	£000
Cost & Valuation				
At 1 April 2023	76,751	4,607	4,842	86,200
Additions	1,282	2,413	190	3,885
Disposals	-	(634)	(753)	(1,387)
Revaluation	(5,803)	-	-	(5,803)
At 31 March 2024	**72,230**	**6,386**	**4,279**	**82,895**
Depreciation				
At 1 April 2023	2,218	1,974	2,688	6,880
Charged for the year	1,249	606	455	2,310
Disposals	-	(631)	(734)	(1,365)
Revaluation	(3,467)	-	-	(3,467)
At 31 March 2024	**-**	**1,949**	**2,409**	**4,358**
Net Book Value				
At 31 March 2024	**72,230**	**4,437**	**1,870**	**78,537**
At 31 March 2023	74,533	2,633	2,154	79,320

b. Tangible Assets - Prior year comparatives

	Freehold Land & Buildings	Plant, Fittings & Equipment	Computer equipment	Total
	£000	£000	£000	£000
Cost & Valuation				
At 1 April 2022	70,304	3,870	4,463	78,637
Additions	2,158	978	543	3,679
Disposals	-	(241)	(164)	(405)
Indexation	4,289	-	-	4,289
At 31 March 2023	**76,751**	**4,607**	**4,842**	**86,200**
Depreciation				
At 1 April 2022	937	2,014	2,459	5,410
Charged for the year	1,228	198	393	1,819
Disposals	-	(238)	(164)	(402)
Indexation	53	-	-	53
At 31 March 2023	**2,218**	**1,974**	**2,688**	**6,880**
Net Book Value				
At 31 March 2023	**74,533**	**2,633**	**2,154**	**79,320**
At 31 March 2022	69,367	1,856	2,004	73,227

The Library received a valuation as at 31st of March 2024 on the Library's freehold buildings and land by Cooke and Arkwright, Chartered Surveyors. Their valuation was carried out in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual. Buildings have been valued based on "open market value" or "depreciated replacement cost", and land is shown at "existing use value". Freehold building valuations have been indexed according to the BCIS All-In TPI.

The carrying amount of freehold land and buildings under the historic cost convention would be £44.209m (2022/23: £43.425m).

Included within the Net Book Value above is £Nil of Assets under Construction relating to Freehold Land and Building £Nil (2022/23: £1,916k), Plant Fitting & Equipment £Nil (2022/23: £758K) and Computer Equipment £Nil (2022/23: £600K)

All tangible assets were used for the furtherance of the charitable activities of the Library.

Of the £72.23m Land & Buildings balance, £1.24m has been valued on a Fair Value basis as these are leased/ occupied by an external organisation.

10C. Intangible Assets

	Digital development
	£000
Cost	
At 1 April 2023	1,086
Additions	-
At 31 March 2024	**1,086**
Amortisation	
At 1 April 2023	883
Charged for the year	68
At 31 March 2024	**951**
Net Book Value	
At 31 March 2024	**135**
At 31 March 2023	203

11. INVESTMENTS

	2023/24	2022/23
	£000	£000
Investments	**13,766**	13,427
Market Value at 1 April 2023	**13,427**	13,958
Acquisitions at cost	**3,800**	4,452
Less disposals	**(4,671)**	(4,032)
Net gain/(loss) on disposal/revaluation	**1,210**	(951)
Market Value at 31 March 2024	**13,766**	13,427

The historic cost of investments at 31 March 2024 was £12.621m (2022/23 £13.196m).

Cash held of £212K (2022/23: £123K) are shown under current assets (see note 19).

The assets were invested as follows:

	Gilts, bonds, debentures & preference	Unit trusts, overseas equities, property & alternative assets	UK equities directly invested on UK stock market	Cash (shown under current assets)	Total
	£'000	£'000	£'000	£'000	£'000
Portfolio	1,441	10,232	2,093	212	13,978

In deciding on the returns that the Library requires from its portfolio, and the balance between capital growth and income, the Library is prepared to accept that there will be risks attached to the investment of funds above that of simply placing cash on deposit. The Library is prepared to accept these provided that they are within acceptable levels.

The Library's appetite for risk could best be described as "moderate". The Library is willing to accept that in order to achieve higher returns risks must be taken, but the Trustees will also consider the Library's position as a charity largely funded from government grant and consequently the standards of stewardship that are implied. The risks of investment will therefore be tempered by:

- **Asset allocation** – an asset allocation strategy that does not overly expose the funds to variances in one particular sector of the investment spectrum – i.e. a balance will be struck between the amount of bonds, equities, cash and other investments including property, and UK and non-UK investments.
- **Quality of investments** – the Library will only consider high quality investments such as gilts and investment grade bonds, or FTSE 350 equities and collectives.

12. HERITAGE ASSETS

Purchases of Heritage Assets are capitalised at historic cost.

Acquired or donated during the year:

	Books	Subscription	Pictures Manuscripts &Maps	Others	Digital Collections	NSSAW	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 01/04/23	2,127	2,911	13,393	380	4,370	381	**23,562**
Additions	43	42	192	-	-	8	**285**
Donations	-	-	437	-	-	-	**437**
At 31/03/24	**2,170**	**2,953**	**14,022**	**380**	**4,370**	**389**	**24,284**

Additions to heritage assets are stated at cost, whilst donations are stated at market value.

Five Year financial summary of additions:

	2023/24 £'000	2022/23 £000	2021/22 £'000	2020/21 £000	2019/20 £000
Books	**43**	44	87	25	40
Subscriptions	**42**	50	30	32	44
Pictures, Manuscripts & Maps	**629**	239	180	157	312
Film and music	**8**	5	5	4	5
Total Additions	**722**	338	302	218	401

The Library has an agreed policy for the acquisition, preservation and management of heritage assets. A copy of the agreed policy is available on request. The Library does not loan items to users, but collections are accessible in the reading rooms and exhibition spaces, as well as on-line.

The Library (since 1911) has the right to receive a copy of all books, magazines, newspapers and other printed material published in the UK and Ireland. It mainly collects material of Welsh and Celtic interest. Its collections currently include:

- **Printed material:** ranging from *Yny lhyvyr hwnn,* the first Welsh-language book (printed in 1546) to programmes of local events, such as concerts and shows.
- **Manuscripts and archives:** including priceless items from the Middle Ages, such as the Book of Llandaf, the Hengwrt Chaucer manuscript and the Black Book of Carmarthen.
- **Maps:** Both antiquarian and modern and atlases, Ordnance survey maps, sea charts, maps of farms, estates and tithe maps, railway and public utility plans.
- **Pictures:** portraying people and places in Wales including, paintings, prints, engravings and other pictures.
- **Photographs:** the works of Mary Dillwyn, John Thomas, D.C. Harries and Geoff Charles.
- **Electronic resources and digital images:** New and created mainly by the Library the collections include over 5 million images.
- **The Wales Broadcast Archive** houses 250,000 hours of sound recordings, 300,000 hours of moving images, 7 million feet of film, 200,000 items from the ITV film and TV archive and 15km unique archive.

13 DEBTORS – due within one year

	31st March 2024	31st March 2023
	£000	£000
Trade Debtors	**175**	45
VAT repayment due	**814**	424
Prepayments	**342**	390
Other Debtors & Accrued Income	**3,078**	848
Private Funds Accrued Income	**1,076**	1,161
	5,485	2,868

Included within Private funds accrued income is a balance of £1,050k which relates to a property legacy which the Library will receive 2 years after the grant of probate as per the terms of the will. The grant of probate was issued on the 16th of April 2021. The Library received the majority of this estate in August 2024, with the remainder still being outstanding and awaiting settlement.

14 (a) CREDITORS - Falling due within one year

	31st March 2024	31st March 2023
	£000	£000
Trade Creditors	**102**	94
Accruals and deferred income	**1,676**	281
Holiday pay accrual	**165**	231
	1,943	606

14 (b) CREDITORS – Movement on deferred income

	31st March 2024	31st March 2023
	£000	£000
Deferred income brought forward	**49**	83
Release from previous year	**(23)**	(34)
Income deferred in the current year	**-**	-
Deferred income carried forward	**26**	49

Deferred income relates to grants received.

15 PROVISION FOR LIABILITIES & CHARGES

During 2022-23, the Library received an employment related claim from a former employee. This claim has now been settled in 2023-24 and no further provision has been made.

16 ANALYSIS OF CHARITABLE FUNDS

a. Analysis of movements in funds - Public

	At 1 April 2023	Incoming Resources	Resources Expended	Other Movements In Year	**At 31 March 2024**
	£000	£000	£000	£000	**£000**
PUBLIC FUNDS					
Unrestricted – Public Pension	(18,080)	-	(800)	4,660	**(14,220)**
Unrestricted	1,055	12,491	(12,958)	-	**588**
	(17,025)	12,491	(13,758)	4,660	**(13,632)**
Restricted: -					
Capital and digital development	55,175	3,398	(2,626)	897	**56,844**
Revaluation Reserve*	30,357	-	-	(2,618)	**27,739**
Other restricted funds	839	4,109	(3,495)	-	**1,453**
Purchase grant funds	9,677	305	-	-	**9,982**
Total restricted public funds	96,048	7,812	(6,121)	(1,721)	**96,018**
TOTAL PUBLIC FUNDS	79,023	20,303	(19,879)	2,939	**82,386**

*Revaluation reserve has been calculated based on the revaluation to assets since 1999 in line with the FRS 102 requirement for separate identification of revaluation reserve. Revaluations prior to 1999 are not included in this reserve.

Other movements in the year £2,939k include:

- Tangible Fixed Asset Revaluation, Indexation and impairment – (£2,336k)
- Transfers from private funds - £637K
- Loss on disposal of fixed assets – (£22K)
- Actuarial gains / (losses)– £4,660K

b. PRIVATE FUNDS (including collections)

	Unrestricted	Restricted	Collection	**Total 2023/24**	Total 2022/23
	£000	£000	£'000	**£000**	£000
Income					
Donations and Bequests	36	-	437	**473**	466
Interest Receivable	269	4	-	**273**	278
Total income	305	4	437	**746**	744
Resources Expended					
Costs of raising funds	54	1	-	**55**	54
Private project expenditure	54	-	-	**54**	44
Net (gain) / loss of investments	(1,188)	(22)	-	**(1,210)**	951
Total resources expended	(1,080)	(21)	-	**(1,101)**	1,049
Net Incoming/ (Outgoing) Resources	1,385	25	437	**1,847**	(305)
Transfers	(599)	(38)	-	**(637)**	134
Net movement in private funds during the year	786	(13)	437	**1,210**	(171)
Brought forward at 1 April	15,202	181	7,944	**23,327**	23,498
Carried Forward at 31 March	**15,988**	**168**	**8,381**	**24,537**	23,327

The total of private restricted and collection funds represents total restricted private funds of £8,549k.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted public	Restricted public	Unrestricted private	Restricted private	**Total**
	£'000	£'000	£'000	£'000	**£'000**
Fixed Assets	-	94,573	13,600	8,549	**116,722**
Cash at bank and in hand	528	-	310	-	**838**
Other net current assets/ (liabilities)	60	1,445	2,078	-	**3,583**
Creditors of more than one year	(14,220)	-	-	-	**(14,220)**
Total	**(13,632)**	**96,018**	**15,988**	**8,549**	**106,923**

18. RECONCILIATION OF NET INCOME/ (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023/24	2022/23
	£000	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	**2,271**	(2,914)
Net (gain)/loss on investment	**(1,210)**	951
FRS 102 interest pension adjustment	**760**	490
Depreciation and amortisation charges	**2,378**	1,886
Decrease in stock	**5**	-
Heritage asset donations (non-cash)	**(437)**	(291)
(Increase)/ Decrease in debtors	**(2,617)**	(47)
Increase/ (Decrease) in creditors	**837**	472
Pension current service cost adjustment	**40**	2,840
Net cash flow from operating activities	**2,027**	3,387

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023/24	2022/23
	£000	£000
Bank account balances	**625**	1,986
Bank accounts held within investments	**212**	123
Cash and cash equivalents on 31 March	**837**	2,109

20. RELATED PARTY TRANSACTIONS

The Welsh Government is regarded as a related party. During the year the Library received funding from the Government in the form of Grant in Aid, Purchase, Capital and Project Grants as disclosed in note 2. Welsh Government received repayment of the interest of £18.5K generated from public fund balances.

Details of expenditure in respect of board member travel, subsistence and hospitality are disclosed in Note 8(f).

Lee Yale-Helms, Andrew Evans, Anwen Jones and Ashok Ahir, all of which are Board members, are also trustees of the National Library of Wales Staff Superannuation Scheme for which the transactions and balances with the pension scheme are disclosed in Note 23.

Related party transactions with Board members and members of the senior management team are noted in the table below.

		2023/24		2022/23	
Related Party	Relationship	**Income**	**Debtor**	Income	Debtor
		(Expenditure)	**(Creditor)**	(Expenditure)	(Creditor)
		£	**£**	£	£
National Lottery Heritage Fund	David Michael, Director of the Library is an independent member of the Audit Committee. Pedr ap Llwyd, Chief Executive of the Library is a Member of the executive Board in Wales. Susan Davies, Trustee is a consultant/mentor for NLHF	1,493,763	1,202,405	703,384	470,437
Coleg Cymraeg Cenedlaethol (CCC)	Pedr ap Llwyd, Chief Executive and Anwen Jones, Trustee are Non-Executive Directors of CCC.	5,257	-	1,148	-
Cardiff Council	Janet Wademan, Trustee of the Library is an independent Member of the Governance and Audit Committee at Cardiff Council.	(26,544)	-	(4,738)	-
Eisteddfod Genedlaethol	Ashok Ahir, Trustee of the Library is President of the National Eisteddfod Court and Chair of the Eisteddfod Management Board	85	-	85/(21,410)	-
The Chartered Institute of Public Finance & Accountancy	Lee Yale-Helms, Treasurer of the Chartered Institute of Public Finance & Accountancy	(17,550)	-	(32,176)	-
Diverse Cymru	Rhian Gibson. Director of the Library is a Trustee of Diverse Cymru	(319)	-	(25)	-
Aberystwyth University	Anwen Jones, Trustee of the Library is a member of staff of Aberystwyth University. Rhodri Llwyd Morgan was also a previous staff member of this organisation.	(17,245)	-	-	-
EE Consulting Ltd	Emyr Evans, Director of Corporate Services is also a director of his consultancy business	(12,637)	-	(25,316)	-

Pembrokeshire County Council	Mike Cavanagh, who was a member of the Board until 31 of August 2023 is also a Head of Cultural, Leisure, Tourism and Registration Services for Pembrokeshire County Council	(17,659)	(16,579)	(22,616)	-

On 31 March 2024, the Library had consolidated debtors and creditors with other Government financed bodies as follows:

	Debtors	**Creditors: within 1 year**
	£000	**£000**
Central Government bodies	2,686	250
Local Government bodies	92	-
Non-Government Bodies	2,707	1,693
Total	5,485	1,943

21. FINANCIAL INSTRUMENTS – RISK DISCLOSURE

The Library has no borrowings and relies primarily on departmental grants for its cash requirements and is therefore not exposed to liquidity risks. The only material deposit is disclosed in note 11, and all material assets and liabilities are denominated in sterling, so it is not exposed to interest rate risk or currency risk. In 2023/24, £17.867m or 85% of the Library's consolidated income derived from the Welsh Government (2022/23 £15.486m or 89%). The balance, £3.182m or 15% (2022/23 £1.944m or 11%) is derived from income on the Library's private funds (note 16b), from trading activities (note 4) and grants from other bodies as disclosed in Note 3 to these accounts.

The Library has exposure to market risk through its investments and this is managed through portfolio diversification as well as setting the risk appetite and investment objectives to be used by the Fund Manager.

22. LEASES

The Library made no lease payments during the year or the previous year.

23. PENSION COSTS

The Library operates a defined benefit scheme with benefits accruing at the rate of 1/80th of pensionable salary for each year of service. The latest full actuarial valuation was at 31 March 2022 and it was assessed that the Scheme was 99% funded (2019: 100% funded).

During 2023/24, the Library contributed 22.8% of pensionable salaries and expected employer contributions for 2024/25 are £2.3 million (including deficit contribution of £495K).

(a) Development of the Net Balance Sheet Position

	31 March 2024	31 March 2023
	£m	£m
Fair value of assets **(23b)**	**54.05**	56.38
Actuarial value of scheme liabilities **(23c)**	**(68.27)**	(74.46)
Pension liability recognised in balance sheet	**(14.22)**	(18.08)

(b) Changes in the fair value of plan assets

	Year Ended 31 March 2024	Year Ended 31 March 2023
	£m	£m
Scheme assets at beginning of year	**56.38**	87.44
Benefits paid from plan assets	**(3.28)**	(2.64)
Employer contributions	**2.43**	1.84
Member contributions	**0.09**	0.09
Interest income on Scheme Assets	**2.33**	1.35
Return on scheme assets greater/(less) than discount rate	**(3.90)**	(31.70)
Scheme assets at end of year – (23a)	**54.05**	56.38

(c) Analysis of changes in the Defined Benefit Obligations (DBO)

	Year Ended 31 March 2024	Year Ended 31 March 2023
	£m	£m
Scheme liabilities at beginning of year	**74.46**	120.20
Interest cost on the DBO	**3.09**	1.84
Effect of employee services in the current period	**2.19**	4.52
Member contributions	**0.09**	0.09
Benefits paid from plan assets	**(3.00)**	(2.48)
Remeasurement on the DBO/ change of assumptions	**(8.56)**	(49.71)
Scheme liabilities at end of year – (23a)	**68.27**	74.46

(d) Amounts charged to SOFA (Total Expenditure)

	Year Ended 31 March 2024	Year Ended 31 March 2023
	£m	£m
Effect of employee services in the current period	**2.19**	4.52
Net interest on net defined benefit liability/ (asset)	**0.76**	0.49
Defined benefit cost recognised in P&L	**2.95**	5.01
Administration costs during the period	**0.28**	0.16
Total cost recognised in SOFA	**3.23**	5.17

(e) Actuarial Gains/(Losses) charged to the SOFA (Other recognised gains/(losses))

	Year Ended 31 March 2024	Year Ended 31 March 2023
	£m	£m
Return on scheme assets (greater)/ less than discount rate – (23b)	**3.90**	31.70
Actuarial loss/(gain) arising during period – (23c)	**(8.56)**	(49.71)
Total actuarial loss/(gain) recognised in reserves	**(4.66)**	(18.01)

(f) Total defined benefit cost

	Year Ended 31 March 2024	Year Ended 31 March 2023
	£m	£m
Total cost recognised in SOFA – (23(d))	**3.23**	5.17
Remeasurement effect recognised in reserves (23(e))	**(4.66)**	(18.01)
Defined benefit cost	**(1.43)**	(12.84)

(g) Reconciliation of Net Balance Sheet Position

	Year Ended 31 March 2024	Year Ended 31 March 2023
	£m	£m
Net defined (liability) at beginning of year	**(18.08)**	(32.76)
Effect of employee services in the current period (23c)	**(2.19)**	(4.52)
Net interest on net defined benefit liability/ (asset)	**(0.76)**	(0.49)
Remeasurement effect recognised in reserves (23(e))	**4.66**	18.01
Employer contributions (23b)	**2.43**	1.84
Administrative costs (23b)	**(0.28)**	(0.16)
Scheme liabilities at end of year – (23a)	**(14.22)**	(18.08)

(h) Market value of Assets and Percentage of Total Scheme Assets

	31 March 2024		31 March 2023	
	£m	**%**	£m	%
Equities	**10.32**	**19.1**	9.32	16.5
Bonds	**31.62**	**58.5**	32.26	57.2
Property and other	**12.11**	**22.4**	14.80	26.3
Total value of assets	**54.05**		56.38	

(i) Financial Assumptions

The financial assumptions made to calculate the FRS 102 disclosure requirements are as follows:

	31 March 2024	31 March 2023
	%per annum	%per annum
Price Inflation	**2.55**	2.40
Rate of Salary Increase	**2.55**	2.40
Rate of increase of pensions in payment*	**2.55**	2.40
Discount rate**	**5.10**	4.15

* in excess of any Guaranteed Minimum Pension (GMP) element

** prescribed by HM Treasury

The discount rate used for FRS 102 disclosures is different to that used by the Actuary for the most recent financial assessment of the Scheme on 31 March 2022. The requirement to use the Treasury's discount rate for the FRS 102 disclosure will result in the financial position of the Scheme being assessed differently under this measure in comparison to the method used in the formal actuarial valuation of the Scheme.

24. CAPITAL COMMITMENTS

At the balance sheet date, the outstanding commitments are as follows:

	31 March 2024	31 March 2023
	£000	£000
Contracted – building works	**772**	46
Contracted – plant fittings & equipment	**-**	13
	772	59

25. POST BALANCE SHEET EVENTS

There were no material post balance sheet events up to the date on which the accounting statements were authorised by the Accounting Officer **on 10th of January 2025**, which would have meant that the accounts had to be adjusted.

NATIONAL LIBRARY OF WALES

England & Wales - Charity number 525775

Accounts



LLYFRGELL GENEDLAETHOL CYMRU
THE NATIONAL LIBRARY OF WALES

ANNUAL ACCOUNTS 2022-23

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Reference and Administrative Details

Board of Trustees (from 1 April 2022, and since the year end)

Appointed by the Welsh Government:

Ashok Ahir, President (permanent appointment effective from 1 April 2022) ^
Andrew Evans, Vice President (effective from 1 April 2022)
Michael Cavanagh (to 31 August 2023)
Quentin Howard + (to 31 August 2023; reappointed from 1 September 2023)
Dr Carl Williams + (to 31 August 2023)
David Hay ^
Lydia Rumsey *
Dr Janet Wademan *
Dr Andrew Cusworth (from 1 November 2023)
John Trevor Allen (from 1 November 2023)

Appointed by the National Library of Wales:

Lee Yale-Helms, Treasurer (to 31 March 2023) * +; appointed as Trustee from 1 June 2023)
Gronw Percy, Treasurer (from 1 April 2023) * +
Dr Gwenllian Lansdown Davies * (to 29 February 2024)
Dr Anwen Jones (to 29 February 2024; reappointed from 1 March 2024)
Dr Elin Royles * (resigned 26 January 2023)
Susan Davies ^
Professor Elaine Treharne +
Hannah Lindsay (from 1 February 2022) ^

***Members of the Audit, Risk and Assurance Committee**
+ Members of the Finance and Resources Committee
^ Members of the Performance and Quality Committee

Independent External Members of the Audit, Risk and Assurance Committee:
Rhian Evans
Huw Lloyd Jones

Co-opted members of the Finance and Resources Committee:
Hywel Tudor (to October 2022)
Dr Ieuan Griffiths (resigned 19 January 2024)

Executive Team Members:

Chief Executive and Librarian, and Accounting Officer
Professor Pedr ap Llwyd FLSW

Director of Corporate Services
David Michael-resigned 16 August 2023

Director of Collections and Digital Services
Dr Owain Rh Roberts

Director of Communications, Engagement and Partnerships (from 1 September 2022)
Rhian Gibson

Principal Advisers:

Bankers	National Westminster Bank, Aberystwyth
Solicitors	Geldards LLP, Cardiff Humphreys Roberts & Bott, Aberystwyth Hugh James, Cardiff Darwin Gray, Cardiff
External Auditors	Audit Wales, Cardiff
Internal Auditors	Welsh Government Internal Audit Service
Investment Brokers	Investec Wealth and Investment, London
Actuarial and Pensions	Willis Towers Watson, Edinburgh
Registered Charity No.	525775
VAT No.	905194137
Registered Address	National Library of Wales Penglais Aberystwyth Ceredigion, SY23 3BU
Corporation Tax	The National Library of Wales is exempt from corporation tax under Section 505 of the Income and Corporation Taxes Act 1988

Annual Governance Statement

Statutory Background

The National Library of Wales (the Library) was established by Royal Charter on 19 March 1907. Supplemental Charters were granted in 1911 and in 1978, with slight constitutional revisions. On 19 July 2006 a new Supplemental Charter was granted by Queen Elizabeth II. This Charter changed the Library's constitution and governance significantly and recognised devolution of government from Westminster to Wales. Whereas previously the Library had a Court of Governors and a Council, it now has a Board of Trustees.

The Library is also a registered charity and a Welsh Government Sponsored Body. It is funded by a combination of grant-in-aid allocated by Welsh Government, and income secured through its commercial, fundraising and charging activities. The Library's grant in aid allocation and conditions are set out in the remit letter from the Deputy Minister for Arts, Sport and Tourism.

The Library's nature as a Royal Charter foundation and a registered charity, and also a Welsh Government Sponsored Body governs how it operates and fulfils its role and obligations. The Library must balance these two roles to fulfil the objects of its Charter and charitable status, which reflects its foundation purpose, while at the same time adhering to the principles of arms-length government. The Library's objects are "to collect, preserve and give access to all kinds and forms of recorded knowledge, especially relating to Wales and the Welsh and other Celtic peoples, for the benefit of the public, including those engaged in research or learning".

Statement of the Board of Trustees' and Accounting Officer's responsibilities

The Library is required under its Royal Charter and sections 8 (1) and 8 (2) of its Statutes to prepare annual accounts, and to prepare and publish a report upon the affairs and position of the Library during the preceding year including such information as the Trustees from time to time determine.

The Library must prepare its accounts in accordance with the Accounts Direction issued by the Welsh Ministers, Section 9(4) of the Museums and Galleries Act 1992 and the Charities Statement of Recommended Practice.

The Library is accountable to the Welsh Government for the public funds it receives through the *Framework Agreement*, which is demonstrated through regular monitoring meetings with its sponsor body and via the annual audit of the Library's accounts by Audit Wales, the Library's statutory auditors.

The Chief Executive and Librarian is the designated Accounting Officer for the National Library of Wales. His responsibility as Accounting Officer is set out in the Accounting Officer's Memorandum issued by the treasury and includes responsibility for the propriety and regularity of the public finances for which he is answerable, for keeping proper records, for safeguarding the Library's assets, and for the preparation of the annual report and accounts.

Scope of Responsibility

The Accounting Officer and Trustees have collective responsibility for maintaining a sound governance framework and a system of internal control that supports the achievement of the Library's vision, aims and objectives, while safeguarding the public funds and assets for which they are responsible, in accordance with the responsibilities assigned to them in *Managing Welsh Public Money (2016).*

These responsibilities are also outlined in the *Framework Document* drafted by the Welsh Government, which regulates the relationship between the Welsh Government and the Library, a revised version of which was shared with the Board of Trustees at its meeting in January 2022. Welsh Government had not, as of 31 March 2023, shared a final version of the revised *Framework Document* with the Library.

The Board is responsible for effective leadership, defining and developing strategic direction, setting challenging objectives, promoting high standards of public finance, ensuring that the Library discharges its functions effectively and efficiently, and monitoring performance, to ensure that the Library fully meets its aims, objectives and performance targets and delivery against plans and budgets.

The President is the primary communicator between the Board and the Deputy Minister for Arts, Sport and Tourism and it is the President's role to ensure that other Board members are kept appraised of all such communications. The President is also responsible for ensuring that the Board's policies and actions support the Deputy Minister's wider strategic policies through the Welsh Government's *Programme for Government.*

1. Corporate Governance Framework and Regulations

The *Corporate Governance Framework* was adopted by the Board of Trustees in November 2017. Revisions since that time have included the inclusion of Appendix 1, *Board Delegation and Staff Functions,* and revised *Terms of Reference* for the three standing committees of the Board in 2021. At its meeting on 27 January 2023, the Board of Trustees approved a revised *Corporate Governance Framework* which has been updated to include reference to the Officers' Committee, and a comprehensive *Trustees Code of Conduct*, together with references to the current Library strategy, and updated documentation. In September 2023, Trustees approved *Terms of Reference for the Board of Trustees,* and this document is also included in the Corporate Governance Framework.

The *Corporate Governance Framework* sets out the key responsibilities of the Board of Trustees and Executive while the *Regulations* sets out the proceedings of the Board and its committees.

2. Recruitment and Appointment of Trustees

The Library's Board consists of fifteen Trustees, eight of whom are appointed by the Welsh Government in consultation with the Trustees, and seven by the Library in accordance with the Regulations. The Trustees include the three Officers of the Library – President, Vice President and Treasurer; the President and Vice President are appointed by the Welsh Government, and the Treasurer is appointed by the Library. All appointments are made in accordance with the Library's *Statutes* and *Regulations* and the principles of open selection as recommended by the Nolan Review.

In accordance with Section 6 (v) of its Royal Charter, the Library has the legal authority to remunerate Trustees, and a decision was made by Trustees in 2020 to remunerate the post of President.

Following a period as interim President from 13 September 2021, Ashok Ahir was appointed by the Welsh Government, following interviews and appearance before the Culture, Communications, Welsh Language, Sport and International Relations Committee, to the role of President for a period of four years in March 2022, taking up his appointment on 1 April 2022. From 1 April 2022, the President's role was remunerated on the basis of one day's weekly service in the role at a fee of £337 per day, or annualised remuneration of £17,591. The President doesn't receive pension benefits.

Andrew Evans was appointed by Welsh Government to the role of Vice President for a period of four years, also taking up his appointment on 1 April 2022.

Following a decision by Trustees in March 2021 to extend the Treasurer's appointment for a further two years to provide stability and continuity to the Library at a particularly challenging period, the Library ran a campaign during 2022 to appoint a Treasurer, who would shadow the current Treasurer until his term of office ended on 31 March 2023. Gronw Percy was appointed in October 2022 and shadowed the current Treasurer before officially taking up the role on 1 April 2023 for a period of four years.

Trustees took a decision in April 2023 to appoint Lee Yale-Helms as Trustee for a period of two years to fill the vacancy left by Elin Royles' resignation. This appointment will provide continuity in the ongoing discussions surrounding the Library's pension scheme, as Lee will continue in his role as Chair of the Library's Pension Scheme Board.

Mike Cavanagh and Carl Williams stepped down at the end of their terms office on 31 August 2023, while Quentin Howard was reappointed for a further four year term, effective from 1 September 2023. John Trevor Allen and Andrew Cusworth were appointed by Welsh Government as Trustees for a four year term, effective from 1 November 2023.

No other Officers or Trustees were remunerated during the year but all, including the President, were entitled to claim reasonable expenses while undertaking their Trustee duties on behalf of the Library. Details of Trustees' significant interests are maintained in a register of interests, held at the Library.

3. Trustee Induction and Training

The *Trustees' Handbook* was updated to include the revised *Corporate Governance Framework* approved in January 2023, updated versions of Charity Commission publications, where applicable, and a new introductory section. To ensure the Library's continued commitment to the sustainability agenda, the *Trustees' Handbook* is now available online only.

On 26 September 2022, representatives from Investec, the Library's investment brokers, provided a presentation to Trustees and independent members of the Audit, Risk and Assurance Committee on responsible investing and sustainability at Investec, and how environmental, social and governance factors are incorporated into their investment analysis.

On 7 November 2022, Helen Morris, Welsh Government Internal Audit Service, facilitated a workshop on risk appetite with Audit, Risk and Assurance Committee members, co-opted members of the Finance and Resources Committee and the Executive Team.

Training on cyber security is a topic which the Board wishes to pursue, and this will be facilitated during 2023-2024.

4. Board and Committees – Membership and Meetings

The Board held its six scheduled meetings during the year, all of which were hybrid, with members able to attend in the building in Aberystwyth or online. Full simultaneous translation was provided for all meetings, ensuring that the Library met its obligations under the Welsh Language Standards.

In addition to the six scheduled meetings, an additional closed session was held on 21 July 2022 where the Chief Executive and Librarian presented to Trustees an early draft of a bid to Round

2 of the UK Levelling Up Fund, and two further extraordinary meetings on 13 December 2022 and 23 February 2023. The meeting on 13 December was convened specifically to discuss the strategic outline case for a National Gallery of Art and Photography (Levelling up Fund) and the meeting on 23 February 2023 was convened to further discuss the budget for 2023/2024.

An extraordinary meeting, of the Trustees only, was held on 19 December 2022, to discuss the Library's future financial sustainability and what could be done to address any issues.

All Board and committee papers were distributed to members electronically, further supporting the Library's commitment to the sustainability agenda.

The Board meetings were also attended by representatives from the Welsh Government, Chief Executive and Librarian, and Library Directors. Board agendas and minutes are published on the Library website, together with a brief summary of papers to be presented at each meeting.

https://www.library.wales/about-nlw/governance/nlw-governance

Board members' biographies can be seen at;
https://www.library.wales/about-nlw/governance/nlw-governance/board-members

5.1 Committee Structure

The Board has three standing committees, whose Terms of Reference are included in the Corporate Governance Framework.

Committee	Key Responsibilities
Audit, Risk and Assurance	A standing committee which encompasses all the assurance needs of the Board of Trustees and Accounting Officer in their responsibilities for the Library's risk management, internal controls, statutory accounts, and governance. The committee also engages with the work of internal and external audit and financial reporting issues
Finance and Resources	A standing committee which encompasses all the assurance needs of the Board of Trustees in respect of the Library's effective, efficient and sustainable financial and other resource management, in particular the Library's investment portfolio, the use of its private funds, its commercial activities, and the performance of its fundraising campaigns
Performance and Quality	A standing committee which encompasses all the assurance needs of the Board of Trustees on upholding effective and efficient delivery standards, monitoring, reviewing and developing the services provided, ensuring accessibility and quality of service for all stakeholders, and ensuring that the requirements of all stakeholders are equitably met

In addition to the standing committees, the Board has also established a Buildings Panel which provides assurances and makes recommendations to the Board of Trustees on matters regarding the Library's buildings and estate, including its maintenance, use, and development, and also oversees the

ambitious decarbonisation programme. The Panel was chaired by Mike Cavanagh, Trustee until he stepped down from the Board in August 2023, and is now chaired by Quentin Howard, Trustee.

The following Trustees serve on the Pensions Fund Board – Lee Yale-Helms (Chair), Carl Williams, Anwen Jones and Ashok Ahir.

Quentin Howard and Lydia Rumsey serve on the Wales Broadcast Archive Programme Board to represent the interest of Trustees.

Audit, Risk and Assurance Committee

In addition to Trustee and independent members, the Library's internal auditors and representatives from Audit Wales attend committee meetings. The Library's sponsor division reserves the right for a representative to attend one meeting a year.

The committee paid due attention to risk management and internal controls at the Library, and as part of its continued programme, undertook deep dives into (1) storage space at the Library and (2) legal deposit, and the implications of the Library's legal deposit commitments on storage space at the Library. The *Risk Management Policy*, was not updated during 2022-2023 due to an ongoing review but will be revised during 2023-2024. As risk management is an area of particular concern to the committee, it was agreed, in conjunction with the Chief Executive and Librarian, that risk management would be the subject of an internal audit to be undertaken early in 2023-2024.

As previously mentioned, committee members, other Trustees, and co-opted members of the Finance and Resources Committee and the Executive took part in a two-hour risk workshop on 7 November 2022, facilitated by Helen Morris (Welsh Government, Internal Audit Service), to discuss the Library's risk appetite, and the discussions of that workshop will further feed into the revised *Risk Management Policy*.

In line with good practice, as laid out in section 1.6 of the *Audit and Risk Committee Assurance Handbook* (HM Treasury, 2016) the committee produced its first annual report, outlining the work undertaken during the year and presented this to the meeting on 26 April 2022. This report was subsequently presented to the Board on 27 May 2022.

Other areas of scrutiny included reviewing internal audit reports, single tender actions, information security, statutory annual accounts, and in particular any instances of breaches of data, cyber security and other information breaches which had occurred.

The committee is chaired by Janet Wademan and met four times during the year.

Finance and Resources Committee

The committee focused on scrutinising and reviewing the Library's financial plans and budgets and the implications for the Library's financial stability. At the meeting on 13 June 2022 members were concerned with the Library's fragile financial stability and agreed that it should recommend to the Board of Trustees that an external independent review of the Library's financial situation should be commissioned, which the Trustees approved at a meeting on 22 July 2022.

The consultation on any changes to the Library's pension scheme was temporarily put on hold as the Welsh Government announced during the year that they would be undertaking a review of pension schemes across the public bodies within the portfolio of the Deputy Minister for Arts, Sport and Tourism. Following discussions with Welsh Government officials, it was confirmed that the Library

could continue to move to consultation with its staff and unions and this will be done during 2023/2024.

Requests for use of the private fund reserves were considered, in accordance with the Library's *Private Funds Investment Policy 2020 - 2025*, and recommendations made to the Board of Trustees on whether these should be approved.

Four committee meetings were held during the year, with an additional extraordinary meeting held on 4th April 2023 to discuss specific strategic pension considerations in a report prepared by Willis Towers Watson, the Library's pension actuaries.

The committee was chaired by the Treasurer, Lee Yale-Helms until March 2023, and subsequently by the new Treasurer, Gronw Percy, from 1 April 2023.

Performance and Quality Committee

The committee focused on progress against performance indicators, the delivery of the operational plan and governance of the Broadcast Archive project. The committee also received the *Equality and Diversity Annual Report* and discussed a draft of the *Framework Document* prepared by the sponsor body.

The meeting held on 3 May 2022 was devoted to discussing performance indicators for the 2021 – 2026 strategic plan and also the 2022-2023 operational plan.

The meeting on 18 November 2022 discussed the draft *Trustees' Code of Conduct* and the hybrid working policy for staff.

The committee also discussed the *Board Effectiveness Review* published in January 2023, (which had been presented previously to the Audit Risk and Assurance Committee), and the Chair will draft a development plan to present to Trustees for discussion at a Board workshop on 27 July 2023.

The committee is chaired by the President, Ashok Ahir and met three times during the year. The meeting scheduled for 26 July 2022 was postponed and business carried over to the next scheduled meeting on 25 October 2022 which had to be rearranged for 18 November 2022.

Hannah Lindsay joined the committee with effect from 3 May 2022.

5.2 Board and Committee Attendance

	Board	Audit, Risk and Assurance	Finance and Resources	Performance and Quality
Ashok Ahir	8/9			3/3
Lee Yale-Helms	6/9	2/4	5/5	
Andrew Evans	9/9			
Mike Cavanagh	6/9			
Quentin Howard	8/9		5/5	

Carl Williams	4/9		2/5	
Gwenllian Lansdown Davies	7/9	1/4		
Anwen Jones	7/9			
Elin Royles	7/8*	4/4		
David Hay	9/9			2/3
Lydia Rumsey	9/9	4/4		
Janet Wademan	9/9	4/4		
Susan Davies	8/9			3/3
Elaine Treharne	6/9		3/5	
Hannah Lindsay	8/9			2/3

*Elin Royles tendered her resignation on 26 January 2023, but agreed to attend the Audit, Risk and Assurance Committee meeting on 7 March 2023.

Gronw Percy attended the Board meetings on 27 January 2023 and 31 March 2023, and the Audit, Risk and Assurance Committee meeting on 7 March 2023 as an observer.

5.3 Overview of Board Performance

Like many other organisations in Wales, the Library has now fully emerged from the pandemic but has seen significant changes to the way it serves its communities with an increased focus on digital services.

The launch of the Wales Broadcast Archive on 16 March 2023 saw the opening of the first national broadcast archive in the United Kingdom, an achievement of which the Board and Executive are justifiably proud. This archive will enable users in all parts of Wales and beyond to access digitised broadcast material in a way which was never possible in the past. The Archive is underpinned by several Clip Centres at various locations across Wales and will continue to grow its presence in the coming months.

Ceredigion County Council invited the Library to submit a bid to Round 2 of the UK Levelling Up Fund. An early draft of the ambitious bid to establish a gallery of national significance was presented to Trustees by the Chief Executive and Librarian on 27 May 2022. A workshop was held on 21 July 2022 where representatives from Savills, who had scoped the application, outlined the plan to establish the above-mentioned gallery to showcase and interpret the national collections of Welsh Art and Photography. Although Trustees unanimously declared their support for an application, it was decided at the Board meeting on 23 September 2022 not to formally submit an application as it was not fully developed. At an extraordinary Board meeting on 13 December 2022, attended by representatives from Savills and Ceredigion County Council, it was agreed that the Library would

continue to develop a business plan for this project in readiness to present it to potential funders when opportunities arise.

At the July workshop, Trustees discussed initial ideas for developing an *International Strategy* and *Fundraising Strategy*, both of which will be further developed by the new Director of Communications, Engagement and Partnerships during 2023-2024.

Following a recommendation made in the *Tailored Review*, a review of the Library's economic impact and potential as a visitor centre was undertaken by Fourth Street, and Trustees received an initial report in November 2022. *The Stage 2 Report: Impact Framework* will be presented to the Board in June 2023.

Acting on a recommendation from the Finance and Resources Committee, members debated the possibility of closing the current defined benefit pension scheme and discussed a range of possible alternative options, which would be fully discussed with staff and unions. Trustees received regular, updated reports on the current situation of the pension scheme from the scheme actuaries to guide them in their decision making. A decision on the way forward with regard to the current pension scheme will be made in 2023-2024.

Trustees considered the independent financial review of the Library's current financial position and its future financial sustainability undertaken by CIPFA at their meeting on 25 November 2022. At the time the report was drafted, the Library was facing a substantial potential budget deficit and also the need to secure budget cover for the use of the Library's private reserves to help fund budget deficits. However, the Welsh Government's announcement of its autumn budget awarded the Library additional grant-in-aid, and a further report was commissioned from CIPFA which took into account this additional funding. This follow-up report, also drafted by David Corner, was discussed by Trustees at their meeting on 27 January 2023, and further discussed by the Finance and Resources Committee at its meeting on 14 February 2023.

During these meetings concerns were expressed about aspects of financial planning and the need for more transparent financial information to be provided to the Board of Trustees, and it was agreed that the Library needed to address any weaknesses in financial management. Therefore, it was decided that a review of financial management at the Library should be undertaken, and that CIPFA, as the leading body for public finance, should be commissioned to undertake this review, against the standards in its its Financial Management Code.

The review identified a number of areas where the Library could improve its financial procedures. These included more detailed long term financial planning and improvements to the control environment.

The report made a number of recommendations which the Executive Team has implemented during 2023-2024 as follows:

- Improvement to the budgeting process and reporting of financial information to the executive team and the Board;
- Better communication of financial matters with all departments within the organisation;
- Outsourcing of key functions such as payroll and pension scheme administration;

A restructuring of the finance department in 2024 will also improve the delivery of timely financial information to the Executive Team and the Board. In this respect a new Director of Finance and

Corporate Services has been appointed and will complete the changes required to fully implement the CIPFA recommendations.

The 2023-2024 draft budget was discussed by the Board of Trustees at its meeting on 27 January 2023, when the Executive Team were asked to prepare a further draft budget which aligned with the current Strategic Plan, and which paid due consideration to the financial and strategic needs of the newly established Communications, Engagement and Partnerships Directorate. The Executive Team presented a further draft of the budget, which took the above issues into account, to an extraordinary meeting of the Trustees convened on 23 February 2023, which was approved by Trustees.

Performance appraisals of individual Trustees took place during 2022-2023, and these will drive a training and development programme for Trustees for 2023-2024. The President's performance review was undertaken by Welsh Government.

There were discussions about the remuneration of Trustees, following another recommendation made in the Tailored Review; however, at its meeting on 25 November 2022, Trustees unanimously agreed that consideration of remuneration for Trustees in the current financial climate was not advisable. It was agreed to revisit this at a later date if necessary.

The Board is very aware of its responsibilities with regard to cyber security and the ever-increasing risks in this area. The Audit, Risk and Assurance Committee receive detailed incident reports at each meeting, and these are escalated to the Board where necessary.

Trustees are committed to supporting the Library's ambitious plans to become 100% carbon neutral by 2030 and welcomed the plans which the Library had in place to achieve this. Energy efficient lighting is now installed in around 95% of the building. Thirty electric vehicle charging points, including rapid chargers, have been installed in the Library grounds, and will be operational in mid-2023. Further photovoltaic panels will be placed on suitable roofs, and a ground-mounted solar array placed in a field adjacent to the Library. All the electricity generated will be used on site.

In addition to the above, the Board also considered the following matters during the year;

- Approval of a revised *Board Assurance Framework* 2022
- Approval of a comprehensive *Trustees' Code of Conduct*
- Approval of performance indicators for the 2022-2023 operational plan
- Approval of the statutory Annual Accounts 2021-2022
- Agreed a Board work programme 2022-2023
- Wales Broadcast Archive progress updates
- Final report on implementation of the Tailored Review recommendations
- Budget 2022/2023 and Draft Budget 2023-2024
- *Board Effectiveness Review*
- Approval of the pay remit 2022-23
- Approval of the *Education Strategy 2023-2026*
- Approval of the annual *Equality and Diversity report*
- Approval of the annual *Health, Safety and Welfare report*
- Strategic Alliance with the University of Wales Trinity Saint David
- Updates on the capital building programme
- Options to address lack of storage space at the Library
- Corporate risk register

- Performance of investments
- Progress reports against targets set in the annual operational plan
- Minutes of all three standing committees and the Buildings Panel

5. Internal Audit

The Library continued to work closely with its internal auditors. The internal audit is provided by the Welsh Government's Audit Service who comply with the Public Sector Internal Audit Standards. A programme of work for 2022-2023 was agreed by the Audit, Risk and Assurance Committee on 26 April 2022, and approved by the Chief Executive and Librarian.

The internal audit service reports independently on an annual basis on the adequacy and effectiveness of the Library's system of internal control, together with recommendations for improvement. Reports are presented to the Audit, Risk and Assurance Committee for members to review and challenge the assurances provided by the Executive. The Head of Internal Audit can provide only limited assurance that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively. Some significant matters require attention with moderate to high risk exposure until resolved. The principal reasons underlying this opinion are the findings of the CIPFA report, *Review of the Library's compliance with the CIPFA Financial Management Code,* which addressed the fitness-for-purpose of the Library's overall financial management and financial governance arrangements.

As a consequence of the CIPFA report, the internal audit plan for 2023-2024 has been updated to ensure that focused reviews are undertaken in areas such as financial controls, IT controls and procurement procedures.

The following audit reports were presented to the committee during 2022-2023:

- Procurement Follow Up
- Board Effectiveness Review

6. Code of Best Practice on Governance

As far as the Board of Trustees and Accounting Officer are aware, there is no relevant audit information of which the Library's auditors are unaware. The Board and Accounting Officer have also taken all necessary or required steps to make themselves aware of relevant audit information and to establish that the Library's auditors are aware of that information. As a registered charity, the Library has acted in accordance with the *Good Governance Code: A Code for the Third Sector in Wales* and the Charity Commission's guides and codes of practice, and the Board of Trustees has ensured, again in accordance with this code of practice, that the Library has robust governance arrangements in place to promote high performance and safeguard propriety and regularity.

Risk Management and Controls

The Library's system of internal control is detailed in the *Board Assurance Framework*, which was reviewed and updated in 2021; minor amendments were made to the version approved by the Board at its meeting on 27 May 2022 to include references to the Library's new strategy, revised terms of reference for the Audit, Risk and Assurance Committee, change to the committee's name and reference to scrutiny of departmental risk registers, deep dive exercises and individual risks.

This gives a structured approach for ensuring that the Board of Trustees receives the right information, which is accurate and relevant, at the right time and with an appropriate level of assurance attributed to each source of data. The Library's *Risk Management Policy* defines the Library's approach to risk and how risk management is embedded into management processes to ensure that the key strategic risks are effectively managed. The risk management audit which is scheduled to take place in the first half of 2023-2024 will address the concerns of the Committee and Accounting Officer with regard to obtaining the necessary assurances that processes and policies are in place to effectively manage the risks which the Library faces, and the findings of the audit will drive any necessary improvements in risk management across the Library.

The *Board Assurance Framework, Risk Management Strategy and Policy*, together with the corporate risk register will form part of the internal audit to be undertaken during 2023-2024 to give the Board of Trustees and Accounting Officer the necessary assurances that processes and policies are in place to effectively manage the risks which the Library faces. All the above documents will be revised and updated following the findings of the internal audit, and any further recommendations arising from the audit will drive any necessary improvements in risk management across the Library.

The corporate risk register identifies, documents, assesses and details the key strategic and operational risks relating to the Library's activities. These are kept under constant review by the Executive Team and any other assigned risk owners and action is taken as appropriate to manage and mitigate these risks. The corporate risk register is underpinned by departmental risk registers, which are also kept under regular review by the Executive Team, and departmental risks are escalated to the corporate register where necessary.

In autumn 2022 the Library adopted new risk management software to record and monitor the risks facing the Library, and this provided Board members and independent members of the Audit, Risk and Assurance Committee and co-opted members of the Finance and Resources Committee online access to the departmental risk registers and corporate risk registers to view all risks recorded. This system enables risks to be updated by staff, and monitored by the Executive, far more frequently than was previously the case.

The Library continues to closely monitor the lack of storage space for physical and environmentally sensitive collections, and is actively looking at options to address this, including discussions with Welsh Government on the possible establishment of collaborative storage for heritage organisations.

The Library remains cautious in its approach to managing risks in terms of its responsibilities as a publicly funded body, and in areas such as compliance with legislation or conditions imposed by the Welsh Government, it will always seek to comply without exception. The Library continues to manage the risks that the significant financial challenges which it faces poses to its ability to offer pay increases to staff, meet significant increases in other running costs and to deliver on Welsh Government priorities.

Internal control questionnaires were completed by Heads of Departments and Directors at the year-end confirming that key elements of the Library's system of internal control were in place during the year and had been working effectively within their area of responsibility. The responses provided the Accounting Officer with an added level of assurance about the robustness of the Library's control framework.

The requirements of the Well Being of Future Generations (Wales) Act 2015 are at the heart of the Library's activities, and this is embedded in the new strategy *A Library for Wales and the World.* The impact framework illustrates how the strategic well-being objectives contribute to the seven well-being goals of the Act, while the strategic plan sets out how the Library intends to deliver against the well-being goals.

The Library was subject to an examination by the Auditor General during autumn 2022 on setting its well-being objectives. The examination considered how the Library set and published well-being objectives and how, in exercising its functions, it would take steps to meet those objectives. The Library received the draft report in March 2023, and once the final report has been received will discuss any recommendations and actions required with the Board of Trustees at its meeting on 2 June 2023.

No matters were raised during the year under the Whistleblowing Policy, and no instances of fraud or corruption were recorded.

Complaints were dealt with in line with our Complaints Policy. All complaints were fully investigated, and any resulting improvements or changes to working practices implemented where appropriate.

7. Information Security

The Library has information security procedures and protocols in place to ensure the confidentiality, integrity and availability of the information that we hold and process, and to ensure compliance with the UK GDPR and Data Protection Act 2018. These include;

- Information Security Policy
- Acceptable Use Policy
- Internal policies on information security – data deletion, mobile computing, password, removable media

Re-certification for Cyber Essentials / IASME accreditation was further delayed in 2022-2023 owing to resource constraints, but it is expected that this will be achieved during 2023-2024. All information security incidents are reported to the Audit, Risk and Assurance Committee. There were no security breaches during the year which required reporting to the Information Commissioner.

The Library received 11 Freedom of Information requests, ranging from collection-related enquiries to management and procurement queries. All such enquiries were answered within the 20 working days allowed for a response.

8. The Future

During 2023-2024, the Library will strive to deliver its strategy in the face of diminished funding but will continue discussions with the Welsh Government on future grant-in-aid funding and will explore other funding sources to support the achievement of our strategic aims. Moving forward, the Trustees will;

- Consider any changes required to the existing Pension Scheme
- Continue to develop new public spaces as part of the Wales Broadcast Archive at sites beyond Aberystwyth
- Develop and implement a new *Strategic Equality Plan 2022 – 2026*
- Develop and implement a new *Communications and Engagement Strategy*

- Develop and implement an *International Strategy*
- Develop and implement a *Fundraising/Income Generation Strategy*
- Implement the new *Education Strategy*
- Develop a long-term strategic plan for storage facilities
- Support the formation of the National Contemporary Art Gallery
- Agree a Memorandum of Agreement with Museum Wales
- Develop an action plan to take forward the recommendations of the *Board Effectiveness Review*
- Implement any recommendations of the CIPFA Review of Financial Management
- Implement the recommendations and findings of Audit Wales's examination of the setting of the Library's well-being objectives

Signed on behalf of the Board:

Pedr ap Llwyd

Pedr ap Llwyd
Librarian & Chief Executive & Accounting Officer
22 March 2024

Gronw

Gronw Percy
Treasurer
22 March 2024

2 OBJECTIVES AND ACTIVITIES

2.1 Primary objectives

The Library's primary objective, as expressed in Supplemental Charter 2006 is:

- *to collect, preserve and give access to all kinds and forms of recorded knowledge, especially relating to Wales and the Welsh and other Celtic peoples, for the benefit of the public, including those engaged in research and learning.*

The fundamental purpose and vision was to ensure that the unique history, culture and heritage of Wales, which has been documented in various forms and media over the years, is available at all times to enable everyone to obtain a better understanding of who we are, to explain the historic and cultural heritage that has shaped us as a nation over the centuries, and to encourage learning and research. It has two dimensions - a splendid physical building, in Aberystwyth, housing the print, manuscript, visual and audio-visual collections and also a library and archives, as well as a digital presence on the internet.

2.2 Public Benefit

Our vision 'to deliver change for the better for everyone in Wales now and in the future', as stated in our new Strategic Plan for 2021-2026, ensures that public benefit is at the core of all our activities. In fulfilling their duties, the Trustees have complied with section 2 of the Charities Act 2011 by having due regard to the guidance published by the Charity Commission on public benefit. While our main beneficiaries are people living in Wales, the Strategic Plan 'A Library for Wales and the World' also emphasises our global impact both as a cultural destination for visitors and through our services to online users worldwide.

2.3 Main Activities

Our main activities, which are undertaken to further the charity's purposes for the benefit of the public in Wales, are as follows:-

2.3.1. Collecting:

Collecting materials by legal deposits, purchases, donations, bequests, exchanges, and deposit, according to agreed collection development policies.

This function is carried out through:

- creating as complete a collection as possible, in all media, of published material relating to Wales (and other Celtic countries to a lesser extent), including electronic and printed publications and audio/moving image material;
- maintaining (mainly through legal deposits and purchases) the most comprehensive collection in Wales of printed materials published in the UK and Ireland, and research material from other countries;
- developing collections of unpublished materials relating to or deriving from Wales, including archives and artistic work;
- gaining access to acquired work, processing, cataloguing and storing it in the most effective way.

2.3.2. Preserving and Conserving:

Preserving and conserving the collections. This function is carried out through:

- ensuring environment, storage and handling conditions are appropriate for continued preservation of the collections;
- intervening to actively conserve materials to arrest deterioration or to repair damage;
- transferring information to more appropriate preservation formats.

2.3.3. Providing access and information:

Providing suitable/effective public access to the Library building, its collections and services, and information about them. This function is carried out through:

- monitoring and analysis of user needs;
- providing access to public spaces, collections and facilities within the building;
- arranging access to collection items and information services for on-site users or via on-line communication for remote users;
- providing easy access to catalogues of the Library's collections and electronic resources, and to its corresponding digital versions.

2.3.4 Publicising and interpreting:

Raising awareness of, and disseminating knowledge of, the Library's work and collections. This function is carried out through:

- materials on the Library's website;
- guides and publicity materials in paper and on-line formats;
- exhibitions and educational/community activities derived from the collections, both at the Library and in other venues across Wales;
- events, lectures and seminars.

2.3.5. Professional collaboration:

Collaborating with, and sometimes leading, related professional groups, across and beyond Wales. This function is carried out through:

- acting as a focal point for library and archive bodies in Wales;
- working with bodies in Wales and beyond to pursue collaborative initiatives and partnerships in the broad heritage, culture and information sectors, and to advance professional practice.

Support functions:

The ***core functions*** are supported by essential management and business functions, including: managing and developing staff; controlling and being accountable for financial resources and income generation; and maintaining and developing ICT infrastructure and the Library's building and facilities.

The Library submits an Annual Operational Plan to the Welsh Government on how the activities will be delivered and targets against these activities. Further details regarding how this strategy is derived and carried out are included in section 7.

3. ACHIEVEMENT AND PERFORMANCE

3.1 Key highlights in 2022/2023

Increasingly, we have focused on improving the way individuals and communities experience our services and benefit from the work we do – improvements which will have a tangible impact on the lives of everyday people. One example is the establishment of our new Communications, Engagement and Partnerships Directorate in September 2022, which will help us to get a better understanding of what people want from us and ensure the Library becomes more relevant to more people living in Wales.

During the financial year we contained to make progress on our strategic plan and in our efforts to make a marked contribution to the realisation of Welsh Government's Programme For Government. Focusing on Welsh people's sense of belonging and collective memory, the special initiatives, and projects that we've undertaken this year include:

3.1.1 Cultivate and care for the nation's memory

The Wales Broadcast Archive Centre was launched in March 2023 offering an interactive exhibition and digital access to material that has been preserved in various formats throughout the decades. As a result, visitors can now search sound recordings of BBC radio in Wales from the 1930s onwards, television broadcasts by the BBC and commercial broadcasters in Wales including HTV Wales and ITV Cymru Wales from the 1950s onwards and from 1982 – all the programmes of S4C, the first Welsh language TV channel. This ongoing project was funded by the National Lottery Heritage Fund, the Welsh Government and the Library.

A hundred-year-old Peace Petition signed by almost 400,000 Welsh Women was welcomed back to Wales. The chest and petition arrived at the National Library of Wales to a warm welcome by the people involved in the Women's Peace Petition Partnership who have worked over many years to bring it back home. This return signals the first step in making it accessible to the people of Wales. The Library worked in conjunction with the Women's Peace Petition Partnership, the Welsh Government, and the Smithsonian in Washington DC where the chest and petition had resided since being presented to the President of the United States a century ago.

The Library has continued to actively develop its collections during the year. The acquisition and processing of the Wales Broadcast Archive over the past few years culminated in the launch of the Wales Broadcast Archive. The Library has also focused on the need to diversify its collections and has started on the work of delivering three projects that support the delivery of the Anti-Racist Wales Action Plan. The Library continues to ensure that contemporary Wales is reflected in new acquisitions. Web Archiving has allowed the Library to make good progress in this area. The Anti-Racist Art project involved the commissioning of artworks by artists from minority ethnic backgrounds for acquisition to the national collections.

3.1.2 Lay the foundation for a knowledge economy

As a knowledge organisation the Library has continued its programme of digitisation with the focus primarily this year on audio-visual material in support of the Wales Broadcast Archive. The digital services and reading room services alongside the enquiries and licencing service continue to support individuals and businesses in providing access to content. The work of supporting the wider knowledge infrastructure of Wales has continued with the Wici-lleoedd II. The target of 1,000 articles on towns/villages/places published to Wikipedia has been reached and the development of a beta map of Wales in Welsh has been completed.

3.1.3 Be at the heart of national life

The Communities of Wales project helps children in communities across Wales to embrace and celebrate the nation's diverse cultural heritage. The project supports the delivery of the Anti-Racist Wales Action Plan by working with schools to tell stories through the lens of the various people that have shaped modern Wales. Each project focuses on developing resources based on lived experiences, and producing learning materials that celebrate diversity and encourage anti-racist engagement. The project is currently working with local groups and schools that represent gypsy and traveller communities in Pembrokeshire, the Portuguese diaspora in Wrexham, and with the community around Cathays High School in Cardiff.

As part of the Wales Broadcast Archive project the Library is opening Clip Corners across Wales that will offer access to an unparalleled collection of film, audio and video materials. As well as extending access these new centres will provide a hub for the Library to deliver work that develops new skills for participants. This work with volunteers, schools, Welsh learners, creative practitioners and community organisations will lead to the production of digital stories, reminiscence therapy videos, memory boxes, digital exhibitions, and new creative work that responds to the collection.

The Library continues to exhibit its collections in our gallery in Haverfordwest as part of our partnership with Pembrokeshire County Council. The gallery is part of the Riverside Library development that also includes a café, an advice hub, a public library and a tourist information centre. At this venue we produce a programme of thematic six month exhibitions, and a permanent exhibition on the history, culture and legends of Pembrokeshire. The Library also delivers a programme of events and a series of education workshops to accompany the exhibitions.

3.1.4 Empower learning and research

The Library has adopted a new Education Strategy that aims to grow the Library's education services further in order to be central to the learning journey of all children and adults in Wales. Through its work with school pupils, students and lifelong learners the Library is offering exciting experiences to our users, and wider access to our collections, in the Library building, virtually and across Wales. During the past year we have supported learning in communities across Wales and have developed new audiences through engagement and outreach work. We have also delivered Welsh Baccalaureate work focused on improving core skills and employability for 16-18 year olds, and providing opportunities for them to engage with our collections. A Welsh Government funded project to produce an online dictionary of Welsh biography for children that will be published in 2023 will add to the ever-growing body of digital learning resources produced by the Library that can be used to support the delivery and development of the Curriculum for Wales.

In the spring of 2022, Daniel Huws's eagerly anticipated magnum opus, A Repertory of Welsh Manuscripts and Scribes c.800–c.1800, was published by the National Library of Wales and the University of Wales Centre for Advanced Welsh and Celtic Studies.

The first volume of the Repertory offers summary descriptions of some 3,300 manuscripts written in Welsh between c.800 and c.1800, including those written in other languages which relate to Welsh literature and learning. The second volume is a bio-bibliographical register of about 1,500 scribes, including anonymous ones whose hands have been recognized in two or more manuscripts, and also contains comprehensive indexes (about 250pp.) to place-names, personal names, texts and subjects in Vol. I, and a chronological index of manuscripts up to 1580. In the third volume are some 900 images which provide examples of the various scripts of the 600 most important scribes included in Vol. II.

The Library in collaboration with Aberystwyth University academics have established a new Research Centre to draw on the Library's rich and varied collection of printed works relating to medicine and health in Wales. The Research Centre for the Literature and History of Medicine in Wales was launched at a one-day conference to be held at the National Library of Wales in November 2022. The Library is home to a substantial collection of Welsh and Welsh-interest printed works on medicine and health. The collection, which was digitised with sponsorship and support from the Wellcome Trust includes over 6,500 individual items dating back to 1740. It includes books on early medicines, herbal remedies, sanitary reports, accounts on contagious diseases, and asylum patient records.

We have ensured the enactment of the five ways of working of The Well-being of Future Generations (Wales) Act in order that the Sustainable Development Principle in working towards our Strategic and Well-being Objectives is observed and deployed.

3.2. Key Achievement Indicators

The Library's performance against its targets was reported to the Welsh Government in 2022-2023 as follows:

	Target	Attainment
Digital visits	1,900,000	1,620,934
International digital visitors to Library sites	850,000	763,826
Visitors to Library sites	50,000	57,517
User satisfaction - physical visits	96%	98%
User satisfaction - digital visits	80%	73%
Number of events	150	529
Social prescribing referrals	20	25
Number of participants in events	10,000	10,628
On site volunteer hours	5,000	6,064
Digital Volunteer hours	700	995
Digital educational resources published online	20	14
New items with interpretation published by the Library	1,200	1,761
Number of impressions across social media channels	2,750,000	2,569,976
Reach of the Library's content on Wikimedia	190,000,000	190,588,536
Formal education workshops delivered	80	135
Informal learning sessions	100	147
Interactions with under-represented groups or organisations that represent these groups	20	66
% legal deposit material processed within 10 working days	90%	96%
Number of conservation hours	8,250	10,502

Performance against targets is reviewed by the Welsh Government and the Board with notes and interpretations being provided regarding achievements against targets.

We are obliged to monitor continuously and evaluate our work both quantitatively and qualitatively. Although our quantitative achievement indicators provide a snapshot of performance, the qualitative data from case studies and narrative reports still continue to provide a more detailed snapshot, and an opportunity to reflect on our work and enrich it.

4 FINANCIAL REVIEW

4.1 Financial Results and Allocations

The accounts are prepared under Section 9(4) of the Museums & Galleries Act 1992 in a form directed by Ministers of the Welsh Government with the approval of the Treasury. The Library's net income/(expenditure) for the financial year were (£2,914k) (2021-2022: £3,467k). The Library's incoming resources totalled £17.43m (2021-2022: £18.78m) and total resources expended were £19.39m (2021-2022: £15.78m).

The unrestricted public reserve decreased from £1,580k to £1,055k.

Fund balances at 31 March 2023 stood at £102.3m (31 March 2022 £83.0m).

4.2 Charities Statement of Recommended Practice

The Charity Commission issued a Statement of Recommended Practice (SORP) for charities in October 1995, which was most recently updated by the Charities SORP 2015. The Library has complied with the SORP since publishing its 1996-1997 accounts.

4.3 Valuation of Tangible Fixed Assets

The Library commissioned a revaluation by Cooke and Arkwright, Chartered Surveyors, of the Library's buildings and freehold land as at 31 March 2021. Land and buildings values are adjusted annually by indexation between each formal valuation which usually takes place every five years. Other fixed assets are not revalued nor indexed, and from 2017-2018, are held at original cost less depreciation.

4.4 Charity Reserves Policy

The Charities SORP 2015 requires the Library to disclose its policy on Reserves.

4.4.1 Unrestricted Public Funds

The National Library of Wales is currently dependent on the Welsh Government to sustain the majority of its activities. The Library's Public Funds reserves policy is to conform to the requirements of the Welsh Government's Framework Document, which sets out the financial framework under which the Library is required to operate. The main requirement of the Framework Document in relation to reserves is that only 2% of gross Grant-in-Aid can be held as cash balances. The ultimate effect of this will be to restrict the level of reserves that can be held. Low levels of reserves and working capital are particularly difficult in times of financial uncertainty and mitigation of risks would justify carrying higher levels of reserves due to the financial outlook. It is also the case that public reserves cannot be spent without informing Welsh Government so that they can include them in their budget planning for the whole of the public sector in Wales.

4.4.2 Restricted Public Funds

Public restricted funds represent Capital and Purchase Grants received from the Welsh Government or any grant received from a public body for specific purposes. This funding is also restricted to 2% of gross Grant-in-Aid carry over in cash balances.

4.4.3 Unrestricted Private Funds

The Library's unrestricted private funds have three main objectives:

- To contribute to the revenue costs of running the Library's services.
- To supplement the Collections Purchase Grant to enable the Library to fulfil its collections policy.
- To finance capital investment or future developments including equipment, buildings and computer hardware and software.

The level of reserves is being reviewed and monitored by the Board through the Financial Planning Committee and has been agreed in the Library's Medium Term Financial Strategy.

4.4.4 Restricted Private Funds

The Library's restricted private funds can only be used in accordance with any stipulated terms of each specific bequest. They can only be used for the purposes described and therefore they are only used when an item of expenditure that directly relates to the fund is approved by the Board or the funder.

4.5 Investment Policy

The portfolio has been invested in both equities and bonds and the amount that can be invested in different asset classes has been set in accordance with a risk assessment. The Library's attitude to risk is considered "moderate", accepting that in order to achieve higher returns than placing cash in a deposit account, there will be a consequent risk in investing in bonds and equities.

The Board reviews the Investment Policy and Strategy on an annual basis, which includes consideration of social, environmental or ethical investments.

The Library has appointed investment managers, Investec Wealth & Investment, who are responsible for investing the private funds portfolio. The managers have been set a benchmark for the performance of the investment portfolio, and in 2022-2023 a return of -5.5% was achieved against a benchmark of -2.0% (2021-2022: 5.9% against a benchmark of 7.8%).

The investments were managed on a discretionary basis in accordance with the requirements of the Trustee Investments Act 1961 and latterly the Trustee Act 2000. The performance of the portfolio is monitored and submitted regularly in the form of a report to the Financial Planning Committee and the Trustees. On 31 March 2023, the market value of the investments and cash was £13.55m (£14.28m on 31 March 2022).

4.6 Key risks

4.6.1 Financial planning

The Library has prepared a Mid Term Financial Plan for the three years 2023-2024 to 2025-2026 which encompasses both revenue and capital expenditure. The plan highlights the need for the Library to utilise unrestricted private funds during the period to cover expected funding deficits.

Unrestricted private funds are available to the Board in order to manage financial risk as part of its reserves policy.

4.6.2 Pension Scheme

An actuarial valuation of the scheme was obtained on 31 March 2022. The main results of the Scheme's actuarial valuation at this date are as follows:

- The funding level at 31 March 2022 has reduced to 99% (2019: 100%).
- There is now a deficit of assets relative to the accrued liabilities at 31 March 2022 of £1.0m (2019: there was a surplus of £0.3 million).
- The rate of Library contributions required to meet the accrual of future service benefits, with a normal retirement age of 65, has increased to 41.3% of pensionable salaries (2019: 34.2%)

With the significant changes in UK gilt yields and investment markets that took place in September 2022, an updated assessment of the valuation position was made at 31 March 2023, which showed:

- The funding level as at 31 March 2023 had reduced to 90%
- The funding shortfall at this date was £6.6 million
- The rate of Library contributions required to meet the accrual of future service benefits, with a normal retirement age of 65, has reduced to 22.8% of pensionable salaries.

The Library has agreed to pay contributions at the rate of 22.8% of pensionable salaries from May 2023 to cover the cost of future accrual. In addition, the Library will pay a further £45,000 per month, commencing in May 2023 and increasing each 1 April by the increase in the Consumer Prices Index plus 1% over the year to the previous September, until March 2038.

As at 1 July 2017 existing staff could also choose to contribute either 3% of their salary towards not having a reduction in their pension if they retire at the age of 60 or to accept that the retirement age has changed to 65, and so there will be an actuarial reduction in the pension if they retire before this date. New members of staff after this date have a normal retirement date of 65.

The next actuarial valuation of the scheme will be undertaken on the 31 March 2025. The Board is currently considering options for future pension arrangements.

5 SUSTAINABILITY REPORT

This report has been complied in accordance with the guidelines laid down by HM Treasury in *Public Sector Annual Reports: Sustainability Reporting Guidance*. During 2022-2023, the following was achieved:

-

	2022-2023	2021-2022	2020-2021
Water consumption			
Water consumption m^3	6,095	6,559	6,139
Water consumption m^3 per FTE*	26.73	30.78	28.46
Water supply costs £	£25,209	£27,785	£23,110
Paper consumption			
Paper consumption in reams (external and internal)	605	262	6
Paper consumption in reams (internal use)	281	199	2
Waste			
Total waste (tonnes)	33.37	38.99	14.17
Reused, recycled, composted	18.66	12.21	3.55
Landfill	14.71	26.78	10.62
Hazardous	-	-	-
Reused, recycled, composted as % of total waste	55.9%	31.3%	25.0%
Total disposal cost	£17,756	£12,003	£8,344
Greenhouse gas emission			
Total emission tonnes CO_2 equivalent			
Attributable to business travel	11	4	0
Attributable to energy consumption (1,000 tCO_2e)			
Electricity and Gas	934	1,020	1,133
Attributable to energy consumption			
Electricity (kWh)	2,193,141	2,210,485	2,235,894
Gas (kWh)	2,838,187	3,019,497	3,348,749
Expenditure on business travel £ (Car, Train, Bus & Plane)	£24,019	£6,334	£51
Total energy expenditure £	£494,141	£401,447	£354,872

*FTE = full-time equivalent

Note on Energy:

Costs are total for the site including energy supplied to adjacent building, but consumptions are only for National Library buildings.

Horticultural waste generated on site is composted on site. The quantity of this waste is not measured.

6 POLICIES RELATING TO STAFF

6.1 Living Wage

The Library has undertaken to pay the living wage as set out by the Living Wage Foundation since April 2014.

6.2 Recruitment and Retention of Staff

The Library can only achieve its goals through the commitment of its staff; therefore the Library focuses on providing a staff training and development programme annually to ensure that all staff members achieve their potential.

6.3 Employment of Disabled People

The Library operates a non-discriminatory recruitment procedure and is always prepared to consider applications from, and to appoint, disabled persons. The Library makes every effort to ensure that disabled employees are provided with the facilities necessary to carry out their employment effectively.

6.4 Consultation with Employees

The Library communicates information to staff by various methods including staff meetings, weekly e-mails, team briefing sessions, Core Brief, and regular consultation and negotiation with the Partnership Council and representatives of the national Trade Unions. The Library adopted an Internal Communication Strategy in 2016 and implementation of this Strategy has provided an opportunity to develop the relationship between managers and staff.

6.5 Remuneration Report

The Library remunerates its entire staff under an agreed pay and grading system. The current system was approved by the Library's Executive Team and agreed with the staff unions through the collective bargaining arrangements. An independent appeals process is in place to consider grading issues.

Each year, the Library, in consultation with the staff unions, considers the Library's remuneration package against external comparators, movements in the economy and any internal inequities that may have developed. From this, a pay remit or proposal is produced and this is submitted to the Welsh Government for approval and is then formally negotiated with the unions. This leads to a new pay and conditions package for the whole of the Library staff which is binding until the next round of negotiation. Incremental increases under the pay remit are dependent upon the Library's system of annual appraisals. Inflationary elements contained within the agreed pay remit are automatically awarded to all members of staff.

The salaries of the Chief Executive and Librarian and the three Directors have been included as part of the pay remit negotiations in relation to all Library staff. The Chief Executive and Librarian and the three Directors have permanent contracts of employment. All four are ordinary members of the Library's pension scheme.

The pay remit is approved by the Welsh Government. Membership of the Executive Team is shown on page 2 and further details of the remuneration and pension benefits are shown in Note 8(c) to the accounts. The notice period for members of the Executive Team is 3 months. Provision for compensation for early termination is contained within the Library's standard redundancy agreement.

7 PLANS FOR FUTURE PERIODS

During 2021-2022 the Library began the implementation of a new Strategic Plan for 2021-2026 under the title 'A Library for Wales and the World'. The final version was approved by the Board of Trustees in January 2021. It is an ambitious plan that provides a clear, coordinated and prioritised focus and direction for everyone involved in the organisation up to 2026.

The new plan identifies four strategic and well-being objectives:

- Cultivate and care for the nation's memory
- Lay the foundation for a knowledge economy
- Be at the heart of national life
- Empower learning and research

The Well-being of Future Generations Act was a key consideration when drafting the new Strategic Plan and the requirements of the Act have been considered when formulating plans to deliver against the objectives.

Strategic Objective 1 Cultivate and care for the nation's memory	**How will we achieve this?**
➢ Capturing contemporary Wales ➢ Committed to diversity ➢ Leading in preservation and management of information	• We will develop and invest in the work of collecting and preserving digital materials in various formats • We will establish a Wales Broadcast Archive that will be a rich and comprehensive record of life in the 20th and 21st Centuries • We will deliver guidance and advice on conservation and raise awareness of the risks of losing the national memory in the digital age • We will develop our relationships with libraries, archives, museums and others in the heritage sector as we collect the nation's memory • We will foster our connections with ethnically diverse communities across Wales • We will work with these communities as we continue to develop our Collections Policy • We will review the way in which our collections are described, interpreted and promoted • We will invest in the cultivation and transfer of physical and digital conservation skills within the Library and across the sector • We will invest in the development of our technical infrastructure as a trusted home for our digital collections • We will support other organisations with the preservation of digital collections • We will share good practice in information management, conservation and collections development internationally

Strategic Objective 2 **Lay the foundation for a knowledge economy**	**How will we achieve this?**
➢ Knowledge that invigorates and inspires ➢ Creating opportunities to participate ➢ Improving user experience	• We will continually review the way we describe collections, to provide effective access and highlight 'hidden' collections • We will improve access to physical collections by continuing our digitisation programme • We will seek opportunities to increase the use of collections by businesses and the creative sector • We will work to ensure that information is available in an open and accessible format • We will continue to offer a range of volunteering opportunities at Library sites • We will increase opportunities for volunteering and engaging with the collections on a digital basis, using approaches such as crowdsourcing • We will support national and international participatory programmes and projects • We will develop new and innovative ways of widening access to knowledge • We will ensure that user feedback and the voice of the user are central to the development of our services • We will invest in the building in Aberystwyth as a visitor destination, where visitors from Wales and the world can research, discover and enjoy
Strategic Objective 3 **Be at the heart of national life**	**How will we achieve this?**
➢ Connecting communities ➢ Sharing collections ➢ Promoting a global Wales	• We will invest in our relationship and connections with individuals and communities with the aim of increasing the value and impact of our collections and services • We will establish connections with new communities and audiences • We will consider all opportunities to expand our connections with public bodies and organisations throughout Wales and further afield • We will improve access and connections across Wales through the activities of the Wales Broadcast Archive. • We will share our collections widely and openly with the aim of achieving the greatest reach and deepest engagement • We will develop methods and channels for acting in collaboration with the public to jointly interpret our history and culture • We will hold exhibitions and events on themes that are timely and relevant to Wales today • We will promote the Library's sites as cultural destinations • We will develop and deliver an International Strategy and collaborate with Welsh Government and other organisations to promote Wales on a global stage

	• We will continue to foster and strengthen our relationship with the Welsh diaspora
Strategic Objective 4 Empowering learning and research	**How will we achieve this?**
➢ Enabling research and innovation ➢ Supporting formal learning ➢ Promoting informal learning	• We will foster a relationship with Higher Education Institutions and research teams interested in the collections • We will explore and experiment with new technologies as means of enhancing access and research, supporting aspects such as geodata, artificial intelligence and adopting concepts such as 'collections as data' • We will collaborate with partners and stakeholders with the aim of establishing an accredited trusted digital repository as research infrastructure • We will continue to contribute to the development of the Curriculum for Wales • We will continue to increase our own range of digital learning resources in collaboration with partners • We will invest in our services for schools and post-16 education • We will develop a programme that supports informal learning and foster skills and transfer knowledge • We will increase the interpretative content available o nline as resources for informal learning • We will explore opportunities to work in partnership to support informal learning in communities across Wales

Trustees

The Trustees have complied with their duties to have due regard to guidance published by the Charity Commission.

Auditor

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

Pedr ap Llwyd
CHIEF EXECUTIVE & LIBRARIAN
22 March 2024

Gronw Percy
TREASURER
22 March 2024

STATEMENT OF BOARD AND LIBRARIAN'S RESPONSIBILITIES

Under Section 9(4) of the Museums and Galleries Act 1992, the Board of the National Library of Wales is required to prepare a statement of accounts for each financial year in the form and on the basis determined by Ministers of the Welsh Government with the consent of the Treasury. The accounts are prepared to give a true and fair view of the Library's financial activities during the year and of its financial position at the end of the year.

In preparing the Library's accounts the Board is required to:-

- Observe the accounts direction issued by ministers of the Welsh Government 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 a going concern basis, unless it is inappropriate to assume that the Library will continue in operation.

The Principal Accounting Officer for Ministers of the Welsh Government has designated the Librarian as the Accounting Officer for the Library. His or her relevant responsibilities as Accounting Officer, including his or her responsibility for the propriety and regularity of the public finances for which he or she is answerable and for the keeping of proper records, are set out in the Welsh Government's Accounting Officer Memorandum.

Statement of the Disclosure of Relevant Audit Information

As far as the Accounting Officer is aware, there is no relevant audit information of which the auditors are unaware, and the Accounting Officer has taken all steps that he ought to have taken to make himself aware of any audit information and to establish that the auditors are aware of that information.

Pedr ap Llwyd
CHIEF EXECUTIVE & LIBRARIAN
22 March 2024

Endorsed on behalf of the Board by

Gronw Percy
TREASURER
22 March 2024

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

Opinion on financial statements

I certify that I have audited the financial statements of National Library of Wales for the year ended 31 March 2023 under section 9 of the Museums and Galleries Act 1992.

The financial statements comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement, and the related notes including the 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 United Kingdom Accounting Standards including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Statement of Recommended Practice (United Kingdom Generally Accepted Accounting Practice).

In my opinion, in all material respects the financial statements:

- give a true and fair view of the state of National Library of Wales's affairs as at 31 March 2023 and of its net income for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- and have been properly prepared in accordance with HM Treasury directions issued under section 9 of the Museums and Galleries Act 1992.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my certificate.

My staff and I are independent of the National Library of Wales in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

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

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

My responsibilities and the responsibilities of the Board of Trustees and Librarian as Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

Other information
The other information comprises the information included in the Annual Accounts other than the financial statements and other parts of the report that are audited and my auditor's report thereon.

The Accounting Officer is responsible for the other information. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

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

In my opinion, based on the work undertaken in the course of my audit, the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception
In the light of the knowledge and understanding of the National Library of Wales and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Accounts. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit.
- sufficient accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- information specified by Welsh Ministers regarding remuneration and other transactions is not disclosed.

Responsibilities of the Board of Trustees and Librarian for the financial statements
As explained more fully in the Statement of Board of Trustees and Librarian's Responsibilities, the Board and Librarian as Accounting Officer is responsible for:

- maintaining sufficient accounting records;
- the preparation of the financial statements and Annual Accounts in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring the regularity of financial transactions;

- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- assessing National Library of Wales'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 the Accounting Officer anticipates that the services provided by National Library of Wales will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

My procedures included the following:

- Enquiring of management, the head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to National Library of Wales's policies and procedures concerned with:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, and the posting of unusual journals;
- obtaining an understanding of National Library of Wales's framework of authority as well as other legal and regulatory frameworks that the National Library of Wales operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of National Library of Wales; and
- obtaining an understanding of related party relationships.

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;

- enquiring of management, the Audit, Risk and Assurance Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the National Library of Wales's controls, and the nature, timing and extent of the audit procedures performed. A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

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

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

Report

I have no observations to make on these financial statements.



Adrian Crompton
Auditor General for Wales
25 March 2024

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

	Notes	PUBLIC FUNDS Unrestricted £'000	PUBLIC FUNDS Restricted £'000	PRIVATE FUNDS Unrestricted £'000	PRIVATE FUNDS Restricted £'000	2022-2023 Total £'000	2021-2022 (as restated) Total £'000
Income:							
Donations and legacies	16b	-	-	160	306	**466**	217
Charitable activities							
Government Grants	2	12,155	3,331	-	-	**15,486**	17,159
Other Grants	3	-	708	-	-	**708**	815
Other trading activities	4	492	-	-	-	**492**	353
Investment income	16b	-	-	273	5	**278**	232
Total Income		**12,647**	**4,039**	**433**	**311**	**17,430**	18,776
Expenditure:							
Costs of raising funds	5	986	121	53	1	**1,161**	617
Charitable activities:							
Collection	5	4,297	1,336	-	-	**5,633**	3,283
Giving Access & Information	5	2,378	618	-	-	**2,996**	3,903
Publicising & Interpretation	5	2,841	832	-	44	**3,717**	2,055
Conservation & Preservation	5	2,621	322	-	-	**2,943**	3,804
Governance	5	2,184	269	-	-	**2,453**	1,785
Total expenditure		**15,307**	**3,498**	**53**	**45**	**18,903**	15,447
Pension Finance Costs	23d	490	-	-	-	**490**	330
Total expenditure		**15,797**	**3,498**	**53**	**45**	**19,393**	15,777
Net gains/ (losses) on investments	16b	-	-	(959)	8	**(951)**	468
Net income/ (expenditure)		**(3,150)**	**541**	**(579)**	**274**	**(2,914)**	3,467
Gross transfers between funds	16	(705)	571	166	(32)	-	-
		(3,855)	**1,112**	**(413)**	**242**	**(2,914)**	3,467
Other recognised gains/ (losses):							
Gain/ (Loss) on disposal of fixed assets		-	(3)	-	-	**(3)**	(21)
Tangible Fixed Assets Revaluation, Indexation and impairment	10	-	4,236	-	-	**4,236**	4,751
Actuarial gains / (losses) on defined benefit pension scheme	23e	18,010	-	-	-	**18,010**	(3,380)
Total gains/ (losses)		18,010	4,233	-	-	**22,243**	1,350
NET MOVEMENT IN FUNDS FOR THE FINANCIAL YEAR		14,155	**5,345**	(413)	**242**	**19,329**	4,817
FUND BALANCES BROUGHT FORWARD AT 1 APRIL	16	(31,180)	90,703	15,615	7,883	**83,021**	78,204
FUND BALANCES CARRIED FORWARD AT 31 MARCH	16	**(17,025)**	**96,048**	**15,202**	**8,125**	**102,350**	83,021

All activities are continuing. All recognised gains and losses are recorded in the Statement of Financial Activities. The notes on pages 38 to 61 form part of these accounts. There is no endowment income or expenditure to report.

The Financial Year 2021-2022 has been restated as a result of combining the realised & unrealised gains/losses arising from investments.

BALANCE SHEET AS AT 31 MARCH 2023

		31 March 2023		31 March 2022	
	Notes	£000	£000	£000	£000
FIXED ASSETS					
Tangible Assets	10	**79,320**		73,227	
Intangible Assets	10	**203**		270	
Heritage Assets	12	**23,562**		22,933	
Investments	11	**13,550**		14,277	
			116,635		110,707
CURRENT ASSETS					
Stocks		**47**		47	
Debtors	13	**2,868**		2,821	
Bank		**1,986**		2,840	
		4,901		5,708	
CREDITORS					
Amounts falling due within one year	14	**(606)**		(634)	
NET CURRENT ASSETS			**4,295**		5,074
Provisions for liabilities & charges	15		**(500)**		-
Net assets excluding pension scheme liability			**120,430**		115,781
Defined benefit pension liability	23		**(18,080)**		(32,760)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			**102,350**		83,021
FUNDS	16				
Public Unrestricted		**1,055**		1,580	
Pension Reserve		**(18,080)**		(32,760)	
Total Public Unrestricted Funds		**(17,025)**		(31,180)	
Public Restricted (exc Revaluation Reserve)		**65,691**		64,582	
Revaluation Reserve		**30,357**		26,121	
Private Unrestricted		**15,202**		15,615	
Private Restricted		**181**		230	
Private Restricted Collections		**7,944**		7,653	
			102,350		83,021

The trustees have prepared the accounts in accordance with section 132 of the Charities Act 2011.
The notes on pages 38 to 61 form part of these accounts.

Pedr ap Llwyd

Pedr ap Llwyd
CHIEF EXECUTIVE AND LIBRARIAN
22 March 2024

Gronw Percy
TREASURER
22 March 2024

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

		2022-2023		2021-2022	
		£000	**£000**	£000	£000
Cash generated from operating activities	18		**3,387**		5,176
Cash flows from investing activities: -					
Purchase of tangible and intangible fixed assets	10	**(3,679)**		(3,470)	
Purchase of heritage assets	12	**(338)**		(302)	
Proceeds from sale of investments	11	**4,032**		5,373	
Purchase of Investments	11	**(4,452)**		(6,686)	
Net cash provided by/(used in) investing activities			**(4,437)**		(5,084)
Increase/(Decrease) in Cash and cash equivalents in the year			**(1,050)**		92
Cash and cash equivalents at the beginning of the year			**3,159**		3,067
Total cash and cash equivalents at the end of the year	19		**2,109**		3,159

The notes on pages 38 to 61 form part of these accounts.

NOTES TO THE ACCOUNTS AT 31 MARCH 2023

1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities SORP (FRS 102), and the 2007 Accounts Direction issued to the Library by the Welsh Government. The accounts are prepared on a going concern basis.

The National Library of Wales meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note (s),

The accounts meet the requirements of Accounting Standards issued or adopted by the Financial Reporting Council in so far as those requirements are appropriate. The Accounts Direction does not require the Library to produce a summary income and expenditure account or note of historical cost on surpluses or deficits.

(b) Incoming Resources

All income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item have been met, it is probable that the income will be received and the amount can be measured reliably.

All Grant-in-Aid from Welsh Government is recognised in the Statement of Financial Activities (SOFA) on a receivable basis. Other grants of a more specific nature are recognised on a receivable basis when grant conditions are met.

For legacies, entitlement is taken as the earlier of the date on which either; the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Library that a distribution will be made, or when a distribution is received from the estate. Where legacies have been notified to the charity or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. Transfers from private funds are accounted for after consideration of movements in working capital. Income received relating to subsequent accounting periods will be treated as deferred income.

Fund Accounting

Unrestricted funds (public and private) are available to spend on activities that further any of the general objectives of the Library. Public restricted funds represent Capital and Purchase Grants received from the Welsh Government for specific purposes.

Private restricted funds are funds subject to specific restriction imposed by donors or by the purpose of the appeal. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside for a specific purpose. Private restricted

funds are donations which the donor has specified are to be solely used for particular areas of the Library's work or for a specific project being undertaken by the Library.

(c) Expenditure

Expenditure is 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 obligation can be measured reliably. Where expenditure has been incurred in advance and relates to a later period, the accounts will only consider a prepayment if higher than £5,000 in value. Where expenditure is incurred in arrears but relates to the current financial year, the accounts will only consider an accrual if higher than £5,000 in value. Expenditure is classified under the following activity headings:

- Cost of raising funds comprises the cost of commercial trading, fundraising costs and investment management fees.
- Expenditure of charitable activities includes the cost of maintaining collections, conservation, education and exhibitions and other activities undertaken to further the purposes of the charity.
- Other expenditure represents those items not falling into any other headings.

(d) Investments

Investments are stated at market value at the balance sheet date. 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 Charities SORP (FRS 102).

(e) Tangible and Intangible Assets

Individual plant, machinery, equipment and motor vehicles costing £5,000 or more are capitalised at cost, unless the equipment forms part of a group of assets, network or project where the value is over £5,000. Assets are depreciated over their estimated useful lives on a straight-line basis. Items of a capital nature costing less than £5,000 are not capitalised and are written off in-year. Non-property assets (i.e. plant & vehicles, and fixtures, fittings & equipment) are held at historic cost and not indexed as these assets have short useful economic lives or low values (or both). This is considered to provide a more reliable, appropriate and relevant representation of the fair value of these assets. Further details are provided in Note 10.

Land and buildings assets are usually 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 a 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 noted as revenue cost in the year in which it is undertaken.

Depreciation is provided in full in the year of acquisition, at rates calculated to reduce each asset to its estimated residual value evenly over its expected useful economic life, as advised by the valuers as follows:

- Freehold buildings - up to 125 years
- Plant, machinery and equipment - up to 30 years
- Computer equipment and digital development - up to 10 years
- Motor Vehicles - up to 5 years

Freehold land is not depreciated.
Collection Purchases are not depreciated (see Heritage Assets (f)).

Intangible assets with an economic life of more than one year and value greater than £5,000 are capitalised. All intangible assets are measured at cost. Intangible assets are amortised on a straight-line basis over a period of 10 years.

(f) 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. With effect from 1st April 2001 heritage assets purchased by or donated to us have been capitalised at historic cost/valuation. In accordance with Treasury accounts direction, assets acquired before 1st 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 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.

These assets are not revalued or indexed.

Heritage Assets are not depreciated because they have indefinite life.

The carrying amount of an asset will be reviewed only where there is evidence of impairment.

(g) Stocks

The cost of stocks of re-saleable items has been recognised in the balance sheet at the lower of cost or net realisable value. No value is given on assets produced historically by the Library where there is a restricted market for the goods or goods have impaired.

(h) Pension Costs

The Library operates its own superannuation scheme which provides benefits based on final pensionable salary. Contributions to the 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 calculated based upon the current service cost as calculated by the scheme actuary.

(i) Staff holiday pay

At the year end, staff holiday entitlements that has not yet taken and which is carried forward to the next financial year have been provided for in the accounts in line with FRS 102 requirements.

(j) Taxation

The Library has been granted charitable status by the HMRC and is therefore exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. Non-recoverable Value Added Tax arising from expenditure on non-trading activities is charged to the Statement of Financial Activities or capitalised if related to a fixed asset.

(k) Significant areas of estimation and judgement

The preparation of the financial statements requires judgements, estimations and assumptions to be made that affect the reported values of assets, liabilities, revenues and expenses. The nature of estimation and judgement means that actual outcomes could differ from expectation.

Sources of estimation uncertainty

- The defined benefit pension obligation is recognised and disclosed in accordance with FRS 102. The valuation, prepared by a qualified actuary, reflects a number of judgements and estimations including the expected return on assets, the discount rate, cost inflation and life expectancy. Changes in these assumptions have a significant effect on the value of the defined benefit pension obligation. Further details are provided in note 23.
- Land and buildings assets are professionally valued periodically. The valuation is prepared by a qualified surveyor and has been prepared in accordance with the RICS Red Book. Buildings have been valued on the basis of 'open market value' or 'depreciated replacement cost' and land is shown at 'existing use value'. These methods are subject to various assumptions and judgements and changes in either could have a significant effect on the valuation. Further details are provided in note 10.

(l) Going Concern

The Library's accounts have been prepared on a going concern basis. The Library's Board has recognised the significant revenue account deficits that have been forecast and will be considering plans to address this situation. The significant level of unrestricted public and unrestricted private funds reserves will ensure that the Library can continue with current activities until action is taken to address the deficit. There are no other material uncertainties about the charity's ability to continue.

2. GOVERNMENT GRANTS

	2022-2023 £000	2021-2022 £000
Unrestricted		
Grant-in-Aid	**12,155**	11,644
Restricted		
Capital - Purchase Grant	**305**	305
Capital – Wales Broadcast Archive	**-**	1,000
Capital - General	**2,195**	3,390
Digital Libraries	**451**	450
People's Collection Wales	**145**	121
ARCW	**86**	218
Others	**149**	31
Total grant received from Welsh Government	**15,486**	17,159

3. OTHER GRANTS

	2022-2023 £000	2021-2022 £000
Restricted public fund		
British Film Institute	**5**	27
National Heritage Lottery Fund – Wales Broadcast Archive	**703**	587
National Heritage Lottery Fund – Save Our Sounds	**-**	161
	708	775
Unrestricted public fund		
Coronavirus Job Retention Scheme	**-**	40
Total other grants	**708**	815

During the period 1April 2021 to 31 July 2021 the Library has claimed Coronavirus Job Retention Scheme grant totalling £40k. The closure of the Library building was required under the Welsh Government response to the COVID-19 pandemic. The Library obtained support to its application for funding under the Scheme from Welsh Government.

4. INCOME FROM OTHER TRADING ACTIVITIES

	2022-2023	2021-2022
Unrestricted public income	**£000**	£000
Catering	**154**	59
Shop income	**113**	54
Events	**23**	10
Consultancy and systems	**8**	8
Income generated from collections	**75**	44
Licensing and royalties	**55**	90
Miscellaneous	**64**	88
Total	**492**	353

5. ANALYSIS OF EXPENDITURE

	Staff Costs	Other direct costs	Depreciation and amortisation	**2022-2023 TOTAL**	2021-2022 TOTAL
	£000	£000	£000	**£000**	£000
Cost of raising funds	624	416	121	**1,161**	617
Charitable Expenditure					
Collection	3,359	1,744	530	**5,633**	3,283
Giving Access & Information	2,175	528	293	**2,996**	3,903
Publicising & Interpretation	2,865	502	350	**3,717**	2,055
Conservation & Preservation	2,475	145	323	**2,943**	3,804
Governance	826	1,358	269	**2,453**	1,785
	12,324	4,693	1,886	**18,903**	15,447

At the start of the Financial Year 2022-2023 the Library undertook a reorganisation. This has resulted in expenditure being allocated to the different categories above as compared to the previous year.

6. NET INCOME/ (EXPENDITURE) FOR THE YEAR

	2022-2023	2021-2022
This is stated after charging:	**£000**	£000
Depreciation and amortisation	**1,886**	1,575
External auditor's remuneration	**52**	33
Internal audit fees	**16**	12
Investment management fees	**54**	55

7. ANALYSIS OF SUPPORT COSTS

The Library initially identifies the costs of its support functions. It then identifies those costs which relate to its governance function. Having identified its governance costs, the remaining support costs are apportioned between the cost of raising funds and four key charitable activities undertaken in the year.

The support salary cost is apportioned in line with salary costs for each department, with the non-staff support cost allocated based on activity expenditure.

	Cost of generating funds	Governance	Collection	Giving Access & Information	Publicising & Interpretation	Conservation & Preservation	Total
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Exec Support	4	5	22	14	19	16	**80**
Finance	18	51	92	42	48	34	**285**
HR	21	65	107	45	49	32	**319**
ICT	120	273	619	323	395	308	**2,038**
Building	149	439	746	320	358	241	**2,253**
Other	2	3	13	9	11	10	**48**
	314	**836**	**1,599**	**753**	**880**	**641**	**5,023**

8. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

(a) Total Staff Costs

	2022-2023		2021-2022	
	£000	**£000**	£000	£000
Salaries and Wages		**6,931**		6,156
Social Security Costs (including Apprenticeship Levy)		**713**		607
Pension Cost				
Current Service Cost	**1,840**		1,657	
Additional pension contribution	**-**		1,000	
FRS 102 current service cost adjustment	**2,840**		1,130	
		4,680		3,787
Wages as noted in note 5		**12,324**		10,550
FRS 102 finance interest charge (see note 23d)		**490**		330
Total		**12,814**		10,880

There were no agency or short term contractors employed.

Other than the staff noted in 8c, there were no members of staff who earned over £60,000 (2021-2022- Nil).

(b) Pension Scheme

The Library operates a funded pension scheme which is a defined benefit pension scheme providing benefits based on final pensionable pay at a normal retirement age. Members leaving the scheme who have contributed for a period of less than 2 years will receive a refund of member's contributions. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to 3 years' pension is payable on retirement. On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service the scheme pays a lump sum benefit. Medical retirement is possible in the event of serious ill-health.

Note 23 provides further information on the finances of the pension scheme to comply with the requirements of FRS 102. The actuarial statement is published in the National Library of Wales' Pension Fund Annual Accounts. Welsh Government granted in 2006-2007 a Crown Guarantee which exempts the Scheme from the Pension Protection Fund and the associated levy.

(c) Remuneration of Executive Team

Membership of the Executive Team is noted on page 2 (Reference & Administrative Details). The Executive Team's terms and conditions is indicated in Section 6 of the Trustee Report (6.5).

The Librarian's salary was 3.71 times the median salary (£27,226) of the Library, **4.18** times the 25th percentile median salary **(£24,130)** and 2.87 times the 75th percentile median salary (£35,170). For 2021-22, the Librarian's salary was 3.38 times the median salary (£28,740) of the Library, **4.18** times the 25th percentile median salary **(£23,202)** and 2.87 times the 75th percentile median salary (£33,817). The Librarian's salary has increased by 4% year on year, whilst the median salary has decreased by 5%. Other senior staff receive a gross salary, which is determined as part of the negotiation of the pay remit for all other staff in the Library.

The value of pension benefits is calculated as follows:

- (real increase in pension* x20) + (real increase in any lump sum*) – (contributions made by member)

*excluding increases due to inflation or any increase of decrease due to a transfer of pension rights.

The multiplier of 20 is specified in the disclosure requirements. The Library has used this figure in order to comply with the guidance. This is not an amount which has been paid to an individual by the Library during the year; it is a calculation which uses information from the pension benefit table.

These figures can be influenced by many factors e.g. changes in a person's salary, and other valuation factors affecting the pension scheme as a whole.

The National Library of Wales Staff Superannuation Scheme is a funded final salary scheme. The accrued pensions and lump sums are the amounts that would be paid from Normal Retirement Date if the member left service at the relevant date. The Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits, including any Additional Voluntary Contributions and transfers in of service, accrued by the member at a particular point in time. The transfer values have been calculated in accordance with the guidance note "GN11"

published by the Institute of Actuaries and Faculty of Actuaries. The assumed rate of price inflation was 10.1% (2021-2022 3.1%).

The following payments were made to members of the Executive Team:

	2022-2023			2021-2022 (as restated)		
	Consolidated Salary	**Real Increase (decrease) in Pension Benefits**	**Single Total Figure of Remuneration**	**Consolidated Salary**	**Real Increase (decrease) in Pension**	**Single Total Figure of Remuneration**
	£	£	£	£	£	£
Mr P ap Llwyd Chief Executive and Librarian	**101,285**	**(5,300)**	**95,985**	97,013	15,880	112,893
Mr. DH Michael Director and Deputy Chief Executive and Librarian	**84,811**	**(15,640)**	**69,171**	80,958	9,074	90,032
Dr O Roberts Director and Deputy Chief Executive and Librarian	**83,868**	**4,186**	**88,054**	80,958	15,984	96,942
Rhian Gibson Director and Deputy Chief Executive and Librarian	**47,816**	**13,800**	**61,616**	-	-	-

Rhian Gibson was appointed from 1 September 2022.

The Financial Year 2021-2022 has been restated as a result of correcting the real increase / (decrease) in pension.

The pension entitlements of the Library's senior staff with responsibility for running policy-making departments are disclosed as follows:-

	Cash Equivalent Transfer Value at 31/3/22	Total Accrued Pension at 31/3/23	Lump Sum at 31/3/23	**Cash Equivalent Transfer Value at 31/3/23**	Increase/(Decrease) in accrued pension net of inflation	Increase/(Decrease) in lump sum net of inflation	Increase (Decrease) in transfer value net of inflation
	£	£	£	£	£	£	£
Mr P ap Llwyd Chief Executive and Librarian	597,520	26,730	80,190	**500,040**	(230)	(700)	(157,830)
Mr DH Michael Director and Deputy Chief Executive and Librarian	708,840	28,980	86,940	**557,040**	(580)	(1,750)	(223,390)
Dr O Roberts Director and Deputy Chief Executive and Librarian	284,660	13,980	41,940	**149,560**	280	850	(163,850)
Rhian Gibson Director and Deputy Chief Executive and Librarian	-	600	1,800	**11,330**	600	1,800	11,330

(d) Gifts Register

The Library also operates a gifts register. No items noted during the year are considered of material interest to these financial statements.

(e) Severance

There were no voluntary severance payments accounted for in 2022-2023 (2021/22: £Nil).

(f) Board emoluments

The Board, with the exception of the President, do not receive any emoluments. Based on a review of similar organisations, and with the full support of Welsh Government, the Board has decided to remunerate the post of President. The President received emoluments of £16,850 during 2022-2023 (2021-2022: £18,535). The total amount of travel, subsistence, and hospitality expended by the Library for its Board and committee members was £1,746 (2021-2022 £536), this was claimed by 7 members (2021-2022: 4 members).

9. STAFF NUMBERS

The average monthly head count was 238 (2021-2022: 219) and the average full-time equivalent staff employed by the Library (including casual and part-time staff) during the year were as follows:

Staff Numbers	**2022/23**	2021/22
Fundraising & Trading	**11.9**	8.5
Collection	**64.2**	36.2
Giving Access & Information	**41.5**	61.9
Publicising and Interpretation	**56.7**	29.8
Conservation & Preservation	**43.9**	63.9
Governance	**9.3**	12.8
Total	**227.5**	213.1

At the start of the Financial Year 2022-2023 the Library undertook a reorganisation. This has resulted in staff being allocated to the different categories above as compared to the previous year.

10. TANGIBLE AND INTANGIBLE ASSETS

A. Tangible Assets

	Freehold Land & Buildings	Plant, Fittings & Equipment	Computer equipment	Total
	£000	£000	£000	£000
Cost & Valuation				
At 1 April 2022	70,304	3,870	4,463	78,637
Additions	2,158	978	543	3,679
Disposals	-	(241)	(164)	(405)
Indexation	4,289	-	-	4,289
At 31 March 2023	**76,751**	**4,607**	**4,842**	**86,200**
Depreciation				
At 1 April 2022	937	2,014	2,459	5,410
Charged for the year	1,228	198	393	1,819
Disposals	-	(238)	(164)	(402)
Indexation	53	-	-	53
At 31 March 2023	**2,218**	**1,974**	**2,688**	**6,880**
Net Book Value				
At 31 March 2023	**74,533**	**2,633**	**2,154**	**79,320**
At 31 March 2022	69,367	1,856	2,004	73,227

The Library received a valuation as at 31of March 2021 on the Library's freehold buildings and land by Cooke and Arkwright, Chartered Surveyors. Their valuation was carried out in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual. Buildings have been valued on the basis of "open market value" or "depreciated replacement cost", and land is shown at "existing use value". No buildings impairment has been recorded since the last valuation. Freehold building valuations have been indexed according to the BCIS All-In TPI.

The carrying amount of freehold land and buildings under the historic cost convention would be £43,425k (2021-2022: £43,246k).

Included within the Net Book Value above is £3,274k of Assets Under Construction relating to Freehold Land & Buildings (£1,916k), Plant Fittings & Equipment (£758k) and Computer Equipment (£600k).

All tangible assets were used for the furtherance of the charitable activities of the Library.

B. **Intangible Assets**

	Digital development
	£000
Cost	
At 1 April 2022	1,086
Additions	-
At 31 March 2023	**1,086**
Amortisation	
At 1 April 2022	816
Charged for the year	67
At 31 March 2023	**883**
Net Book Value	
At 31 March 2023	**203**
At 31 March 2022	270

11. INVESTMENTS

	2022-2023	2021-2022 (as restated)
	£000	£000
Investments	**13,427**	13,958
Cash held for investments	**123**	319
Total investments	**13,550**	14,277
Market Value at 1 April 2022	**13,958**	12,177
Acquisitions at cost	**4,452**	6,686
Less disposals	**(4,032)**	(5,373)
Net gain/(loss) on disposals/revaluation	**(951)**	468
Market Value at 31 March 2023	**13,427**	13,958
Cash held for investment		
At 1 April 2022	**319**	1,453
(Decrease)/increase	**(196)**	(1,134)
At 31 March 2023	**123**	319

The historic cost of investments at 31 March 2023 was £13.196m (2021/22 £12.744m).

The Financial Year 2021-2022 has been restated as a result of combining the realised & unrealised gains/losses arising from investments.

The assets were invested as follows:

	Gilts, bonds, debentures & preference	Unit trusts, overseas equities, property & alternative assets	UK equities directly invested on UK stock market	Cash	Total
	£'000	£'000	£'000	£'000	£'000
Portfolio	1,692	9,476	2,259	123	13,550

In deciding on the returns that the Library requires from its portfolio, and the balance between capital growth and income, the Library is prepared to accept that there will be risks attached to the investment of funds above that of simply placing cash on deposit. The Library is prepared to accept these provided that they are within acceptable levels.

The Library's appetite for risk could best be described as "moderate". The Library is willing to accept that in order to achieve higher returns risks must be taken, but the Trustees will also consider the Library's position as a charity largely funded from government grant and consequently the standards of stewardship that are implied. The risks of investment will therefore be tempered by:

- **Asset allocation** – an asset allocation strategy that does not overly expose the funds to variances in one particular sector of the investment spectrum – i.e. a balance will be struck between the amount of bonds, equities, cash and other investments including property, and UK and non-UK investments.
- **Quality of investments** – the Library will only consider high quality investments such as gilts and investment grade bonds, or FTSE 350 equities and collectives.

12. HERITAGE ASSETS

Purchases of Heritage Assets are capitalised at historic cost.

Acquired or donated during the year:

	Books	Subscription	Pictures Manuscripts &Maps	Others	Digital Collections	NSSAW	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 01/04/22	2,083	2,861	12,863	380	4,370	376	**22,933**
Additions	44	50	239	-	-	5	**338**
Donations	-	-	291	-	-	-	**291**
At 31/03/23	**2,127**	**2,911**	**13,393**	**380**	**4,370**	**381**	**23,562**

Additions to heritage assets are stated at cost, whilst donations are stated at market value.

Five Year financial summary of additions:

	2022-2023 £'000	2021-2022 £000	2020-2021 £000	2019-2020 £000	2018-2019 £000
Books	**44**	87	25	40	51
Subscriptions	**50**	30	32	44	55
Pictures, Manuscripts & Maps	**239**	180	157	312	381
Film and music	**5**	5	4	5	12
Total Additions	**338**	302	218	401	499

The Library has an agreed policy for the acquisition, preservation and management of heritage assets. A copy of the agreed policy is available on request. The Library does not loan items to users, but collections are accessible in the reading rooms and exhibition spaces, as well as on-line.

The Library (since 1911) has the right to receive a copy of all books, magazines, newspapers and other printed material published in the UK and Ireland. It mainly collects material of Welsh and Celtic interest. Its collections currently include:

- **Printed material:** ranging from *Yny lhyvyr hwnn,* the first Welsh-language book (printed in 1546) to programmes of local events, such as concerts and shows.
- **Manuscripts and archives:** including priceless items from the Middle Ages, such as the Book of Llandaf, the Hengwrt Chaucer manuscript and the Black Book of Carmarthen.
- **Maps:** Both antiquarian and modern and atlases, Ordnance survey maps, sea charts, maps of farms, estates and tithe maps, railway and public utility plans.
- **Pictures:** portraying people and places in Wales including, paintings, prints, engravings and other pictures.
- **Photographs:** the works of Mary Dillwyn, John Thomas, D.C. Harries and Geoff Charles.
- **Electronic resources and digital images:** New and created mainly by the Library the collections include over 5 million images.
- **The Wales Broadcast Archive** houses 250,000 hours of sound recordings, 300,000 hours of moving images, 7 million feet of film, 200,000 items from the ITV film and TV archive and 15km unique archive.

13 DEBTORS – due within one year

	31 March 2023	31 March 2022
	£000	£000
Trade Debtors	45	49
VAT repayment due	424	823
Prepayments	390	397
Other Debtors & Accrued Income	848	468
Private Funds Accrued Income	1,161	1,084
	2,868	2,821

Included within Private funds accrued income is a balance of £1,050k which relates to a property legacy which the Library will receive 2 years after the grant of probate as per the terms of the will. The grant of probate was issued on the 16 April 2021 and therefore the Library will receive this estimated amount after16 April 2023.

14 (a) CREDITORS - Falling due within one year

	31 March 2023	31 March 2022
	£000	£000
Trade Creditors	94	176
Accruals and deferred income	281	216
Holiday pay accrual	231	242
	606	634

14 (b) CREDITORS – Movement on deferred income

	31 March 2023	31 March 2022
	£000	£000
Deferred income brought forward	83	423
Release from previous year	(34)	(340)
Income deferred in the current year	-	-
Deferred income carried forward	49	83

Deferred income relates to grants received.

15 PROVISIONS FOR LIABILITIES & CHARGES

During the year, the Library received an employment related claim from a former employee. This claim is subject to an on-going discussion between both parties. A provision has been made in the accounts in accordance with legal advice.

16 ANALYSIS OF CHARITABLE FUNDS

a. Analysis of movements in funds - Public

	At 1 April 2022	Incoming Resources	Resources Expended	Other Movements In Year	At 31 March 2023
	£000	£000	£000	£000	£000
PUBLIC FUNDS					
Unrestricted – Public Pension	(32,760)	-	(3,330)	18,010	**(18,080)**
Unrestricted	1,580	12,647	(12,467)	(705)	**1,055**
	(31,180)	12,647	(15,797)	17,305	**(17,025)**
Restricted: -					
Capital and digital development	55,002	2,195	(1,888)	(134)	**55,175**
Revaluation Reserve*	26,121	-	-	4,236	**30,357**
Other restricted funds	208	1,539	(1,613)	705	**839**
Purchase grant funds	9,372	305	-	-	**9,677**
Total restricted public funds	90,703	4,039	(3,501)	4,807	**96,048**
TOTAL PUBLIC FUNDS	59,523	16,686	(19,298)	22,112	**79,023**

*Revaluation reserve has been calculated based on the revaluation to assets since 1999 in line with the FRS 102 requirement for separate identification of revaluation reserve. Revaluations prior to 1999 are not included in this reserve.

Other movements in the year £22,111k include:

- Tangible Fixed Asset Revaluation, Indexation and impairment – £4,236k
- Actuarial gains / (losses)– £18,010k

b. PRIVATE FUNDS (including collections)

	Unrestricted	Restricted	Collection	**Total 2022-2023**	Total 2021-2022 (as restated)
	£000	£000	£'000	**£000**	£000
Income					
Donations and Bequests	160	15	291	**466**	217
Interest Receivable	273	5	-	**278**	232
Total	433	20	291	**744**	449
Resources Expended					
Costs of raising funds	53	1	-	**54**	55
Private project expenditure	-	44	-	**44**	15
Net (gain)/loss on investments	959	(8)		**951**	(468)
Total	1,012	37	-	**1,049**	(398)
Net Incoming/ (Outgoing) Resources	(579)	(17)	291	**(305)**	847
Transfers	166	(32)	-	**134**	101
Net movement in private funds during the year	(413)	(49)	291	**(171)**	948
Brought forward at 1 April	15,615	230	7,653	**23,498**	22,550
Carried Forward at 31 March	**15,202**	**181**	**7,944**	**23,327**	**23,498**

The total of private restricted and collection funds represents total restricted private funds of £8,125k.

The Financial Year 2021-2022 has been restated as a result of combining the realised & unrealised gains/losses arising from investments.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted public	Restricted public	Unrestricted private	Restricted private	**Total**
	£'000	£'000	£'000	£'000	**£'000**
Fixed Assets	-	95,155	13,354	8,124	**116,633**
Cash at bank and in hand	136	-	1,848	1	**1,985**
Other net current assets/ (liabilities)	919	893	-	-	**1,812**
Creditors of more than one year	(18,080)	-	-	-	**(18,080)**
Total	(17,025)	96,048	15,202	8,125	**102,350**

18. RECONCILIATION OF NET INCOME/ (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022-2023	2021-2022 (as restated)
	£000	£000
Net income/ (expenditure) for the reporting period (as per the statement of financial activities)	(2,914)	3,467
Net (Gain)/Loss on investments	951	(468)
FRS 102 interest pension adjustment	490	330
Depreciation and amortisation charges	1,886	1,575
(Increase)/ Decrease in stock	-	(2)
Heritage asset donations (non-cash)	(291)	(158)
(Increase)/ Decrease in debtors	(47)	(180)
(Decrease)/ Increase in creditors/provisions	472	(518)
Pension current service cost adjustment	2,840	1,130
Net cash flow from operating activities	3,387	5,176

The Financial Year 2021-2022 has been restated as a result of combining the realised & unrealised gains/losses arising from investments.

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022-2023	2021-2022
	£000	£000
Bank account balances	1,986	2,840
Bank accounts held within investments	123	319
Cash and cash equivalents at 31 March	**2,109**	3,159

20. RELATED PARTY TRANSACTIONS

The Welsh Government is regarded as a related party. During the year the Library received funding from the Government in the form of Grant in Aid, Purchase, Capital and Project Grants as disclosed in note 2.

Details of expenditure in respect of board member travel, subsistence and hospitality are disclosed in Note 8(f).

Transactions and balances with the pension scheme are disclosed in Note 8.

Related party transactions with Board members and members of the senior management team are noted in the table below.

		2022-2023		2021-2022	
Related Party	Relationship	**Income**	**Debtor**	Income	Debtor
		(Expenditure)	**(Creditor)**	(Expenditure)	(Creditor)
		£	**£**	£	£
National Lottery Heritage Fund	Mr David Michael, Director of the Library is an independent member of the Audit Committee. Mr Pedr ap Llwyd, Chief Executive of the Library is a Member of the executive Board in Wales.	703,384	470,437	748,173	425,013
Coleg Cymraeg Cenedlaethol (CCC)	Mr Pedr ap Llwyd, Chief Executive of the Library is a Non-Executive Director of CCC.	1,148	0	0	0
Cardiff Council	Dr Janet Wademan, Trustee of the Library is an independent Member of the Governance and Audit Committee at Cardiff Council.	(4,738)	0	0	0
Eisteddfod Genedlaethol	Mr Ashok Ahir, Trustee of the Library is President of the National Eisteddfod Court and Chair of the Eisteddfod Management Board	85/(21,410)	0	0	0
The Chartered Institute of Public Finance & Accountancy	Mr Lee Yale-Helms, Trustee of the Library is a Trustee of the The Chartered Institute of Public Finance & Accountancy	(32,176)	0	0	0
Diverse Cymru	Ms Rhian Gibson, Director of the Library (from 1st September 2022) is a Trustee of Diverse Cymru	(25)	0	0	0
Aberystwyth University	Ms Meri Huws, Trustee of the Library (to 9th	0	0	1,737/(11,736)	216

	August 2021) is a Council Member				

At 31 March 2023, the Library had consolidated debtors and creditors with other Government financed bodies as follows:

	Debtors	Creditors: due in 1 year
	£000	£000
Central Government bodies	1,264	50
Local Government bodies	87	-
Non-Government Bodies	1,517	556
Total	2,868	606

21. FINANCIAL INSTRUMENTS – RISK DISCLOSURE

The Library has no borrowings and relies primarily on departmental grants for its cash requirements and is therefore not exposed to liquidity risks. The only material deposit is disclosed in note 11, and all material assets and liabilities are denominated in sterling, so it is not exposed to interest rate risk or currency risk. In 2022-2023, £15.486m or 89% of the Library's consolidated income derived from the Welsh Government (2021-2022 £17.159m or 91%). The balance, £1.944m or 11% (2021-2022 £1.617m or 9%) is derived from income on the Library's private funds (note **16b**), from trading activities (note 4) and grants from other bodies as disclosed in Note 3 to these accounts.

The Library has exposure to market risk through its investments and this is managed through portfolio diversification as well as setting the risk appetite and investment objectives to be used by the Fund Manager.

22. LEASES

The Library made no lease payments during the year or the previous year.

23. PENSION COSTS

The Library operates a defined benefit scheme with benefits accruing at the rate of 1/80th of pensionable salary for each year of service. The latest full actuarial valuation was at 31 March 2022 and it was assessed that the Scheme was 99% funded (2019: 100% funded).

During 2022-2023, the Library contributed 27.2% of pensionable salaries and expected employer contributions for 2023-2024 are £2.2 million.

(a) Development of the Net Balance Sheet Position

	31 March 2023	31 March 2022
	£m	£m
Fair value of assets **(23b)**	**56.38**	87.44
Actuarial value of scheme liabilities **(23c)**	**74.46**	120.20
Pension liability recognised in balance sheet	**(18.08)**	(32.76)

(b) Changes in the fair value of plan assets

	Year Ended 31 March 2023	Year Ended 31 March 2022
	£m	£m
Scheme assets at beginning of year	**87.44**	82.45
Benefits paid from plan assets	**(2.64)**	(2.55)
Employer contributions	**1.84**	2.66
Member contributions	**0.09**	0.09
Interest income on Scheme Assets	**1.35**	1.03
Return on scheme assets greater/(less) than discount rate	**(31.70)**	3.76
Scheme assets at end of year – (23a)	**56.38**	87.44

(c) Analysis of changes in the Defined Benefit Obligations (DBO)

	Year Ended 31 March 2023	Year Ended 31 March 2022
	£m	£m
Scheme liabilities at beginning of year	**120.20**	110.37
Interest cost on the DBO	**1.84**	1.36
Effect of employee services in the current period	**4.52**	3.67
Member contributions	**0.09**	0.09
Benefits paid from plan assets	**(2.48)**	(2.43)
Remeasurement on the DBO/ change of assumptions	**(49.71)**	7.14
Scheme liabilities at end of year – (23a)	**74.46**	120.20

(d) Amounts charged to SOFA (Total Expenditure)

	Year Ended 31 March 2023	Year Ended 31 March 2022
	£m	£m
Effect of employee services in the current period	**4.52**	3.67
Net interest on net defined benefit liability/ (asset)	**0.49**	0.33
Defined benefit cost recognised in P&L	**5.01**	4.00
Administration costs during the period	**0.16**	0.12
Total cost recognised in SOFA	**5.17**	4.12

(e) Actuarial Gains/(Losses) charged to the SOFA (Other recognised gains/(losses))

	Year Ended 31 March 2023	Year Ended 31 March 2022
	£m	£m
Return on scheme assets (greater)/ less than discount rate – **(23b)**	**31.70**	(3.76)
Actuarial loss/(gain) arising during period – **(23c)**	**(49.71)**	7.14
Total actuarial loss/(gain) recognised in reserves	**(18.01)**	3.38

(f) Total defined benefit cost

	Year Ended 31 March 2023	Year Ended 31 March 2022
	£m	£m
Total cost recognised in SOFA – **(23(d))**	**5.17**	4.12
Remeasurement effect recognised in reserves **(23(e))**	**(18.01)**	3.38
Defined benefit cost	**(12.84)**	7.50

(g) Reconciliation of Net Balance Sheet Position

	Year Ended 31 March 2023	Year Ended 31 March 2022
	£m	£m
Net defined (liability) at beginning of year	**(32.76)**	(27.92)
Effect of employee services in the current period (23c)	**(4.52)**	(3.67)
Net interest on net defined benefit liability/ (asset)	**(0.49)**	(0.33)
Remeasurement effect recognised in reserves (23(e))	**18.01**	(3.38)
Employer contributions (23b)	**1.84**	2.66
Administrative costs (23d)	**(0.16)**	(0.12)
Scheme liabilities at end of year – (23a)	**(18.08)**	(32.76)

(h) Market value of Assets and Percentage of Total Scheme Assets

	31 March 2023		**31 March 2022**	
	£m	%	£m	%
Equities	**9.32**	**16.5**	26.50	30.3
Bonds	**32.26**	**57.2**	51.76	59.2
Property and other	**14.80**	**26.3**	9.18	10.5
Total value of assets	**56.38**		87.44	

(i) Financial Assumptions

The financial assumptions made in order to calculate the FRS 102 disclosure requirements are as follows:

	31 March 2023	31 March 2022
	%per annum	%per annum
Price Inflation	**2.40**	2.90
Rate of Salary Increase	**2.40**	2.90
Rate of increase of pensions in payment*	**2.40**	2.90
Discount rate**	**4.15**	1.55

* in excess of any Guaranteed Minimum Pension (GMP) element

** prescribed by HM Treasury

The discount rate used for FRS 102 disclosures is different to that used by the Actuary for the most recent financial assessment of the Scheme at 31 March 2022. The requirement to use the Treasury's discount rate for the FRS 102 disclosure will result in the financial position of the Scheme being assessed differently under this measure in comparison to the method used in the formal actuarial valuation of the Scheme.

24. CAPITAL COMMITMENTS

At the balance sheet date, the outstanding commitments are as follows:

	31 March 2023	31 March 2022
	£000	£000
Contracted – building works	**46**	1,806
Contracted – computer equipment	**-**	312
Contracted – plant fittings & equipment	**13**	-
	59	2,118

25. POST BALANCE SHEET EVENTS

There were no material post balance sheet events up to the date on which the accounting statements were authorised by the Accounting Officer **on 22 March 2024**, which would have meant that the accounts had to be adjusted.

NATIONAL LIBRARY OF WALES

England & Wales - Charity number 525775

Accounts



LLYFRGELL GENEDLAETHOL CYMRU
THE NATIONAL LIBRARY OF WALES

ANNUAL ACCOUNTS 2021-22

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Reference and Administrative Details

Board of Trustees (from 1 April 2021, and since the year end)

Appointed by the Welsh Government:

Meri Huws (Vice President and interim President, resigned 9 August 2021) ^
Ashok Ahir (interim President, appointed 13 September 2021; permanent appointment effective from 1 April 2022) ^
Andrew Evans (Vice President effective from 1 April 2022)
Michael Cavanagh
Quentin Howard +
Dr Carl Williams +
David Hay ^
Lydia Rumsey *
Dr Janet Wademan *

Appointed by the National Library of Wales:

Lee Yale-Helms (Treasurer) * +
Eleri Twynog Humphries (to 30 June 2021)^
Dr Gwenllian Lansdown Davies *
Dr Anwen Jones
Dr Elin Royles *
Susan Davies ^
Professor Elaine Treharne +
Peter Florence (from 1 July 2021 to 3 August 2021)
Hannah Lindsay (from 1 February 2022) ^

*** Members of the Audit, Risk and Assurance Committee**

+ Members of the Finance and Resources Committee

^ Members of the Performance and Quality Committee

Independent External Members of the Audit, Risk and Assurance Committee:

Rhian Evans
Huw Lloyd Jones (from November 2021)

Co-opted members of the Finance and Resources Committee:

Hywel Tudor
Dr Ieuan Griffiths (from November 2021)

Executive Team Members:

Chief Executive and Librarian, and Accounting Officer

Pedr ap Llwyd

Director of Corporate Resources

David Michael

Director of Collections and Digital Services

Dr Owain Rh Roberts

Principal Advisers:

Bankers	National Westminster Bank, Aberystwyth
Solicitors	Geldards LLP, Cardiff Humphreys Roberts & Bott, Aberystwyth Hugh James, Cardiff Darwin Gray, Cardiff
External Auditors	Audit Wales, Cardiff
Internal Auditors	Welsh Government Internal Audit Services
Investment Brokers	Investec Wealth and Investment, London
Actuarial and Pensions	Willis Towers Watson, Edinburgh
Registered Charity No.	525775
VAT No.	905194137
Registered Address	National Library of Wales Penglais Aberystwyth Ceredigion, SY23 3BU
Corporation Tax	The National Library of Wales is exempt from corporation tax under Section 505 of the Income and Corporation Taxes Act 1988

Annual Governance Statement

Statutory Background

The National Library of Wales (the Library) was established by Royal Charter on 19 March 1907. Supplemental Charters were granted in 1911 and in 1978, with slight constitutional revisions. On the 19 July 2006 a new Supplemental Charter was granted by Queen Elizabeth II. This Charter changed the Library's constitution and governance significantly and recognised devolution of government from Westminster to Wales. Whereas previously the Library had a Court of Governors and a Council, it now has a Board of Trustees.

The Library is also a registered charity and a Welsh Government Sponsored Body. It is funded by a combination of grant in aid allocated by Welsh Government, and income secured through its commercial, fundraising and charging activities. The Library's grant in aid allocation and conditions are set out in the remit letter from the Deputy Minister.

The Library's dual nature as a Royal Charter foundation and a registered charity, and also a Welsh Government Sponsored Body governs how it operates and fulfils its role and obligations, which require balancing fulfilling the objects of its Charter and charitable status, which reflects its foundation purpose, and the principles of arms-length government. The Library's objects are "to collect, preserve and give access to all kinds and forms of recorded knowledge, especially relating to Wales and the Welsh and other Celtic peoples, for the benefit of the public, including those engaged in research or learning".

Statement of the Board of Trustees' and Accounting Officer's responsibilities

The Library is required under its Royal Charter and sections 8 (1) and 8 (2) of its Statutes to prepare annual accounts, and to prepare and publish a report upon the affairs and position of the Library during the preceding year including such information as the Trustees from time to time determine.

The Library must prepare its accounts in accordance with the Accounts Direction issued by the Welsh Ministers, Section 9(4) of the Museums and Galleries Act 1992 and the Charities Statement of Recommended Practice.

The Library is accountable to the Welsh Government for the public funds it receives through the *Framework Agreement*, through regular monitoring meetings with its sponsor body, via the annual audit of the Library's accounts by Audit Wales, the Library's statutory auditors.

The Chief Executive and Librarian is the designated Accounting Officer for the National Library of Wales. His responsibility as Accounting Officer, including responsibility for the propriety and regularity of the public finances for which he is answerable, for keeping proper records, for safeguarding the Library's assets, and for the preparation of the annual report and accounts, are set out in the Accounting Officer's Memorandum issued by the Treasury.

1. Scope of Responsibility

The Accounting Officer and Trustees have collective responsibility for maintaining a sound governance framework and system of internal control that supports the achievement of the Library's vision, aims and objectives, while safeguarding the public funds and assets for which they are responsible, in accordance with the responsibilities assigned to them in *Managing Welsh Public Money* (2016).

These responsibilities are also outlined in the *Framework Document* drafted by the Welsh Government, which regulates the relationship between the Welsh Government and the Library, a revised version of which was received by the Board of Trustees at its meeting in January 2022.

The Board is responsible for effective leadership, defining and developing strategic direction, setting challenging objectives, promoting high standards of public finance, ensuring that the Library discharges its functions effectively and efficiently, and monitoring performance, to ensure that the Library fully meets its aims, objectives and performance targets and delivery against plans and budgets.

The President is the primary communicator between the Board and the Deputy Minister and it is the President's role to ensure that other Board members are kept appraised of all such communications.

The President is also responsible for ensuring that the Board's policies and actions support the Deputy Minister's wider strategic policies through the Welsh Government's *Programme for Government.*

2. Corporate Governance Framework and Regulations

The *Corporate Governance Framework* was adopted by the Board of Trustees in November 2017. This has been revised annually, and in 2021 revisions included the inclusion of Appendix 1*, Board Delegation and Staff Functions*, and revised Terms of Reference for the three standing committees of the Board, which were approved and adopted by the Board of Trustees in November 2021.

The Framework lays down the key responsibilities of the Board of Trustees and Executive, and also incorporates the Trustees' Code of Conduct. The Regulations lay down the proceedings of the Board and its committees.

3. Recruitment and Appointment of Trustees

The Library's Board consists of fifteen Trustees, eight of whom are appointed by the Welsh Government in consultation with the Trustees, and seven by the Library in accordance with the Regulations. The Trustees include the three Officers of the Library – President, Vice President and Treasurer; the President and Vice President are appointed by the Welsh Government, and the Treasurer is appointed by the Library. All appointments are made in accordance with the Library's Statutes and Regulations and the principles of open selection as recommended by the Nolan Review.

In accordance with Section 6 (v) of its Royal Charter, the Library has the legal authority to remunerate Trustees, and in 2020 Trustees took the decision to remunerate the post of President from 1 April 2021, but Meri Huws indicated that she would not be accepting remuneration while serving as interim President.

Meri Huws resigned from her position as interim President, Vice President and Trustee on 9 August 2021, and the Welsh Government appointed Ashok Ahir as interim President, effective from 13 September 2021. The interim President received remuneration on the basis of two days weekly service in this role, at a fee of £337 per day, or annualised remuneration of £35,183. The President receives no pension or other benefits. The Welsh Government ran a recruitment campaign for the role of President and Vice President in late 2021, with interviews being held in February 2022. Ashok Ahir was appointed to the role of President, and Andrew Evans to the role of Vice President. Both took up their appointments on 1 April 2022. From the 1 April 2022, the President's role will be remunerated on the basis of one day's weekly service in the role at the rate noted above.

Peter Florence was appointed to the Board of Trustees on 1 July 2021, but tendered his resignation on 3 August 2021. Following interviews in December 2021, Hannah Lindsay was appointed as Trustee, and following approval by the Board of Trustees, took up her appointment on 1 February 2022 for a period of four years.

No other Trustees were remunerated during the year. Details of Trustees' significant interests are maintained in a register of interests, held at the Library.

4. Trustee Induction and Training

During the course of the year, we welcomed new Trustees David Hay, Susan Davies, Lydia Rumsey, Elaine Treharne and Hannah Lindsay to the Library, who were provided with an insight into key areas of work at the Library.

Governance training was delivered online to Trustees and independent and co-opted committee members in May 2021 by Fflur Jones of Darwin Gray.

In January 2022, a presentation on the Board Cyber Security Toolkit was delivered to Trustees by a staff member of the National Cyber Security Centre, and during 2022, Trustees will explore this further, to ensure that they're fully briefed on cyber security considerations.

The Trustees' Handbook was kept up to date, but will be subject to an in depth review during 2022.

5. Board and Committees – membership and meetings

Although the first four meetings of the year took place online, the September and November meetings were hybrid ones, with members able to attend in the building in Aberystwyth or online. Owing to the emerging Omicron variant, a decision was taken in December to hold the January 2022 meeting entirely online to safeguard Trustees and staff, and a similar decision was taken with regard to the March meeting due to the sharp rise in Covid cases.

Full simultaneous translation was provided for all meetings, ensuring that the Library met its obligations under the Welsh Language Standards.

All Board and committee papers were distributed to members via the Library's Teams, and up until December 2021, also via the dedicated Board portal. Use of the Board portal was discontinued in December 2021, following a security incident which compromised the safety of this area of the website. This incident was reported to the Audit, Risk and Assurance Committee, and the committee accepted the Head of Digital Infrastructure's recommendation that use of the Board portal be discontinued.

All the scheduled Board meetings were held during 2021/2022, which were also attended by representatives from the Welsh Government, Chief Executive and Librarian, and both Directors. Board agendas and minutes are published on the Library website, together with a brief summary of papers to be presented at each meeting.

https://www.library.wales/about-nlw/governance/nlw-governance

Board members' biographies can be seen at;
https://www.library.wales/about-nlw/governance/nlw-governance/board-members

5.1 Committee Structure

At its meeting in November 2021, the Board approved revised Terms of Reference for its three standing committees, and approved renaming them to more adequately reflect the revised remit of each. Audit and Risk became, Audit, Risk and Assurance; Financial Planning became Finance and Resources, while Governance and Performance became Performance and Quality.

Committee	Key responsibilities
Audit, Risk and Assurance	A standing Committee which encompasses all the assurance needs of the Board of Trustees and Accounting Officer in their responsibilities for issues of the Library's risk management, internal controls, statutory accounts, and governance. The Committee also engages with the work of Internal and External Audit and financial reporting issues.
Finance and Resources	A standing Committee which encompasses all the assurance needs of the Board of Trustees in respect of the effective and efficient sustainable financial and other resource management by the Library, in particular the Library's investment portfolio and the use of its private funds, its commercial activities, and the performance of its fundraising campaigns.
Performance and Quality	A standing Committee which encompasses all the assurance needs of the Board of Trustees on upholding effective and efficient delivery standards, monitoring, reviewing and developing the services provided, ensuring accessibility and quality of service for all stakeholders, and ensuring that the requirements of all stakeholders are equitably met.

In addition to the standing committees, the Board has also established a Buildings Panel which provides assurances and makes recommendations to the Board of Trustees on matters regarding the Library's building and estate, its maintenance, use and development. The Panel is chaired by Mike Cavanagh, and Quentin Howard joined the Panel with effect from February 2022.

The following Trustees serve on the Pensions Fund Board – Lee Yale-Helms, Carl Williams, Anwen Jones and Ashok Ahir (appointed January 2022).

Quentin Howard and Lydia Rumsey serve on the Broadcast Archive Project Board to represent the interest of Trustees.

Audit, Risk and Assurance Committee

In addition to Trustee and independent members, the Library's internal auditors and representatives from Audit Wales attend committee meetings. The Library's sponsor division reserves the right for a representative to attend one meeting a year.

The committee paid due diligence to risk management at the Library, and trialled a risk workshop in December 2021, where departmental heads presented the three main risks in their areas of work to committee members. This useful exercise led to the development of a programme of deep dives, to look in depth at certain key risk areas within the Library.

Other areas of scrutiny included single tender actions, information security, and in particular any instances of breaches which had occurred, statutory annual accounts, and any issues or risks which arose as a result of the pandemic.

The Committee is chaired by Janet Wademan, and met four times during the year.

Finance and Resources Committee

The committee focused on scrutinising and reviewing the Library's financial plans and budgets and the implications to the Library's financial stability. The consultation on any changes to the Library's pension scheme were put on hold until early 2022, when the committee will revisit possible options for changes to the scheme.

Requests for use of the private fund reserves were considered, in accordance with the Library's Charity Reserves Policy, and recommendations made to the Board of Trustees on whether these should be approved.

Three Committee meetings were held during the year, with the meeting scheduled for 16 April 2021 cancelled, and business carried forward to the following meeting. The Committee is chaired by the Treasurer, Lee Yale-Helms.

Performance and Quality Committee

The committee focused on progress on implementing the recommendations of the Tailored Review, progress against performance indicators and the operational plan, governance of the Broadcast Archive project, received the Equality and Diversity Annual Report, and discussed a draft of the Framework Document prepared by the sponsor body.

The Committee met four times during the year, and was chaired by Meri Huws until her resignation. Ashok Ahir took over the Chair in September 2021.

5.2 Board and Committee Attendance

	Board	Audit, Risk and Assurance	Finance and Resources	Performance and Quality
Meri Huws	2/2			2/2
Ashok Ahir	3/3			2/2
Lee Yale-Helms	6/6	4/4	3/3	
Eleri Twynog Humphries	1/1			1/2
Mike Cavanagh	4/6			
Quentin Howard	6/6		3/3	

Carl Williams	3/6		3/3	
Gwenllian Lansdown Davies	4/6	1/4		
Anwen Jones	5/6			
Elin Royles	6/6	4/4		
David Hay	6/6			4/4
Lydia Rumsey	6/6	4/4		
Janet Wademan	6/6	4/4		
Susan Davies	5/6			4/4
Elaine Treharne	5/6		3/3	
Peter Florence*	1/1			
Hannah* Lindsay	1/1			

*Hannah Lindsay and Peter Florence attended the Board meeting on 7 May 2021 as observers, and Hannah also attended the Board meeting on 28 January 2022 as an observer. Andrew Evans attended the Board meeting on 25 March 2022 as an observer.

5.3 Overview of Board Performance

Like many other organisations in Wales, the global pandemic which forced the Library to close its doors on 17 March 2020, saw the Library face challenges which it had never before encountered. Despite these challenges, the Library continued to serve its communities, albeit in a different form, and the launch of our new five year strategy in April 2021, *A Library for Wales and the World*, saw an increasing focus on digital services as a result of the pandemic. This will enable us to engage with more communities in new and exciting ways.

The Board regularly received performance data which showed an increase in the number of new users using the Library's digital collections and services during the year, and the figure for the first three quarters of 2021/22 was 10% more than the first three quarters of 2020/21.

As we now emerge from the pandemic, and welcome visitors back to the building, the Library is committed to ensuring that it continues to serve the people of Wales and beyond, and ensure that culture is accessible to everyone.

The Board had approved the Library's five year strategic plan in January 2021, and this was formally launched at an online event by the Deputy Minister, Dawn Bowden, MS, in November 2021.

The recommendations of the Tailored Review were continuously monitored, and in January 2022 the Board approved that several recommendations be mainstreamed to form part of the Library's operational plan going forward.

The Library's internal auditors will undertake a review of the Board and committee effectiveness during 2022, which will see the fulfilment of recommendation 16 of the Tailored Review. Performance appraisals of individual Trustees will take place during 2022 now that a permanent President has been appointed.

The Board is very aware of its responsibilities with regard to cyber security and the ever increasing risks in this area. The Audit, Risk and Assurance Committee receive detailed incident reports at each meeting, and these are escalated to the Board where necessary. As part of its training programme, Trustees were given a presentation by a staff member of the NCSC on the Board Toolkit for Cyber Security, and this will be further explored during 2022.

Trustees are committed to supporting the Library's ambitious plans to become 100% carbon neutral by 2030, and welcomed the plans which the Library had in place to achieve this. The high number of staff working from home during the pandemic has contributed to this through less vehicle usage, and a reduction in paper consumption. Energy efficient lighting is now installed in around 80% of the building, and we aim to complete this by the end of the 2022/23 financial year. Electric vehicle charging points are currently being installed in the Library grounds

Further measures will include;

- the removal of gas fired boilers and chillers, and low/zero carbon emitting primary heat sources installed together with dual heat chillers to meet the demands of the existing heating and cooling systems.
- Installation of a ground mounted solar array, with the potential to contribute around 360,000kWhrs of electricity annually, all of which would be used on site.

In addition to the above, the Board also considered the following matters during the year;

- Approval of a revised Board Assurance Framework (TR 17)
- Corporate restructuring programme (TR21)
- Approval of revised terms of reference for its three standing committees
- External report on income generation (TR 25)
- Revised and updated Framework Document
- National Broadcast Archive progress updates
- Budget 2021/22 and Draft Budget 2022/23
- Approval of the pay remit 2021/22
- Updates on the capital building programme
- Corporate risk register
- Performance of investments
- Progress reports against targets set in the annual operational plan
- Minutes of all three standing committees and the Buildings Panel

6. Internal Audit

The Library continued to work closely with its internal auditors, Welsh Government's Internal Audit Service. The internal audit is provided by the Welsh Government's Internal Audit Service in compliance with the Public Sector Internal Audit Standards. A programme of work for 2021/22 was agreed by the Audit, Risk and Assurance Committee on 30 April 2021, and approved by the Chief Executive and Librarian.

The internal audit service reports independently on an annual basis on the adequacy and effectiveness of the Library's system of internal control, together with recommendations for improvement. Reports are presented to the Audit, Risk and Assurance Committee for members to review and challenge the assurance statements provided by the Executive. The Head of Internal Audit can provide reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with moderate risk exposure until resolved.

The following audits were presented to the committee during 2021/22:

- Follow Up of Corporate Records Management (reasonable assurance)
- Procurement (limited assurance)
- Published Collections (substantial assurance)
- Health, Safety and Wellbeing (reasonable assurance)

Management actions were agreed for the Procurement Audit, and will be actioned in early 2022.

7. Code of Best Practice on Governance

As far as the Board of Trustees and Accounting Officer are aware, there is no relevant audit information of which the Library's auditors are unaware. The Board and Accounting Officer have also taken all necessary or required steps to make themselves aware of relevant audit information and to establish that the Library's auditors are aware of that information. As a registered charity, the Library has acted in accordance with the *Good Governance Code: A Code for the Third Sector in Wales* and the Charity Commission's guides and codes of practice, and the Board of Trustees have ensured, again in accordance with this code of practice, that the Library has robust governance arrangements in place to promote high performance and safeguard propriety and regularity.

8. Risk Management and Controls

The Library's system of internal control is detailed in the *Board Assurance Framework*, which was reviewed and updated in 2021 to include increased levels of scrutiny necessary due to changes in working practices during the Covid-19 pandemic. This gives a structured approach for ensuring that the Board of Trustees receives the right information, which is accurate and relevant, at the right time and with an appropriate level of assurance attributed to each source of data. The Library's *Risk Management Policy* defines the Library's approach to risk and how risk management is embedded into management processes to ensure that the key strategic risks are effectively managed. The *Risk Management Policy* is currently under review, and a revised version will be presented to the Audit, Risk and Assurance Committee during 2022.

The corporate risk register identifies, documents, assesses and details the key strategic and operational risks relating to the Library's activities. These are kept under constant review by the

Executive Team and any other assigned risk owners and action is taken as appropriate to manage and mitigate these risks. The corporate risk register is underpinned by departmental risk registers, which are also kept under regular review by the Executive Team, and departmental risks are escalated to the corporate register where necessary.

New risks included in the corporate risk register during the year were;

- Storage – Library has insufficient storage capacity to store collections appropriately, or may risk running out of storage capacity altogether
- Private fund reserves – balances are too high or too low

Following an unsuccessful bid to the Welsh Government for funding to construct a new storage facility, the Library is considering ways in which it can meet the challenge of insufficient storage space which could include deaccessioning collections, or storing offsite. The Library will continue to hold discussions with Welsh Government with regard to obtaining funding to construct further storage facilities.

In the current volatile financial environment, concern was expressed with regard to the levels of the Library's private fund reserves, and the position to take if these exceeded the upper threshold, or fell below the lower threshold. This risk is being sufficiently managed and was the subject of a deep dive at the Audit, Risk and Assurance Committee meeting in February 2022. The Finance and Resources Committee also monitor requests for use of the private fund reserves, and review the *Private Fund Reserves Policy* periodically.

The Board remain focused on the risk of management resilience, which will be addressed by the corporate restructuring programme, and the appointment of a third post at Director level and two new Heads of Department will strengthen the capacity and skillset of the Executive Team and Delivery Group.

Cyber security and Covid-19 remained prominent risks during the year, and were closely monitored and scrutinised at each meeting of the Audit, Risk and Assurance Committee. Regular update reports were also provided to the Committee on these two risk areas.

The Library remains cautious in its approach to managing risks in terms of its responsibilities as a publicly funded body, and in areas such as compliance with legislation or conditions imposed by the Welsh Government, it will always seek to comply without exception. The Library faces significant financial challenges and the failure of grant in aid to compensate for additional running costs is a major concern. This will affect the Library's ability to offer pay increases to staff, meet significant increases in the Library's other running costs, and finance increased pension costs. No provision was made in the Supplementary Budget published by Welsh Government on 1 March 2022 for salary increases or to meet the increased cost of pensions.

Internal control questionnaires were completed by Heads of Departments and Directors at the year-end confirming that key elements of the Library's system of internal control were in place during the year and had been working effectively within their area of responsibility which provided the Accounting Officer with an added level of assurance of the robustness of the Library's control framework.

The requirements of the Well Being of Future Generations (Wales) Act 2015 is at the heart of the Library's activities, and this is embedded in the new strategy *A Library for Wales and the World*. The impact framework illustrates how the strategic well-being objectives contribute to the seven well-

being goals of the Act, while the strategic plan sets out how the Library intends to deliver against the well-being goals.

No matters were raised during the year under the Whistleblowing Policy. Our Whistleblowing, Anti-Fraud and Anti-Corruption policies were all reviewed by the Audit, Risk and Assurance Committee in October 2021.

Complaints were dealt with in line with our Complaints Policy. All complaints were fully investigated, and any resulting improvements or changes to working practices implemented where appropriate.

The Library followed Welsh Government legislation and guidelines in regard to health and safety of its staff and visitors during the Covid-19 pandemic, and completed risk assessments to ensure the safe reopening of our public spaces when permitted to do so.

9. Information Security

The Library has information security procedures and protocols in place to ensure the confidentiality, integrity and availability of the information that we hold and process, and to ensure compliance with the UK GDPR and Data Protection Act 2018. These include;

- Information Security Policy
- Acceptable Use Policy
- Internal policies on information security – data deletion, mobile computing, password, removable media

Owing to changes in priorities and resources caused by the pandemic, and continued staffing resource issues, re-certification for Cyber Essentials / IASME accreditation was further delayed. The Library is currently working toward re-accreditation, which should be achieved in 2022 following updating certain items of the infrastructure. All information security incidents are reported to the Audit, Risk and Assurance Committee. There were no security breaches during the year which required reporting to the Information Commissioner.

The Library received ten Freedom of Information (FOI) requests, ranging from collection related enquiries to management and procurement queries. All such enquiries were answered within the 20 working days allowed for a response.

10. The Future

During 2022, the Library will strive to deliver its strategy in the continuing face of a challenging situation, but will continue discussions with the Welsh Government on future grant in aid funding and will explore other funding sources to support the achievement of our strategic aims. Moving forward, we will;

- Implement the remaining recommendations of the Tailored Review, and where possible, mainstream these in our operational plan.
- Consider any changes required to the existing Pension Scheme
- Implement a new Collections Policy Framework
- Continue to develop the infrastructure and systems to accession and provide access to the National Broadcast Archive Collection.
- Develop new public spaces as part of the National Broadcast Archive Project at sites beyond Aberystwyth
- Develop a new Strategic Equality Plan 2022 – 2026
- Develop and implement a new Communications and Engagement Strategy

- Develop and implement an International Strategy
- Develop and implement a Fundraising/Income Generation Strategy
- Develop a long term strategic plan for storage facilities
- Support the formation of the National Contemporary Art Gallery
- Agree a Memorandum of Agreement with Museum Wales

Signed on behalf of the Board:





Pedr ap Llwyd
Librarian & Chief Executive & Accounting Officer
22 July 2022

Lee Yale-Helms
Treasurer
22 July 2022

2 OBJECTIVES AND ACTIVITIES

2.1 Primary objectives

The Library's primary objective, as expressed in Supplemental Charter 2006 is:

- *to collect, preserve and give access to all kinds and forms of recorded knowledge, especially relating to Wales and the Welsh and other Celtic peoples, for the benefit of the public, including those engaged in research and learning.*

The fundamental purpose and vision was to ensure that the unique history, culture and heritage of Wales, which has been documented in various forms and media over the years, is available at all times to enable everyone to obtain a better understanding of who we are, to explain the historic and cultural heritage that has shaped us as a nation over the centuries, and to encourage learning and research. It has two dimensions - a splendid physical building, in Aberystwyth, housing the print, manuscript, visual and audio-visual collections and also a library and archives, as well as a digital presence on the internet.

2.2 Public Benefit

Our vision 'to deliver change for the better for everyone in Wales now and in the future', as stated in our new Strategic Plan for 2021-26, ensures that public benefit is at the core of all our activities.
In fulfilling their duties, the Trustees have complied with section 2 of the Charities Act 2011 by having due regard to the guidance published by the Charity Commission on public benefit. While our main beneficiaries are people living in Wales, the Strategic Plan 'A Library for Wales and the World' also emphasises our global impact both as a cultural destination for visitors and through our services to online users worldwide.

2.3 Main Activities

Our main activities, which are undertaken to further the charity's purposes for the benefit of the public in Wales, are as follows:-

2.3.1. Collecting:

Collecting materials by legal deposits, purchases, donations, bequests, exchanges, and deposit, according to agreed collection development policies.
This function is carried out through:

- creating as complete a collection as possible, in all media, of published material relating to Wales (and other Celtic countries to a lesser extent), including electronic and printed publications and audio/moving image material;
- maintaining (mainly through legal deposits and purchases) the most comprehensive collection in Wales of printed materials published in the UK and Ireland, and research material from other countries;
- developing collections of unpublished materials relating to or deriving from Wales, including archives and artistic work;
- gaining access to acquired work, processing, cataloguing and storing it in the most effective way.

2.3.2. Preserving and Conserving:

Preserving and conserving the collections. This function is carried out through:

- ensuring environment, storage and handling conditions are appropriate for continued preservation of the collections;
- intervening to actively conserve materials to arrest deterioration or to repair damage;

- transferring information to more appropriate preservation formats.

2.3.3. Providing access and information:

Providing suitable/effective public access to the Library building, its collections and services, and information about them. This function is carried out through:

- monitoring and analysis of user needs;
- providing access to public spaces, collections and facilities within the building;
- arranging access to collection items and information services for on-site users or via on-line communication for remote users;
- providing easy access to catalogues of the Library's collections and electronic resources, and to its corresponding digital versions.

2.3.4 Publicising and interpreting:

Raising awareness of, and disseminating knowledge of, the Library's work and collections. This function is carried out through:

- materials on the Library's website;
- guides and publicity materials in paper and on-line formats;
- exhibitions and educational/community activities derived from the collections, both at the Library and in other venues across Wales;
- events, lectures and seminars.

2.3.5. Professional collaboration:

Collaborating with, and sometimes leading, related professional groups, across and beyond Wales. This function is carried out through:

- acting as a focal point for library and archive bodies in Wales;
- working with bodies in Wales and beyond to pursue collaborative initiatives and partnerships in the broad heritage, culture and information sectors, and to advance professional practice.

Support functions:

The ***core functions*** are supported by essential management and business functions, including: managing and developing staff; controlling and being accountable for financial resources and income generation; and maintaining and developing ICT infrastructure and the Library's building and facilities.

The Library submits an Annual Operational Plan to the Welsh Government on how the activities will be delivered and targets against these activities. Further details regarding how this strategy is derived and carried out are included in section 7.

3. ACHIEVEMENT AND PERFORMANCE

3.1 Key highlights in 2021/22

Throughout the previous reporting year (2020/21), Coronavirus had a significant impact on the work of the Library. As 2021/22 commenced restrictions were easing and the Library was able to resume many services and activities even though the Omicron wave disrupted activities somewhat during December 2021 and into the New Year.

3.1.1 Launch of a new Strategic Plan for 2021-2026

On 18 November 2021, Dawn Bowden MS, Deputy Minister for Arts and Sport launched the National Library of Wales' 2021-2026 Strategic Plan – A Library for Wales and the World in an online event.

3.1.2 Development of Public Spaces at the Library Building in Aberystwyth

After significant capital investment in the maintenance of the building over the past few years, the focus turned during 2021/22 to improving public spaces. The central hall exhibition was opened successfully in September while plans for the refurbishment of the South Reading Room are well underway by the end of 2022. In addition, work on a new family area was commissioned as well as improvements to Pen Dinas Café.

3.1.3 National Broadcast Archive Project

Permission to Start was granted during 2021/22 for the project to establish a National Broadcast Archive for Wales. Following remodelling of the project during 2020-21 the plans now include two new significant partners. S4C will join BBC Wales and ITV Wales in contributing their archive to the project while the Wales Millennium Centre in Cardiff is set to host a new centre that will enable the public to view, listen, and enjoy this rich archive.

3.1.4 Unlocking Our Sound Heritage Project

UOSH was a five-year UK wide project funded by a £9.3 million grant from the National Heritage Lottery Fund. The project was led by the British Library, with the aims of providing access and preserving the UK's most vulnerable and at-risk audio heritage, creating centres of excellence in digital audio preservation around the UK and involving new audiences in engaging with audio heritage. NLW joined the project in August 2018, as one of the ten hubs sited across the UK. During the period, August 2018 to December 2021, the Library preserved 3,889 at risk audio recordings, recruited 101 volunteers, held 99 learning events with 1,638 participants and provided 15 days of training to the sector. This was a significant achievement, especially as the closure of the building for 33 weeks during the pandemic prevented the digitisation of the collections or enabled physical engagement with audiences during this time.

3.1.5 The Welsh Music Archive

The Welsh Music Archive programme was launched in 2017 to collect and promote the use of music archives and manuscripts. Partly funded through private funds, it made a significant contribution to enriching the music collection and developing new audiences. As well as making available many archival collections, including developing a Welsh folk music database based on the index cards created by Dr

Meredydd Evans and Phyllis Kinney, it undertook many other activities. It worked with Ty Cerdd to promote social engagement, with the University of Bangor and the Coleg Cymraeg Cenedlaethol to support research and actively engaged with musicians and performers. The programme ended in December 2021, but the success in promoting the Archive through radio and television interviews, social media and physical and remote events have raised its profile and contributed to the growth of, and knowledge about, the collections.

3.2. Key Achievement Indicators

The Library's performance against its targets was reported to the Welsh Government in 2021/22 as follows:

	Target	Attainment
Number of visits to the Library's digital collections and services	1,800,000	2,061,203
New users to the Library's digital collections and services	1,000,000	1,330,341
Number of responses to remote enquiries	7,000	6,535
User satisfaction - physical visits	96%	100%
User satisfaction - digital visits	80%	86%
Total number of events (total)	150	338
On-site events organized by the Library	80	141
Events on site organized by others (external use of facilities)	50	73
Outreach events organized by the Library	70	124
Number of participants in each of the Library's activities (total)	11,500	11,379
Number of participants at on-site events organized by the Library	10,000	8,805
Number of participants at outreach events organized by the Library	1,500	2,574
Digital Volunteers	900	897
Number of Fusion events and Education Service activities	35	92
Participants in Fusion events and Education Service activities	900	2,708
Number of new interpretation items published online by the Library	1,200	2,554
New digital pages created through the Library's digitization program	200,000	157,212
Number of impressions across social media channels	2,750,000	2,900,604
Reach of the Library's content on Wikimedia	190,000,000	211,034,503

Performance against targets is reviewed by the Welsh Government and the Board with notes and interpretations being provided regarding achievements against targets.

We are obliged to monitor continuously and evaluate our work both quantitatively and qualitatively. Although our quantitative achievement indicators provide a snapshot of performance, the qualitative data from case studies and narrative reports still continue to provide a more detailed snapshot, and an and an opportunity to reflect on our work and enrich it.

4 FINANCIAL REVIEW

4.1 Financial Results and Allocations

The accounts are prepared under Section 9(4) of the Museums & Galleries Act 1992 in a form directed by Ministers of the Welsh Government with the approval of the Treasury. The Library's net incoming resources for the financial year were £3,942k (2020/21: £3,208k)). The Library's incoming resources totalled £18.78m (2020/21: £17.31m) and total resources expended were £14.83m (2020/21: £14.10m).

The unrestricted public reserve increased from £789k to £1,580k.

Fund balances at 31 March 2022 stood at £83.0m (31 March 2021 £78.2m).

4.2 Charities Statement of Recommended Practice

The Charity Commission issued a Statement of Recommended Practice (SORP) for charities in October 1995, which was most recently updated by the Charities SORP 2015. The Library has complied with the SORP since the 1996/97 accounts.

4.3 Valuation of Tangible Fixed Assets

The Library commissioned a revaluation by Cooke and Arkwright, Chartered Surveyors, of the Library's buildings and freehold land as at 31 March 2021. Land and buildings values are adjusted annually by indexation between each formal valuation which usually takes place every five years. Other fixed assets are not revalued nor indexed, and from 2017-18, are held at original cost less depreciation.

4.4 Charity Reserves Policy

The Charities SORP 2015 requires the Library to disclose its policy on Reserves.

4.4.1 Unrestricted Public Funds

The National Library of Wales is currently dependent on the Welsh Government to sustain the majority of its activities. The Library's Public Funds reserves policy is to conform to the requirements of the Welsh Government's Framework Document, which sets out the financial framework under which the Library is required to operate. The main requirement of the Framework Document in relation to reserves is that only 2% of gross Grant-in-Aid can be held as cash balances. The ultimate effect of this will be to restrict the level of reserves that can be held. Low levels of reserves and working capital are particularly difficult in times of financial uncertainly and mitigation of risks would justify carrying higher levels of reserves due to the financial outlook. It is also the case that public reserves cannot be spent without the provision of a budget in the Welsh Government's published budget. Therefore, although the Library shows these reserves on the Balance Sheet, they will not be available for use unless budget cover is provided and the Library appears to have very limited influence over the process. This increases the level of financial risk for the Library and the requirements of the Welsh Government are restricting the Library's ability to manage financial risk.

4.4.2 Restricted Public Funds

Public restricted funds represent Capital and Purchase Grants received from the Welsh Government or any grant received from a public body for specific purposes. This funding is also restricted to 2% of gross Grant-in-Aid carry over in cash balances.

4.4.3 Unrestricted Private Funds

The Library's unrestricted private funds have three main objectives:

- To contribute to the revenue costs of running the Library's services.
- To supplement the Collections Purchase Grant to enable the Library to fulfil its collections policy.
- To finance capital investment or future developments including equipment, buildings and computer hardware and software.

The level of reserves is being reviewed and monitored by the Board through the Financial Planning Committee and has been agreed in the Library's Medium Term Financial Strategy.

4.4.4 Restricted Private Funds

The Library's restricted private funds can only be used in accordance with any stipulated terms of each specific bequest. They can only be used for the purposes described and therefore they are only used when an item of expenditure that directly relates to the fund is approved by the Board or the funder.

4.5 Investment Policy

The portfolio has been invested in both equities and bonds and the amount that can be invested in different asset classes has been set in accordance with a risk assessment. The Library's attitude to risk is considered "moderate", accepting that in order to achieve higher returns than placing cash in a deposit account, there will be a consequent risk in investing in bonds and equities.

The Board reviews the Investment Policy and Strategy on an annual basis, which includes consideration of social, environmental or ethical investments. During 2021-22 the Board commissioned an independent review of the performance of the Library's investment managers.

The Library has appointed investment managers, Investec Wealth & Investment, who are responsible for investing the private funds portfolio. The managers have been set a benchmark for the performance of the investment portfolio, and in 2021/22 a return of 5.9% was achieved against a benchmark of 7.8% (2020/21: 22.76% against a benchmark of 16.63%).

The investments were managed on a discretionary basis in accordance with the requirements of the Trustee Investments Act 1961 and latterly the Trustee Act 2000. The performance of the portfolios is monitored and submitted regularly in the form of a report to the Financial Planning Committee and the Trustees. On 31 March 2022, the market value of the investments and cash was £14.28m (£13.63m on 31 March 2021).

4.6 Key risks

4.6.1 Financial planning

Following discussions with the Welsh Government and the Deputy Minister the Library was awarded £500k of additional revenue GIA funding in 2020/21. In 2021/22 an additional £750K has been allocated to meet the costs of implementing the Tailored Review, and £1,000k to meet the other financial pressures. This £1,000k was confirmed in the Library's baseline GIA from 2022/23 onwards.

The Library reviewed its policy for charitable reserves during 2021/22. Unrestricted private funds are available to the Board in order to manage financial risk as part of its reserves policy.

4.6.2 Pension Scheme

An actuarial valuation of the scheme was obtained on 31st March 2019. The main results of the Scheme's actuarial valuation are as follows:

- The funding level as at 31 March 2019 has increased to 100% (2016: 99%).
- There is now a surplus of assets relative to the accrued liabilities of £300k (2016: there was a deficit of £400k).
- The rate of Library contributions required to meet the accrual of future service benefits, with a normal retirement age of 65, has increased to 34.2% of pensionable salaries (2016: 27.2%)

The additional contribution rate will be implemented from the 1st April 2023 following an additional employer contribution of £400k in March 2020, £400k in March 2021 and a further £1m in March 2022.

As at 1st July 2017 existing staff could also choose to contribute either 3% of their salary towards not having a reduction in their pension if they retire at the age of 60 or to accept that the retirement age has changed to 65, and so there will be an actuarial reduction in the pension if they retire before this date. New members of staff after this date have a normal retirement date of 65.

The next actuarial valuation of the scheme will be undertaken on the 31 March 2022. It is anticipated that the costs of continuing the scheme will increase significantly and the Board is currently considering options for future pension arrangements.

5 SUSTAINABILITY REPORT

This report has been complied in accordance with the guidelines laid down by HM Treasury in *Public Sector Annual Reports: Sustainability Reporting Guidance*. During 2021-22, the following was achieved: -

	2021-22	2020-21	2019-20
Water consumption			
Water consumption m^3	6,559	6,139	9,585
Water consumption m^3 per WTE*	30.78	28.46	43.37
Water supply costs £	£27,785	£23,110	£39,191
Paper consumption			
Paper consumption in reams (external and internal)	262	6	698
Paper consumption in reams (internal use)	199	2	632
Waste			
Total waste (tonnes)	38.99	14.17	42.44
Reused, recycled, composted	12.21	3.55	33.9
Landfill	26.78	10.62	8.58
Hazardous	-	-	-
Reused, recycled, composted as % of total waste	31.3%	25.0%	79.8%
Total disposal cost	£12,003	£8,344	£9,125
Greenhouse gas emission			
Total emission tonnes CO_2 equivalent			
Attributable to business travel	4	0	17
Attributable to energy consumption ($1,000\ tCO_2e$)			
Electricity and Gas	1,020	1,133	1,276
Attributable to energy consumption			
Electricity (kWh)	2,210,485	2,235,894	2,521,075
Gas (kWh)	3,019,497	3,348,749	3,458,695
Expenditure on business travel £ (Car, Train, Bus & Plane)	£6,334	£51	£49,360
Total energy expenditure £	£401,447	£354,872	£394,724

*WTE = full-time equivalent

Note on Energy:

Costs are total for the site including energy supplied to adjacent building, but consumptions are only for National Library buildings.

The Welsh Government's budget for 2021/22 included additional capital funding of £0.5M for the Library to commence its decarbonisation programme. The replacement of the heating system which uses gas with ground source energy and combined heater/chiller plant is planned. This will maintain environmental conditions for storage of the collections and at the same time provide heating for other parts of the building. The Library is developing onsite solar photo-voltaic generation, and has submitted an outline application for an installation on an adjacent field. The Library has secured some funding for decarbonisation in future years, but this is currently insufficient to become carbon neutral by the late-2020s.

Horticultural waste generated on site is composted on site. The quantity of this waste is not measured.

6 POLICIES RELATING TO STAFF

6.1 Living Wage

The Library has undertaken to pay the living wage as set out by the Living Wage Foundation since April 2014.

6.2 Recruitment and Retention of Staff

The Library can only achieve its goals through the commitment of its staff; therefore the Library focuses on providing a staff training and development programme annually to ensure that all staff members achieve their potential.

6.3 Employment of Disabled People

The Library operates a non-discriminatory recruitment procedure and is always prepared to consider applications from, and to appoint, disabled persons. The Library makes every effort to ensure that disabled employees are provided with the facilities necessary to carry out their employment effectively.

6.4 Consultation with Employees

The Library communicates information to staff by various methods including staff meetings, weekly e-mails, team briefing sessions, Core Brief, and regular consultation and negotiation with the Partnership Council and representatives of the national Trade Unions. The Library adopted an Internal Communication Strategy in 2016 and implementation of this Strategy will be a further opportunity to develop the relationship between managers and staff.

6.5 Remuneration Report

The Library remunerates its entire staff under an agreed pay and grading system. The current system was approved by the Library's Executive Team and agreed with the staff unions through the collective bargaining arrangements. An independent appeals process is in place to consider grading issues.

Each year, the Library, in consultation with the staff unions, considers the Library's remuneration package against external comparators, movements in the economy and any internal inequities that may have developed. From this, a pay remit or proposal is produced and this is submitted to the Welsh Government for approval and is then formally negotiated with the unions. This leads to a new pay and conditions package for the whole of the Library staff which is binding until the next round of negotiation. Incremental increases under the pay remit are dependent upon the Library's system of annual appraisals. Inflationary elements contained within the agreed pay remit are automatically awarded to all members of staff.

The salaries of the Chief Executive and Librarian and the two Directors and Deputy Chief Executives have been included as part of the pay remit negotiations in relation to all Library staff. The Chief Executive and Librarian during the year had a fixed term employment contract and the two Directors/Deputy Chief Executives had permanent contracts. All three are ordinary members of the Library's pension scheme.

The pay remit is approved by the Welsh Government. Membership of the Executive Team is shown on page 2 and further details of the remuneration and pension benefits are shown in Note 8(c) to the accounts. The notice period for members of the Executive Team is 3 months. Provision for compensation for early termination is contained within the Library's standard redundancy agreement.

7 PLANS FOR FUTURE PERIODS

During 2021-22 the Library began the implementation of a new Strategic Plan for 2021-2026 under the title 'A Library for Wales and the World'. The final version was approved by the Board of Trustees in January 2021. It is an ambitious plan that provides a clear, coordinated and prioritised focus and direction for everyone involved in the organisation up to 2026.

The new plan identifies four strategic and well-being objectives:

- Cultivate and care for the nation's memory
- Lay the foundation for a knowledge economy
- Be at the heart of national life
- Empower learning and research

The Well-being of Future Generations Act was a key consideration when drafting the new Strategic Plan and the requirements of the Act have been considered when formulating plans to deliver against the objectives.

Strategic Objective 1 **Cultivate and care for the nation's memory**	**How will we achieve this?**
➢ Capturing contemporary Wales ➢ Committed to diversity ➢ Leading in preservation and management of information	• We will develop and invest in the work of collecting and preserving digital materials in various formats • We will establish a National Broadcast Archive that will be a rich and comprehensive record of life in the 20th and 21st Centuries • We will deliver guidance and advice on conservation and raise awareness of the risks of losing the national memory in the digital age • We will develop our relationships with libraries, archives, museums and others in the heritage sector as we collect the nation's memory • We will foster our connections with ethnically diverse communities across Wales • We will work with these communities as we continue to develop our Collections Policy • We will review the way in which our collections are described, interpreted and promoted • We will invest in the cultivation and transfer of physical and digital conservation skills within the Library and across the sector • We will invest in the development of our technical infrastructure as a trusted home for our digital collections • We will support other organisations with the preservation of digital collections • We will share good practice in information management, conservation and collections development internationally
Strategic Objective 2 **Lay the foundation for a knowledge economy**	**How will we achieve this?**

➢ Knowledge that invigorates and inspires ➢ Creating opportunities to participate ➢ Improving user experience	• We will continually review the way we describe collections, to provide effective access and highlight 'hidden' collections • We will improve access to physical collections by continuing our digitisation programme • We will seek opportunities to increase the use of collections by businesses and the creative sector • We will work to ensure that information is available in an open and accessible format • We will continue to offer a range of volunteering opportunities at Library sites • We will increase opportunities for volunteering and engaging with the collections on a digital basis, using approaches such as crowdsourcing • We will support national and international participatory programmes and projects • We will develop new and innovative ways of widening access to knowledge • We will ensure that user feedback and the voice of the user are central to the development of our services • We will invest in the building in Aberystwyth as a visitor destination, where visitors from Wales and the world can research, discover and enjoy
Strategic Objective 3 **Be at the heart of national life**	**How will we achieve this?**
➢ Connecting communities ➢ Sharing collections ➢ Promoting a global Wales	• We will invest in our relationship and connections with individuals and communities with the aim of increasing the value and impact of our collections and services • We will establish connections with new communities and audiences • We will consider all opportunities to expand our connections with public bodies and organisations throughout Wales and further afield • We will improve access and connections across Wales through the activities of the National Broadcast Archive. • We will share our collections widely and openly with the aim of achieving the greatest reach and deepest engagement • We will develop methods and channels for acting in collaboration with the public to jointly interpret our history and culture • We will hold exhibitions and events on themes that are timely and relevant to Wales today • We will promote the Library's sites as cultural destinations • We will develop and deliver an International Strategy and collaborate with Welsh Government and other organisations to promote Wales on a global stage • We will continue to foster and strengthen our relationship with the Welsh diaspora

Strategic Objective 4 Empowering learning and research	How will we achieve this?
➢ Enabling research and innovation ➢ Supporting formal learning ➢ Promoting informal learning	• We will foster a relationship with Higher Education Institutions and research teams interested in the collections • We will explore and experiment with new technologies as means of enhancing access and research, supporting aspects such as geodata, artificial intelligence and adopting concepts such as 'collections as data' • We will collaborate with partners and stakeholders with the aim of establishing an accredited trusted digital repository as research infrastructure • We will continue to contribute to the developmen t of the Curriculum for Wales • We will continue to increase our own range of digi tal learning resources in collaboration with partners • We will invest in our services for schools and post-16 education • We will develop a programme that supports informal learning and foster skills and transfer knowledge • We will increase the interpretative content availabl e online as resources for informal learning • We will explore opportunities to work in partners hip to support informal learning in communities across Wales

Trustees

The Trustees have complied with their duties to have due regard to guidance published by the Charity Commission.

Auditor

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





Pedr ap Llwyd
CHIEF EXECUTIVE & LIBRARIAN
22 July 2022

Lee Yale-Helms
TREASURER
22 July 2022

STATEMENT OF BOARD AND LIBRARIAN'S RESPONSIBILITIES

Under Section 9(4) of the Museums and Galleries Act 1992, the Board of the National Library of Wales is required to prepare a statement of accounts for each financial year in the form and on the basis determined by Ministers of the Welsh Government with the consent of the Treasury. The accounts are prepared to give a true and fair view of the Library's financial activities during the year and of its financial position at the end of the year.

In preparing the Library's accounts the Board is required to:-

- Observe the accounts direction issued by ministers of the Welsh Government 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 a going concern basis, unless it is inappropriate to assume that the Library will continue in operation.

The Principal Accounting Officer for Ministers of the Welsh Government has designated the Librarian as the Accounting Officer for the Library. His or her relevant responsibilities as Accounting Officer, including his or her responsibility for the propriety and regularity of the public finances for which he or she is answerable and for the keeping of proper records, are set out in the Welsh Government's Accounting Officer Memorandum.

Statement of the Disclosure of Relevant Audit Information

As far as the Accounting Officer is aware, there is no relevant audit information of which the auditors are unaware, and the Accounting Officer has taken all steps that he ought to have taken to make himself aware of any audit information and to establish that the auditors are aware of that information.



Pedr ap Llwyd
CHIEF EXECUTIVE & LIBRARIAN
22 July 2022



Endorsed on behalf of the Board by
Lee Yale-Helms
TREASURER
22 July 2022

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

Opinion on financial statements

I certify that I have audited the financial statements of the National Library of Wales for the year ended 31 March 2022 under section 9 of the Museums and Galleries Act 1992. These comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement 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 United Kingdom Accounting Standards including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Statement of Recommended Practice (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of the National Library of Wales's affairs as at 31 March 2022 and of its net income for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with HM Treasury directions issued under section 9 of the Museums and Galleries Act 1992.

Opinion on regularity

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

Basis of opinions

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Accounts other than the financial statements and other parts of the report that are audited and my auditor's report thereon. The Charities Statement of Recommended Practice sets out the requirements for other information, however, neither it nor legislation, nor the directions issued to the National Library of Wales set out the content and form of the Annual Governance Statement or Remuneration Report presented with the financial statements. The Board of Trustees and Librarian as Accounting Officer are responsible for the other information in the annual report and accounts. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Report on other requirements

Opinion on other matters

As the Charities Statement of Recommended Practice nor legislation set out the requirements for the content and form of the Governance Statement or Remuneration Report presented with the financial statements, I am not able to confirm that the Governance Statement or Remuneration Report issued with financial statements have been prepared in accordance with guidance.

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

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

In my opinion, based on the work undertaken in the course of my audit, the information in the Annual Accounts, other than the Governance Statement and Remuneration Report, for the financial year for which the financial statements are prepared has been prepared in accordance with the Charities Statement of Recommended Practice.

Matters on which I report by exception

In the light of the knowledge and understanding of the National Library of Wales and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Accounts.

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

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

Responsibilities

Responsibilities of the Board of Trustees and Librarian for the financial statements

As explained more fully in the Statement of Board of Trustees and Librarian's Responsibilities, the Board and Librarian as Accounting Officer are 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 Board and Librarian determine are 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 Board and Librarian are responsible for assessing the National Library of Wales's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

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

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

My procedures included the following:

- Enquiring of management, the head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the National Library for Wales's policies and procedures concerned with:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and the posting of unusual journals;
- Obtaining an understanding of the National Library for Wales's framework of authority as well as other legal and regulatory frameworks that the National Library for Wales operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the National Library for Wales.

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Audit and Risk Committee about actual and potential litigation and claims;

- reading minutes of Board meetings and other relevant committees;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- substantively tested a sample of large payments from banking records around the year end date to ensure that they are accounted for in the correct year.

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

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

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

Responsibilities for regularity

The Librarian as 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.

Report

I have no observations to make on these financial statements,



Adrian Crompton
Auditor General for Wales
4 August 2022

24 Cathedral Road
Cardiff
CF11 9LJ

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022

	Notes	PUBLIC FUNDS Unrestricted £'000	PUBLIC FUNDS Restricted £'000	PRIVATE FUNDS Unrestricted £'000	PRIVATE FUNDS Restricted £'000	2021/22 Total **£'000**	2020/21 Total **£'000**
Income:							
Donations and legacies	15b	-	-	58	159	**217**	1,688
Charitable activities							
Government Grants	2	11,644	5,515	-	-	**17,159**	14,255
Other Grants	3	40	775	-	-	**815**	1,056
Other trading activities	4	353	-	-	-	**353**	145
Investment income	15b	-	-	228	4	**232**	161
Total Income		**12,037**	**6,290**	**286**	**163**	**18,776**	17,305
Expenditure:							
Costs of raising funds	5	503	59	54	1	**617**	636
Charitable activities:							
Collection	5	2,469	814	-	-	**3,283**	3,263
Giving Access & Information	5	3,056	847	-	-	**3,903**	3,883
Publicising & Interpretation	5	1,619	421	-	15	**2,055**	1,656
Conservation & Preservation	5	3,251	553	-	-	**3,804**	3,901
Governance	5	1,478	307	-	-	**1,785**	1,391
Total expenditure		**12,376**	**3,001**	**54**	**16**	**15,447**	14,730
(Gain)/ Loss on disposal of investments	15b	-	-	(926)	(17)	**(943)**	(1,063)
Pension Finance Costs	22d	330	-	-	-	**330**	430
Total expenditure		**12,706**	**3,001**	**(872)**	**(1)**	**14,834**	14,097
Net income/ (expenditure)		**(669)**	**3,289**	**1,158**	**164**	**3,942**	3,208
Gross transfers between funds	15	-	(101)	110	(9)	-	-
		(669)	**3,188**	**1,268**	**155**	**3,942**	3,208
Other recognised gains/ (losses):							
Unrealised gains/ (losses) on investments	15b	-	-	(475)	-	**(475)**	1,271
Gain/ (Loss) on disposal of fixed assets		-	(21)	-	-	**(21)**	-
Tangible Fixed Assets Revaluation, Indexation and impairment	10	-	4,751	-	-	**4,751**	(452)
Actuarial gains / (losses) on defined benefit pension scheme	22e	(3,380)	-	-	-	**(3,380)**	(1,660)
Total gains/ (losses)		(3,380)	4,730	(475)	-	**875**	(841)
NET MOVEMENT IN FUNDS FOR THE FINANCIAL YEAR		**(4,049)**	**7,918**	793	**155**	**4,817**	2,367
FUND BALANCES BROUGHT FORWARD AT 1 APRIL	15	(27,131)	82,785	14,822	7,728	**78,204**	75,837
FUND BALANCES CARRIED FORWARD AT 31 MARCH	15	**(31,180)**	**90,703**	**15,615**	**7,883**	**83,021**	78,204

All activities are continuing. All recognised gains and losses are recorded in the Statement of Financial Activities. The notes on pages 35 to 57 form part of these accounts. There is no endowment income or expenditure to report.

BALANCE SHEET AS AT 31 MARCH 2022

	Notes	31st March 2022 £000	31st March 2021 £000
FIXED ASSETS			
Tangible Assets	10	**73,227**	66,535
Intangible Assets	10	**270**	337
Heritage Assets	12	**22,933**	22,473
Investments	11	**14,277**	13,630
		110,707	102,975
CURRENT ASSETS			
Stocks		**47**	45
Debtors	13	**2,821**	2,641
Bank		**2,840**	1,614
		5,708	4,300
CREDITORS			
Amounts falling due within one year	14	**(634)**	(1,151)
NET CURRENT ASSETS		**5,074**	3,149
Net assets excluding pension scheme liability		**115,781**	106,124
Defined benefit pension liability	22	**(32,760)**	(27,920)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY		**83,021**	78,204
FUNDS	15		
Public Unrestricted		**1,580**	789
Pension Reserve		**(32,760)**	(27,920)
Total Public Unrestricted Funds		**(31,180)**	(27,131)
Public Restricted (exc Revaluation Reserve)		**64,582**	61,415
Revaluation Reserve		**26,121**	21,370
Private Unrestricted		**15,615**	14,822
Private Restricted		**230**	249
Private Restricted Collections		**7,653**	7,479
		83,021	78,204

The trustees have prepared the accounts in accordance with section 132 of the Charities Act 2011.
The notes on pages 35 to 57 form part of these accounts.



Pedr ap Llwyd
CHIEF EXECUTIVE AND LIBRARIAN
22 July 2022



Lee Yale-Helms
TREASURER
22 July 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

		2021/22		2020/21	
		£000	**£000**	£000	£000
Cash generated from operating activities	17		**5,176**		4,534
Cash flows from investing activities: -					
Purchase of tangible and intangible fixed assets	10	**(3,470)**		(3,085)	
Purchase of heritage assets	12	**(302)**		(218)	
Proceeds from sale of investments	11	**5,373**		6,383	
Purchase of Investments	11	**(6,686)**		(7,495)	
Net cash provided by/(used in) investing activities			**(5,084)**		(4,415)
Increase/(Decrease) in Cash and cash equivalents in the year			**92**		119
Cash and cash equivalents at the beginning of the year			**3,067**		2,948
Total cash and cash equivalents at the end of the year	18		**3,159**		3,067

The notes on pages 35 to 57 form part of these accounts.

NOTES TO THE ACCOUNTS AT 31 MARCH 2022

1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities SORP (FRS 102), and the 2007 Accounts Direction issued to the Library by the Welsh Government. The accounts are prepared on a going concern basis.

The National Library of Wales meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note (s),

The accounts meet the requirements of Accounting Standards issued or adopted by the Financial Reporting Council in so far as those requirements are appropriate. The Accounts Direction does not require the Library to produce a summary income and expenditure account or note of historical cost on surpluses or deficits.

(b) Incoming Resources

All income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item have been met, it is probable that the income will be received and the amount can be measured reliably.

All Grant-in-Aid from Welsh Government is recognised in the Statement of Financial Activities (SOFA) on a receivable basis. Other grants of a more specific nature are recognised on a receivable basis when grant conditions are met.

For legacies, entitlement is taken as the earlier of the date on which either; the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor (s) to the Library that a distribution will be made, or when a distribution is received from the estate. Where legacies have been notified to the charity or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. Transfers from private funds are accounted for after consideration of movements in working capital. Income received relating to subsequent accounting periods will be treated as deferred income.

Fund Accounting

Unrestricted funds (public and private) are available to spend on activities that further any of the general objectives of the Library. Public restricted funds represent Capital and Purchase Grants received from the Welsh Government for specific purposes. However, any public restricted or unrestricted funds that are held in reserves and relate to unspent Grant in Aid from previous years are not available to the Library unless the Welsh Government provides for this expenditure in its published budget.

Private restricted funds are funds subject to specific restriction imposed by donors or by the purpose of the appeal. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside for a specific purpose. Private restricted

funds are donations which the donor has specified are to be solely used for particular areas of the Library's work or for a specific project being undertaken by the Library.

(c) Expenditure

Expenditure is 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 obligation can be measured reliably. Where expenditure has been incurred in advance and relates to a later period, the accounts will only consider a prepayment if higher than £5,000 in value. Where expenditure is incurred in arrears but relates to the current financial year, the accounts will only consider an accrual if higher than £5,000 in value. Expenditure is classified under the following activity headings:

- Cost of raising funds comprises the cost of commercial trading, fundraising costs and investment management fees.
- Expenditure of charitable activities includes the cost of maintaining collections, conservation, education and exhibitions and other activities undertaken to further the purposes of the charity.
- Other expenditure represents those items not falling into any other headings.

(d) Investments

Investments are stated at market value at the balance sheet date. 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 Charities SORP (FRS 102).

(e) Tangible and Intangible Assets

Individual plant, machinery, equipment and motor vehicles costing £5,000 or more are capitalised at cost, unless the equipment forms part of a group of assets, network or project where the value is over £5,000. Assets are depreciated over their estimated useful lives on a straight-line basis. Items of a capital nature costing less than £5,000 are not capitalised and are written off in-year. Non-property assets (i.e. plant & vehicles, and fixtures, fittings & equipment) are held at historic cost and not indexed as these assets have short useful economic lives or low values (or both). This is considered to provide a more reliable, appropriate and relevant representation of the fair value of these assets. Further details are provided in Note 10.

Land and buildings assets are usually 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 a 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 noted as revenue cost in the year in which it is undertaken.

Depreciation is provided in full in the year of acquisition, at rates calculated to reduce each asset to its estimated residual value evenly over its expected useful economic life, as advised by the valuers as follows:

- Freehold buildings - up to 125 years
- Plant, machinery and equipment - up to 30 years
- Computer equipment and digital development - up to 10 years
- Motor Vehicles - up to 5 years

Freehold land is not depreciated.
Collection Purchases are not depreciated (see Heritage Assets (f)).

Intangible assets with an economic life of more than one year and value greater than £5,000 are capitalised. All intangible assets are measured at cost. Intangible assets are amortised on a straight-line basis over a period of 10 years.

(f) Heritage assets

Prior to 1st April 2001, the Library's collection had not been capitalised in the balance sheet. Purchases for the collection were charged to Restricted Public Funds in the Statement of Financial Activities in the year of acquisition. Purchases for the collection are capitalised in the year of acquisition and held at historic value; these assets are not re-valued or indexed.

Donations of items to the collections are accounted for when received at an estimate of their market value. Depending on the nature of the donation, the market value is determined by the Library's own Collections staff or independent valuers as appropriate. These assets are not revalued or indexed.

Heritage Assets are not depreciated because they have indefinite life.

The carrying amount of an asset will be reviewed only where there is evidence of impairment.

(g) Stocks

The cost of stocks of re-saleable items has been recognised in the balance sheet at the lower of cost or net realisable value. No value is given on assets produced historically by the Library where there is a restricted market for the goods or goods have impaired.

(h) Pension Costs

The Library operates its own superannuation scheme which provides benefits based on final pensionable salary. Contributions to the 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 calculated based upon the current service cost as calculated by the scheme actuary.

(i) Staff holiday pay

At the year end, staff holiday entitlements that has not yet taken and which is carried forward to the next financial year have been provided for in the accounts in line with FRS 102 requirements.

(j) Taxation

The Library has been granted charitable status by the HMRC and is therefore exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. Non-recoverable Value Added Tax arising from expenditure on non-trading activities is charged to the Statement of Financial Activities or capitalised if related to a fixed asset.

(k) Significant areas of estimation and judgement

The preparation of the financial statements requires judgements, estimations and assumptions to be made that affect the reported values of assets, liabilities, revenues and expenses. The nature of estimation and judgement means that actual outcomes could differ from expectation.

Sources of estimation uncertainty

- The defined benefit pension obligation is recognised and disclosed in accordance with FRS 102. The valuation, prepared by a qualified actuary, reflects a number of judgements and estimations including the expected return on assets, the discount rate, cost inflation and life expectancy. Changes in these assumptions have a significant effect on the value of the defined benefit pension obligation. Further details are provided in note 22.
- Land and buildings assets are professionally valued periodically. The valuation is prepared by a qualified surveyor and has been prepared in accordance with the RICS Red Book. Buildings have been valued on the basis of 'open market value' or 'depreciated replacement cost' and land is shown at 'existing use value'. These methods are subject to various assumptions and judgements and changes in either could have a significant effect on the valuation. Further details are provided in note 10.

(l) Going Concern

The Library's accounts have been prepared on a going concern basis. The Library's Board has recognised the significant revenue account deficits that have been forecast and will be considering plans to address this situation. The significant level of unrestricted private funds reserves will ensure that the Library can continue with current activities until action is taken to address the deficit. There are no other material uncertainties about the charity's ability to continue.

2. GOVERNMENT GRANTS

	2021/22	2020/21
	£000	£000
Unrestricted		
Grant-in-Aid	**11,644**	10,444
Restricted		
Capital - Purchase Grant	**305**	305
Capital – National Broadcast Archive	**1,000**	-
Capital - General	**3,390**	2,790
Digital Libraries	**450**	498
People's Collection Wales	**121**	114
ARCW	**218**	47
Others	**31**	57
Total grant received from Welsh Government	**17,159**	14,255

3. OTHER GRANTS

	2021/22	2020/21
	£000	£000
Restricted public fund		
European Union Grants	**-**	10
British Film Institute	**27**	21
National Heritage Lottery Fund – National Broadcast Archive	**587**	270
National Heritage Lottery Fund – Save Our Sounds	**161**	130
Other minor grants	**-**	13
	775	444
Unrestricted public fund		
Coronavirus Job Retention Scheme	**40**	612
Total other grants	**815**	1,056

During the period 1st April 2021 to 31st July 2021 the Library has claimed Coronavirus Job Retention Scheme grant totalling £40k. The closure of the Library building was required under the Welsh Government response to the COVID-19 pandemic. The Library obtained support to its application for funding under the Scheme from Welsh Government.

4. INCOME FROM OTHER TRADING ACTIVITIES

	2021/22	2020/21
Unrestricted public income	**£000**	£000
Catering	**59**	2
Shop income	**54**	20
Events	**10**	-
Consultancy and systems	**8**	14
Income generated from collections	**44**	24
Licensing and royalties	**90**	43
Miscellaneous	**88**	42
Total	**353**	145

5. ANALYSIS OF EXPENDITURE

	Staff Costs	Other direct costs	Depreciation and amortisation	**2021/22 TOTAL**	2020/21 TOTAL
	£000	£000	£000	**£000**	£000
Cost of raising funds	373	185	59	**617**	636
Charitable Expenditure					
Collection	1,784	1,206	293	**3,283**	3,263
Giving Access & Information	3,056	495	352	**3,903**	3,883
Publicising & Interpretation	1,512	355	188	**2,055**	1,656
Conservation & Preservation	3,180	249	375	**3,804**	3,901
Governance	645	832	308	**1,785**	1,391
	10,550	3,322	1,575	**15,447**	14,730

6. NET INCOME/ (EXPENDITURE) FOR THE YEAR

	2021/22	2020/21
This is stated after charging:	**£000**	£000
Depreciation and amortisation	**1,575**	1,318
External auditor's remuneration	**33**	33
Internal audit fees	**12**	12
Investment management fees	**55**	45

7. ANALYSIS OF SUPPORT COSTS

The Library initially identifies the costs of its support functions. It then identifies those costs which relate to its governance function. Having identified its governance costs, the remaining support costs are apportioned between the cost of raising funds and four key charitable activities undertaken in the year.

The support salary cost is apportioned in line with salary costs for each department, with the non-staff support cost allocated based on activity expenditure.

	Cost of generating funds	Governance	Collection	Giving Access & Information	Publicising & Interpretation	Conservation & Preservation	Total
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Exec Support	3	5	15	26	13	26	**88**
Finance	8	43	47	51	27	49	**225**
HR	6	36	39	42	23	40	**186**
ICT	36	185	216	249	130	238	**1,054**
Building	70	588	501	405	228	345	**2,137**
Other	2	3	8	12	7	13	**45**
	125	**860**	**826**	**785**	**428**	**711**	**3,735**

8. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

(a) Total Staff Costs

	2021/22		2020/21	
	£000	**£000**	£000	£000
Salaries and Wages		**6,156**		6,760
Social Security Costs (including Apprenticeship Levy)		**607**		619
Pension Cost				
Current Service Cost	**1,657**		1,694	
Additional pension contribution	**1,000**		400	
FRS 102 current service cost adjustment	**1,130**		1,340	
		3,787		3,434
Wages as noted in note 5		**10,550**		10,813
FRS 102 finance interest charge (see note 22d)		**330**		430
Total		**10,880**		11,243

There were no agency or short term contractors employed.

Other than the staff noted in 8c, there were no members of staff who earned over £60,000 (2020/21- Nil).

(b) Pension Scheme

The Library operates a funded pension scheme which is a defined benefit pension scheme providing benefits based on final pensionable pay at a normal retirement age. Members leaving the scheme who have contributed for a period of less than 2 years will receive a refund of member's contributions. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to 3 years' pension is payable on retirement. On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service the scheme pays a lump sum benefit. Medical retirement is possible in the event of serious ill-health.

The employer contribution to the scheme for the period amounted to £2.7m (2020/21 £2.1m). The assets of the Scheme are held separately from those of the Library and were invested with Blackrock. The 31 March 2019 actuarial valuation showed that the market value of the Scheme's assets was £73.2m and that the actuarial value of those assets amounted to 100% of the value of the liabilities of the Scheme. However, by 31 March 2021 the Actuary's interim assessment was that the Scheme was likely to have fallen into a deficit of £3.5M. This was due to a number of factors, including the pay award from 1 April 2019 that had significantly increased pension benefits above the rate allowed for in the full valuation, a reduction in the discount rate used to calculate pension benefits and the effect of COVID-19 and Brexit on asset prices. In addition, there was a longer term effect on the price of index-linked Gilts linked to RPI, which is likely to fall when the UK Government's plans to cease using RPI and move to CPI instead.

Note 22 provides further information on the finances of the pension scheme to comply with the requirements of FRS 102. The actuarial statement is published in the National Library of Wales' Pension Fund Annual Accounts. Welsh Government granted in 2006/07 a Crown Guarantee which exempts the Scheme from the Pension Protection Fund and the associated levy.

(c) Remuneration of Executive Team

Membership of the Executive Team is noted on page 2 (Reference & Administrative Details). The Executive Team's terms and conditions is indicated in Section 6 of the Trustee Report (6.5).

The Librarian's salary was 3.38 times the median salary (£28,740) of the Library, 4.18 times the 25th percentile median salary (£23,202) and 2.87 times the 75th percentile median salary (£33,817). For 2020-21, the Librarian's salary was 3.41 times the median salary (£28,176) of the Library. The Librarian's salary has increased by 0.8% year on year, whilst the median salary has increased by 2%. Other senior staff receive a gross salary, which is determined as part of the negotiation of the pay remit for all other staff in the Library.

The value of pension benefits is calculated as follows:

- (real increase in pension* x20) + (real increase in any lump sum*) – (contributions made by member)

*excluding increases due to inflation or any increase of decrease due to a transfer of pension rights.

The multiplier of 20 is specified in the disclosure requirements. The Library has used this figure in order to comply with the guidance. This is not an amount which has been paid to an individual by the Library during the year; it is a calculation which uses information from the pension benefit table. These figures can be influenced by many factors e.g. changes in a person's salary, whether or not they choose

to make additional contributions to the pension scheme from their pay and other valuation factors affecting the pension scheme as a whole.

The National Library of Wales Staff Superannuation Scheme is a funded final salary scheme. The accrued pensions and lump sums are the amounts that would be paid from Normal Retirement Date if the member left service at the relevant date. The Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits, including any Additional Voluntary Contributions and transfers in of service, accrued by the member at a particular point in time. The transfer values have been calculated in accordance with the guidance note "GN11" published by the Institute of Actuaries and Faculty of Actuaries. The assumed rate of price inflation was 3.1% (2020/21 0.5%).

The following payments were made to members of the Executive Team:

	2021/22			2020/21		
	Consolidated Salary	**Real Increase (decrease) in Pension Benefits**	**Single Total Figure of Remuneration**	**Consolidated Salary**	**Real Increase (decrease) in Pension**	**Single Total Figure of Remuneration**
	£	**£**	**£**	**£**	**£**	**£**
Mr P ap Llwyd Chief Executive and Librarian	**97,013**	**16,570**	**113,583**	96,213	38,890	135,103
Mr. DH Michael Director and Deputy Chief Executive and Librarian	**80,958**	**9,564**	**90,522**	79,856	33,124	112,980
Dr O Roberts Director and Deputy Chief Executive and Librarian	**80,958**	**16,774**	**97,732**	80,462	64,537	144,999

The pension entitlements of the Library's senior staff with responsibility for running policy-making departments are disclosed as follows:-

	Cash Equivalent Transfer Value at 31/3/21	Total Accrued Pension at 31/3/22	Lump Sum at 31/3/22	**Cash Equivalent Transfer Value at 31/3/22**	Increase in accrued pension net of inflation	Increase in lump sum net of inflation	Increase (Decrease) in transfer value net of inflation
	£	£	£	**£**	£	£	£
Mr P ap Llwyd Chief Executive and Librarian	579,640	24,490	73,470	**597,520**	690	2,080	(90)
Mr DH Michael Director and Deputy Chief Executive and Librarian	675,650	26,850	80,550	**708,840**	490	1,460	12,240
Dr O Roberts Director and Deputy Chief Executive and Librarian	261,060	12,440	37,320	**284,660**	790	2,370	15,510

(d) Gifts Register

The Library also operates a gifts register. No items noted during the year are considered of material interest to these financial statements.

(e) Severance

There were no voluntary severance payments accounted for in 2021/22 (2020/21: £307,452).

(f) Board emoluments

The Board, with the exception of the President, do not receive any emoluments. Based on a review of similar organisations, and with the full support of Welsh Government, the Board has decided to remunerate the post of President. The President received emoluments of £18,535 during 2021/22, from the 13th September 2021. The total amount of travel, subsistence, and hospitality expended by the Library for its Board and committee members was £536 (2020/21 £261), this was claimed by 4 members (2020/21: 2 members).

9. STAFF NUMBERS

The average monthly head count was 219 (2020/21: 239) and the average full-time equivalent staff employed by the Library (including casual and part-time staff) during the year were as follows:

Staff Numbers	**2021/22**	2020/21
Fundraising trading	**8.5**	10.8
Collection	**36.2**	38.8
Giving Access and Information	**61.9**	56.1
Publicising and Interpretation	**29.8**	30.2
Conservation & Preservation	**63.9**	66.9
Governance	**12.8**	12.9
Total	**213.1**	215.7

10. TANGIBLE AND INTANGIBLE ASSETS

A. Tangible Assets

	Freehold Land & Buildings	Plant, Fittings & Equipment	Computer equipment	Total
	£000	£000	£000	£000
Cost & Valuation				
At 1 April 2021	64,107	2,780	4,330	71,217
Additions	1,421	1,366	683	3,470
Disposals	(21)	(276)	(550)	(847)
Indexation	4,797	-	-	4,797
At 31 March 2022	**70,304**	**3,870**	**4,463**	**78,637**
Depreciation				
At 1 April 2021	-	2,016	2,666	4,682
Charged for the year	891	274	343	1,508
Disposals	-	(276)	(550)	(826)
Indexation	46	-	-	46
At 31 March 2022	**937**	**2,014**	**2,459**	**5,410**
Net Book Value				
At 31 March 2022	**69,367**	**1,856**	**2,004**	**73,227**
At 31 March 2021	64,107	764	1,664	66,535

The Library received a valuation as at 31st of March 2021 on the Library's freehold buildings and land by Cooke and Arkwright, Chartered Surveyors. Their valuation was carried out in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual. Buildings have been valued on the basis of "open market value" or "depreciated replacement cost", and land is shown at "existing use value". No buildings impairment has been recorded since the last valuation. Freehold building valuations have been indexed according to the BCIS All-In TPI.

The carrying amount of freehold land and buildings under the historic cost convention would be £45,879k (2020-21: £42,430k).

All tangible assets were used for the furtherance of the charitable activities of the Library.

B. Intangible Assets

	Digital development
	£000
Cost	
At 1 April 2021	1,086
Additions	-
At 31 March 2022	**1,086**
Amortisation	
At 1 April 2021	749
Charged for the year	67
At 31 March 2022	**816**
Net Book Value	
At 31 March 2022	270
At 31 March 2021	337

11. INVESTMENTS

	2021/22	2020/21
	£000	£000
Investments	**13,958**	12,177
Cash held for investments	**319**	1,453
Total investments	**14,277**	13,630
Market Value at 1 April 2021	**12,177**	8,730
Acquisitions at cost	**6,686**	7,495
Less disposals	**(5,373)**	(6,383)
Gain/(Loss) on disposals	**943**	1,064
Unrealised gain/(loss) on revaluation	**(475)**	1,271
Market Value at 31 March 2022	**13,958**	12,177
Cash held for investment		
At 1 April 2021	**1,453**	2,419
(Decrease)/increase	**(1,134)**	(966)
At 31 March 2022	**319**	1,453

The historic cost of investments at 31 March 2022 was £12.744m (2020/21 £11.508m).

The assets were invested as follows: -

	Gilts, bonds, debentures & preference	Unit trusts, overseas equities, property & alternative assets	UK equities directly invested on UK stock market	Cash	Total
	£'000	£'000	£'000	£'000	£'000
Portfolio	1,862	9,560	2,536	319	14,277

In deciding on the returns that the Library requires from its portfolio, and the balance between capital growth and income, the Library is prepared to accept that there will be risks attached to the investment of funds above that of simply placing cash on deposit. The Library is prepared to accept these provided that they are within acceptable levels.

The Library's appetite for risk could best be described as "moderate". The Library is willing to accept that in order to achieve higher returns risks must be taken, but the Trustees will also consider the Library's position as a charity largely funded from government grant and consequently the standards of stewardship that are implied. The risks of investment will therefore be tempered by:

- **Asset allocation** – an asset allocation strategy that does not overly expose the funds to variances in one particular sector of the investment spectrum – i.e. a balance will be struck between the amount of bonds, equities, cash and other investments including property, and UK and non-UK investments.
- **Quality of investments** – the Library will only consider high quality investments such as gilts and investment grade bonds, or FTSE 350 equities and collectives.

12. HERITAGE ASSETS

Purchases of Heritage Assets are capitalised at historic cost.

Acquired or donated during the year:

	Books	**Subscription**	**Pictures Manuscripts &Maps**	**Others**	**Digital Collections**	**NSSAW**	**Total**
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 01/04/21	1,996	2,831	12,525	380	4,370	371	**22,473**
Additions	87	30	180	-	-	5	**302**
Donations	-	-	158	-	-	-	**158**
At 31/03/22	**2,083**	**2,861**	**12,863**	**380**	**4,370**	**376**	**22,933**

Additions to heritage assets are stated at cost, whilst donations are stated at market value.

Five Year financial summary of additions:

	2021/22 £'000	2020/21 £000	2019/20 £000	2018/19 £000	2017/18 £000
Books	**87**	25	40	51	47
Subscriptions	**30**	32	44	55	48
Pictures, Manuscripts & Maps	**180**	157	312	381	148
Film and music	**5**	4	5	12	6
Total Additions	**302**	218	401	499	249

The Library has an agreed policy for the acquisition, preservation and management of heritage assets. A copy of the agreed policy is available on request. The Library does not loan items to users, but collections are accessible in the reading rooms and exhibition spaces, as well as on-line.

The Library (since 1911) has the right to receive a copy of all books, magazines, newspapers and other printed material published in the UK and Ireland. It mainly collects material of Welsh and Celtic interest. Its collections currently include:

- **Printed material:** ranging from *Yny lhyvyr hwnn,* the first Welsh-language book (printed in 1546) to programmes of local events, such as concerts and shows.
- **Manuscripts and archives:** including priceless items from the Middle Ages, such as the Book of Llandaf, the Hengwrt Chaucer manuscript and the Black Book of Carmarthen.
- **Maps:** Both antiquarian and modern and atlases, Ordnance survey maps, sea charts, maps of farms, estates and tithe maps, railway and public utility plans.
- **Pictures:** portraying people and places in Wales including, paintings, prints, engravings and other pictures.
- **Photographs:** the works of Mary Dillwyn, John Thomas, D.C. Harries and Geoff Charles.
- **Electronic resources and digital images:** New and created mainly by the Library the collections include over 5 million images.
- **The National Screen and Sound Archive of Wales** houses 250,000 hours of sound recordings, 300,000 hours of moving images, 7 million feet of film, 200,000 items from the ITV film and TV archive and 15km unique archive.

13 DEBTORS – due within one year

	31st March 2022	31st March 2021
	£000	£000
Trade Debtors	**49**	42
VAT repayment due	**823**	484
Prepayments	**397**	621
Other Debtors & Accrued Income	**468**	326
Private Funds Accrued Income	**1,084**	1,168
	2,821	2,641

Included within Private funds accrued income is a balance of £1,050k which relates to a property legacy which the Library will receive 2 years after the grant of probate as per the terms of the will. The grant of probate was issued on the 16th April 2021 and therefore the Library will receive this estimated amount on or after 16th April 2023.

14 (a) CREDITORS - Falling due within one year

	31st March 2022	31st March 2021
	£000	£000
Trade Creditors	**176**	74
Accruals and deferred income	**216**	776
Holiday pay accrual	**242**	301
	634	1,151

14 (b) CREDITORS – Movement on deferred income

	31st March 2022	31st March 2021
	£000	£000
Deferred income brought forward	**423**	245
Release from previous year	**(340)**	(147)
Income deferred in the current year	**0**	325
Deferred income carried forward	**83**	423

Deferred income relates to grants received.

15 ANALYSIS OF CHARITABLE FUNDS

a. Analysis of movements in funds - Public

	At 1 April 2021	Incoming Resources	Resources Expended	Other Movements In Year	**At 31 March 2022**
	£000	£000	£000	£000	**£000**
PUBLIC FUNDS					
Unrestricted – Public Pension	(27,920)	-	(1,460)	(3,380)	**(32,760)**
Unrestricted	789	12,037	(11,246)	-	**1,580**
	(27,131)	12,037	(12,706)	(3,380)	**(31,180)**
Restricted: -					
Capital and digital development	52,288	4,390	(1,575)	(101)	**55,002**
Revaluation Reserve*	21,370	-	-	4,751	**26,121**
Other restricted funds	60	1,565	(1,417)	-	**208**
Purchase grant funds	9,067	305	-	-	**9,372**
Total restricted public funds	82,785	6,260	(2,992)	4,650	**90,703**
TOTAL PUBLIC FUNDS	55,654	18,297	(15,698)	1,270	**59,523**

*Revaluation reserve has been calculated based on the revaluation to assets since 1999 in line with the FRS 102 requirement for separate identification of revaluation reserve. Revaluations prior to 1999 are not included in this reserve.

Other movements in the year £1,270k include:

- Tangible Fixed Asset Revaluation, Indexation and impairment – £4,751k
- Actuarial gains / (losses)– (£3,380k)

b. PRIVATE FUNDS (including collections)

	Unrestricted	Restricted	Collection	**Total 2021/22**	Total 2020/21
	£000	£000	£'000	**£000**	£000
Income					
Donations and Bequests	58	1	158	**217**	1,688
Interest Receivable	228	4	-	**232**	161
Total	286	5	158	**449**	1,849
Resources Expended					
Costs of raising funds	54	1	-	**55**	45
Private project expenditure	-	15	-	**15**	28
(Profit) / loss on sale of investments	(926)	(17)	-	**(943)**	(1,063)
Total	(872)	(1)	-	**(873)**	(990)
Net Incoming/ (Outgoing) Resources	1,158	6	158	**1,322**	2,839
Transfers	110	(25)	16	**101**	(850)
	1,268	(19)	174	**1,423**	1,989
Unrealised(loss)/ gain on investments	(475)	-	-	**(475)**	1,271
Net movement in private funds during the year	793	(19)	174	**948**	3,260
Brought forward at 1 April	14,822	249	7,479	**22,550**	19,290
Carried Forward at 31 March	**15,615**	**230**	**7,653**	**23,498**	**22,550**

The total of private restricted and collection funds represents total restricted private funds of £7,883k.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted public	Restricted public	Unrestricted private	Restricted private	**Total**
	£'000	£'000	£'000	£'000	**£'000**
Fixed Assets	-	88,793	14,032	7,881	**110,706**
Cash at bank and in hand	1,255	-	1,583	2	**2,840**
Other net current assets/ (liabilities)	325	1,910	-	-	**2,235**
Creditors of more than one year	(32,760)	-	-	-	**(32,760)**
Total	(31,180)	90,703	15,615	7,883	**83,021**

17. RECONCILIATION OF NET INCOME/ (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021/22	2020/21
	£000	£000
Net income/ (expenditure) for the reporting period (as per the statement of financial activities)	3,942	3,208
Profit on sale of investments/fixed assets	(943)	(1,063)
FRS 102 interest pension adjustment	330	430
Depreciation and amortisation charges	1,575	1,318
(Increase)/ Decrease in stock	(2)	-
Heritage asset donations (non-cash)	(158)	(453)
(Increase)/ Decrease in debtors	(180)	(748)
(Decrease)/ Increase in creditors	(518)	502
Pension current service cost adjustment	1,130	1,340
Net cash flow from operating activities	5,176	4,534

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021/22	2020/21
	£000	£000
Bank account balances	2,840	1,614
Bank accounts held within investments	319	1,453
Cash and cash equivalents at 31 March	**3,159**	3,067

19. RELATED PARTY TRANSACTIONS

The Welsh Government is regarded as a related party. During the year the Library received funding from the Government in the form of Grant in Aid, Purchase, Capital and Project Grants as disclosed in note 2.

Details of expenditure in respect of board member travel, subsistence and hospitality are disclosed in Note 8(f).

Transactions and balances with the pension scheme are disclosed in Note 8.

Related party transactions with Board members and members of the senior management team are noted in the table below.

		2021/22		2020/21	
Related Party	Relationship	**Income**	**Debtor**	Income	Debtor
		(Expenditure)	**(Creditor)**	(Expenditure)	(Creditor)
		£	**£**	£	£
National Lottery Heritage Fund	Mr David Michael, Director of the Library is an independent member of the Audit Committee. Dr Gwenllian Lansdown Davies, Trustee of the Library is a Member of the executive Board in Wales.	748,173	425,013	399,924	232,682
Cardiff University	Dr Janet Wademan, Trustee of the Library is a Council Member.	(4,770)	0	(3,472)	0
Gŵyl Hanes Cymru i Blant	Ms Eleri Twynog Humphries, Trustee of the Library (to 30.6.21) is a Director.	0	0	(1,200)	0
Aberystwyth University	Ms Meri Huws, Trustee of the Library (to9.8.21) is a Council Member.	1,737 / (11,736)	216	208 / (8,590)	0
Eisteddfod Genedlaethol	Mr Ashok Ahir, Trustee of the Library is President of the National Eisteddfod Court and Chair of the Eisteddfod Management Board	470	0	0	0

At 31 March 2022, the Library had consolidated debtors and creditors with other Government financed bodies as follows:

	Debtors	**Creditors: due in 1 year**
	£000	**£000**
Central Government bodies	870	83
Local Government bodies	94	7
Non-Government Bodies	1,857	544
Total	2,821	634

20. FINANCIAL INSTRUMENTS – RISK DISCLOSURE

The Library has no borrowings and relies primarily on departmental grants for its cash requirements and is therefore not exposed to liquidity risks. The only material deposit is disclosed in note 11, and all material assets and liabilities are denominated in sterling, so it is not exposed to interest rate risk or currency risk. In 2021/22, £17.159m or 91% of the Library's consolidated income derived from the Welsh Government (2020/21 £14.255m or 82%). The balance, £1.617m or 9% (2020/21 £3.05m or 18%) is derived from income on the Library's private funds (note 15b), from trading activities (note 4) and grants from other bodies as disclosed in Note 3 to these accounts.

The Library has exposure to market risk through its investments and this is managed through portfolio diversification as well as setting the risk appetite and investment objectives to be used by the Fund Manager.

21. LEASES

The Library made no lease payments during the year or the previous year.

22. PENSION COSTS

The Library operates a defined benefit scheme with benefits accruing at the rate of 1/80th of pensionable salary for each year of service. The latest full actuarial valuation was at 31 March 2019 and it was assessed that the Scheme was 100% funded.

During 2021/22, the Library contributed 27.2% of pensionable salaries and an additional contribution of £1m, expected employer contributions for 2022/23 are £1.8 million.

(a) Development of the Net Balance Sheet Position

	31 March 2022	31 March 2021
	£m	£m
Fair value of assets (22b)	**87.44**	82.45
Actuarial value of scheme liabilities (22c)	**120.20**	110.37
Pension liability recognised in balance sheet	**(32.76)**	(27.92)

(b) Changes in the fair value of plan assets

	Year Ended 31 March 2022	Year Ended 31 March 2021
	£m	£m
Scheme assets at beginning of year	**82.45**	74.14
Benefits paid from plan assets	**(2.43)**	(2.24)
Employer contributions	**2.66**	2.09
Member contributions	**0.09**	0.10
Administrative costs	**(0.12)**	(0.14)
Interest income on Scheme Assets	**1.03**	1.33
Return on scheme assets greater/(less) than discount rate	**3.76**	7.17
Scheme assets at end of year – (22a)	**87.44**	82.45

(c) Analysis of changes in the Defined Benefit Obligations (DBO)

	Year Ended 31 March 2022	Year Ended 31 March 2021
	£m	£m
Scheme liabilities at beginning of year	**110.37**	98.63
Interest cost on the DBO	**1.36**	1.76
Effect of employee services in the current period	**3.67**	3.29
Member contributions	**0.09**	0.10
Benefits paid from plan assets	**(2.43)**	(2.24)
Remeasurement on the DBO/ change of assumptions	**7.14**	8.83
Scheme liabilities at end of year – (22a)	**120.20**	110.37

(d) Amounts charged to SOFA (Total Expenditure)

	Year Ended 31 March 2022	Year Ended 31 March 2021
	£m	£m
Effect of employee services in the current period	**3.67**	3.29
Net interest on net defined benefit liability/ (asset)	**0.33**	0.43
Defined benefit cost recognised in P&L	**4.00**	3.72
Administration costs during the period	**0.12**	0.14
Total cost recognised in SOFA	**4.12**	3.86

(e) Actuarial Gains/(Losses) charged to the SOFA (Other recognised gains/(losses))

	Year Ended 31 March 2022	Year Ended 31 March 2021
	£m	£m
Return on scheme assets (greater)/ less than discount rate – (22b)	**(3.76)**	(7.17)
Actuarial loss/(gain) arising during period – (22c)	**7.14**	8.83
Total actuarial loss/(gain) recognised in reserves	**3.38**	1.66

(f) Total defined benefit cost

	Year Ended 31 March 2022	Year Ended 31 March 2021
	£m	£m
Total cost recognised in SOFA – (22(d))	**4.12**	3.86
Remeasurement effect recognised in reserves (22(e))	**3.38**	1.66
Defined benefit cost	**7.50**	5.52

(g) Reconciliation of Net Balance Sheet Position

	Year Ended 31 March 2022	Year Ended 31 March 2021
	£m	£m
Net defined (liability) at beginning of year	**(27.92)**	(24.49)
Effect of employee services in the current period (22c)	**(3.67)**	(3.29)
Net interest on net defined benefit liability/ (asset)	**(0.33)**	(0.43)
Remeasurement effect recognised in reserves (22(e))	**(3.38)**	(1.66)
Employer contributions (22b)	**2.66**	2.09
Administrative costs (22b)	**(0.12)**	(0.14)
Scheme liabilities at end of year – (22a)	**(32.76)**	(27.92)

(h) Market value of Assets and Percentage of Total Scheme Assets

	31 March 2022		**31 March 2021**	
	£m	**%**	£m	%
Equities	**26.50**	**30.3**	20.81	25.2
Bonds	**51.76**	**59.2**	54.71	66.4
Property and other	**9.18**	**10.5**	6.93	8.4
Total value of assets	**87.44**		82.45	

(i) Financial Assumptions

The financial assumptions made in order to calculate the FRS 102 disclosure requirements are as follows:

	31 March 2022	31 March 2021
	%per annum	%per annum
Price Inflation	**2.90**	2.22
Rate of Salary Increase	**2.90**	2.22
Rate of increase of pensions in payment*	**2.90**	2.22
Discount rate**	**1.55**	1.25

* in excess of any Guaranteed Minimum Pension (GMP) element

** prescribed by HM Treasury

The discount rate used for FRS 102 disclosures is different to that used by the Actuary for the most recent financial assessment of the Scheme at 31 March 2019. The requirement to use the Treasury's discount rate for the FRS 102 disclosure will result in the financial position of the Scheme being assessed differently under this measure in comparison to the method used in the formal actuarial valuation of the Scheme.

23. CAPITAL COMMITMENTS

At the balance sheet date, the outstanding commitments are as follows:

	31 March 2022	31 March 2021
	£000	£000
Contracted – building works	**1,806**	210
Contracted – computer equipment	**312**	-
	2,118	210

24. POST BALANCE SHEET EVENTS

There were no material post balance sheet events up to the date on which the accounting statements were authorised by the Accounting Officer on 22 July 2022, which would have meant that the accounts had to be adjusted.

NATIONAL LIBRARY OF WALES

England & Wales - Charity number 525775

Accounts

LLYFRGELL GENEDLAETHOL CYMRU
THE NATIONAL LIBRARY OF WALES

ANNUAL ACCOUNTS 2020-21

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REFERENCE AND ADMINISTRATIVE DETAILS

The Trustees (for the purpose of charity law) who served during the year and since the year end:

Ministerial Appointees:

Meri Huws (Vice President and Interim President from 1 April 2020)
Vice President - vacant
The Lord Aberdare (to 31 March 2021)
Dr Elizabeth Siberry (to 31 March 2021)
Steve Williams (to 31 March 2021)
Michael Cavanagh
Quentin Howard
Carl Williams
David Hay (from 1 April 2021)
Lydia Rumsey (from 1 April 2021)
Dr Janet Wademan (from 1 April 2021)

National Library Appointees:

Lee Yale-Helms (Treasurer)
D. Hugh Thomas (to 31 March 2021)
Gwilym Dyfri Jones (to 31 March 2021)
Eleri Twynog Davies (to 30 June 2021)
Dr Gwenllian Lansdown Davies
Dr Anwen Jones
Dr Elin Royles
Susan Davies (from 1 April 2021)
Professor Elaine Treharne (from 1 April 2021)
Peter Florence (from 1 July 2021)

Members of the Executive Team as at 31 March 2021:

Chief Executive and Librarian and Accounting Officer

Pedr ap Llwyd

Director and Deputy Chief Executive and Librarian (Corporate Resources)

David H Michael

Director and Deputy Chief Executive and Librarian (Collections and Public Programmes)

Dr Owain Rh Roberts

Advisers:

Bankers	National Westminster Bank, Aberystwyth
Solicitors	Geldards LLP, Cardiff Humphreys Roberts & Bott, Aberystwyth Hugh James, Cardiff
External Auditors	Audit Wales, Cardiff
Internal Auditors	Welsh Government Internal Audit Service
Investment Brokers	Investec Wealth and Investment, London
Actuarial and Pension Advice	Willis Towers Watson, Edinburgh
Registered Charity No.	525775
VAT no.	905194137
Registered Address:	National Library of Wales Penglais Aberystwyth Ceredigion SY23 3BU
Corporation Tax:	The Library is exempt from Corporation Tax under Section 505 of the Income and Corporation Taxes Act 1988

TRUSTEES' and ACCOUNTING OFFICER'S ANNUAL REPORT

1 GOVERNANCE STATEMENT 2020 - 2021

1.1 Statutory Background and Governing Document

The National Library of Wales ('the Library') was established by Royal Charter on the 19th of March 1907. Supplemental Charters were granted in 1911 and in 1978, with slight constitutional revisions. On the 19th of July 2006 a new Supplemental Charter was granted by Queen Elizabeth II. The 2006 Supplemental Charter changed the Library's constitution and governance significantly and recognised devolution of government from Westminster to Wales. Whereas previously the Library had a Court of Governors and a Council, it now has a Board of Trustees.

The National Library of Wales is also a Registered Charity (number: 525775) and a Welsh Government Sponsored Body (WGSB). It is funded by a combination of grant in aid allocated by Welsh Government, and income secured through its commercial, fundraising and charging activities. An annual remit letter from the Deputy Minister with responsibility for the Library sets out the Library's grant in aid allocation and conditions.

Its dual nature as a Royal Charter foundation and a Registered Charity, and also a Welsh Government Sponsored Body governs how it operates and fulfils its role and obligations, which require a delicate balance between pursuing and fulfilling (a) the 'objects' of its Charter and Charitable status, which reflect its foundation purpose, and (b) the principles of arms-length government. These objects are "to collect, preserve and give access to all kinds and forms of recorded knowledge, especially relating to Wales and the Welsh and other Celtic peoples, for the benefit of the public, including those engaged in research or learning."

1.2 Scope of Responsibility

The Chief Executive and Librarian is the Accounting Officer, and together with the Board of Trustees, has joint responsibility for maintaining a sound system of internal control that supports the organisation's aims and objectives whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to them.

The respective responsibilities of the Deputy Minister, Sponsor Department (CyMAAL), the Board of Trustees and its President, and the Chief Executive and Librarian are outlined in the Framework Document drawn up by the then Museums Archives and Libraries Division (MALD) in 2010 which regulates the relationship between the Welsh Government and the Library. A revised Framework Document will be published in 2021.

The role of the Board is to provide effective leadership, defining and developing strategic direction, setting challenging objectives, promoting high standards of public finance, ensuring that the Library discharges its functions effectively and efficiently, and monitoring performance, including the performance of the Chief Executive and Librarian, to ensure that the Library fully meets its aims, objectives and performance targets and delivery against plans and budgets. Trustees are required to act solely in the interest of the charity, and are not currently remunerated. However, following a decision taken by the Board of Trustees in February 2020, the post of President will be remunerated from 1 April 2021, however Meri Huws has indicated that she will not be accepting remuneration while serving as Interim President.

The President is the primary communicator between the Board and the Deputy Minister and it is the President's role to ensure that other Board members are kept informed of all such communications. It is also the President's responsibility to ensure that the Board's policies and actions support the Deputy Minister's wider strategic policies and that its affairs are conducted with probity.

As Accounting Officer, the Chief Executive and Librarian is personally responsible for stewardship of the public funds for which he has charge, for day to day operations and management of the Library and for ensuring compliance with Managing Welsh Public Money (January 2016). The role and special responsibilities of the Accounting Officer are also delineated in this document.

1.3 Corporate Governance Framework

Minor revisions were made to both the Corporate Governance Framework and the Regulations during 2020, and these were adopted by the Board in November 2020. The Corporate Governance Framework lays down the key responsibilities of the Board of Trustees and Executive Team of the Library, the Board's powers of delegation and the conduct expected of the Board; the Governance Framework also incorporates the Trustees' Code of Conduct. The Regulations lay down the proceedings of the Board and its Committees.

1.4 Recruitment and appointment of Trustees

The Library's Board consists of 15 Trustees, eight of whom are appointed by the Welsh Government and seven by the Library. The Trustees include the Library's three Officers - the President, the Vice-President and the Treasurer. The President and Vice-President are appointed by the Welsh Government and the Treasurer is appointed by the Library. Trustees are appointed in accordance with the Library's Statutes and Regulations, and the principles of open selection as recommended by the Nolan Review.

Owing to the COVID-19 pandemic which saw the Public Bodies Unit suspend public appointment campaigns until September 2020, the Library, at the request of Welsh Government, agreed to extend those ministerial appointees whose terms of office were ending in October 2020, and also those ending in January 2021, until 31 March 2021, namely Lord Aberdare, Dr. Elizabeth Siberry and Steve Williams. The Library also extended the terms of Library appointed Trustees accordingly, namely Hugh Thomas and Gwilym Dyfri Jones.

In October, the Library worked closely with the Public Bodies Unit and Sponsor Body on a recruitment campaign to appoint a Vice President, three Welsh Government appointed Trustees, and two Library appointed Trustees. Owing to the low level of applicants for the post of President, Welsh Government extended Meri Huws' appointment as interim President until September 2021, which has since been extended to the end of March 2022, owing to the Senedd election, and to allow sufficient time to run another recruitment campaign.

We welcome Professor Elaine Treharne, Lydia Rumsey, Dr Janet Wademan, Susan Davies and David Hay who were successfully appointed as Trustees, and took up their duties on 1 April 2021. We also welcome Peter Florence, who took up his duties on 1 July 2021.

We thank the outgoing Trustees for their dedicated service to the Library, and for agreeing to their tenures being extended for a period to ensure continuity for the Library at an especially challenging time as it faced the challenges of the COVID-19 pandemic.

The Treasurer's current term of office was due to expire on 31 July 2021, however to ensure continuity at a challenging time, the Board agreed at its meeting on 26 March 2021 to extend his tenure for a further two years until 31 July 2023, in accordance with the Library's Statutes.

1.5 Trustee induction and training

During the year, the Trustee's Handbook was updated to include the revised Corporate Governance Framework and Regulations and also an amended Charity Governance Code.

Owing to the COVID-19 pandemic, training took place online, and Trustees participated in webinars on managing charity governance, operations and finance, and also one on managing the workforce during a crisis and an overview of Trustees' duties.

One to one training on the presentation of the Management Accounts and the Annual Accounts was also delivered by the Library's Head of Finance and Enterprise.

In November 2020, the Board approved a training programme for 2021/22 which includes induction training for new Trustees and ongoing training for existing Trustees, which will be operational from April 2021.

1.6 The Board and its Committees

The COVID-19 pandemic meant that meetings had to be held online, and the Board of Trustees held the first such meeting on 1 May 2020, with full simultaneous translation. This change also meant that Board papers, for the first time, were circulated electronically to all Board members, either via the dedicated Board portal, or via the Library's Teams. The Board held its scheduled six meetings during the year, and an additional 2 extraordinary meetings; the meeting on 4 June 2020 was held specifically to discuss the outcomes of the Tailored Review report, while the additional meeting on 10 February 2021 was held specifically to discuss the Library's position following receipt of an additional £2.25m funding from Welsh Government.

Members of the Board of Trustees have responsibility for approving the organisation's Strategic and Operational Plans, its Annual Report and Accounts and its Annual Budget. The three Standing Committees discuss Library business as set out in the terms of reference for each Committee, and make recommendations to the Board of Trustees on action to be taken. The responsibility for decision making rests with the Board of Trustees. The Chief Executive and Librarian, and both Deputies, attend all Board and Committee meetings.

Board agendas and minutes are published and made available on the Library's website, together with a summary of papers presented at Board meetings.
https://www.library.wales/about-nlw/governance/nlw-governance

Board members' biographies can be seen at;

https://www.library.wales/about-nlw/governance/nlw-governance/board-members

Committee Structure

Committee	Key responsibilities
Audit and Risk	A standing Committee which encompasses all the assurance needs of the Board of Trustees and Accounting Officer in their responsibilities for issues of finance, risks, internal control and governance. The Committee also engages with the work of Internal and External Audit and financial reporting issues.
Governance and Performance	A standing Committee which encompasses all the governance and performance monitoring needs of the Board of Trustees and Executive by monitoring service delivery and performance and reviewing policies and procedures.
Financial Planning	A standing Committee which encompasses the financial performance monitoring needs of the Board of Trustees and Executive, in particular the Library's investment portfolio and the use of the its private funds, its commercial activities, and the performance of its fundraising campaigns.

Board and Committee Membership

	Current term	Expires	Board	Audit and Risk	Gov. & Performance	Financial Planning
Meri Huws	**1st**	**31.08.2023**	**Interim President**	**-**	**Chair**	**-**
Lee Yale-Helms	**1st**	**31.07.2021 (extended until 31.07.2023)**	**Treasurer**	**Ex officio member**	**-**	**Chair**
Hugh Thomas	**2nd**	**31.10.2020 (extended until 31.03.2021)**	**Member**	**Chair**	**-**	**-**
Lord Aberdare	**2nd**	**31.10.2020 (extended until**	**Member**	**-**	**-**	**-**

		31.03.2021)				
Elizabeth Siberry	**1st**	**31.10.2020 (extended until 31.03.2021)**	**Member**	**-**	**Member**	**-**
Gwilym Dyfri Jones	**1st**	**31.01.2021 (extended until 31.03.2021)**	**Member**	**-**	**Member**	**Member**
Steve Williams	**1st**	**31.01.2021 (extended until 31.03.2021)**	**Member**	**Member**	**-**	**-**
Eleri Twynog Davies	**1st**	**30.06.2021**	**Member**	**-**	**Member**	**-**
Mike Cavanagh	**1st**	**31.08.2023**	**Member**	**Member**	-	-
Quentin Howard	**1st**	**31.08.2023**	**Member**	**-**	-	**Member**
Carl Williams	**1st**	**31.08.2023**	**Member**	**-**	-	**Member**
Anwen Jones	**1st**	**29.02.2024**	**Member**	**-**	-	**-**
Elin Royles	**1st**	**29.02.2024**	**Member**	**Member**	-	**-**
Gwenllian Lansdown Davies	**1st**	**29.02.2024**	**Member**	**-**	-	**-**

In addition to the standing committees, the Board has also established a Buildings Advisory Panel to oversee the capital building programme at the Library. The Panel was chaired by Dr Liz Siberry, Trustee until 31 March 2021, and Mike Cavanagh was appointed Chair with effect from 1 April 2021.

The following Trustees were elected to serve on the Pensions Fund Board – Carl Williams (May 2020), Anwen Jones (July 2020) and Meri Huws (September 2020).

A register of Board member's interests is maintained by the Corporate Governance Manager, and is open to inspection at the Library on application. Completed declaration of interests forms for 2021 have been included in the register.

Board and Committee Attendance

	Board	Audit and Risk	Governance & Performance	Financial Planning
Meri Huws	8/8		4/4	
Lee Yale-Helms	8/8	3/3		7/7
Lord Aberdare	8/8			
Hugh Thomas	6/8	2/3		
Elizabeth Siberry	8/8		3/4	
Gwilym Dyfri Jones	8/8		3/4	6/7
Steve Williams	7/8	3/3		
Eleri Twynog Humphries	7/8		3/4	
Mike Cavanagh	8/8	1/3		
Quentin Howard	8/8			7/7
Carl Williams	5/8			6/7
Anwen Jones	6/8			
Elin Royles	7/8	2/3		
Gwenllian Lansdown Davies	8/8			

*The interim Chair attends meetings of the Audit and Risk Committee and Financial Planning Committee as an observer.

Audit and Risk Committee

In accordance with Library Regulations and best practice the Audit and Risk Committee includes two independent members, Rhian Evans and Janet Wademan, who were both appointed in May 2020 following an open selection process. Both members took up their positions on 1 June 2020 and appointed to serve for a period of four years.

The Library's internal auditors and representatives from Audit Wales also attend Committee meetings. The Library's sponsor division, CyMAAL, reserves the right for a representative to attend one meeting a year.

The Audit and Risk Committee kept the management of risk, and the Library's main strategic risks, under careful scrutiny throughout the year, and at the request of the Chair of the Audit and Risk Committee, the Corporate Risk Register

is now presented to the Board of Trustees at each meeting, following its review and revision by the Committee.

Elin Royles was appointed to the Committee in June following her Board appointment.

The Committee met three times during the year, with the meeting on 17 April 2020 being cancelled, and business carried forward to the next scheduled meeting.

Financial Planning Committee

The Committee devoted considerable time during the year in scrutinising and reviewing the financial plans and budgets prepared by the Executive Team in light of the COVID-19 pandemic, and implications on the Library's financial stability. Also discussed at length were the Library's Pension Scheme, and the options available for changing the current scheme or moving to an alternative scheme, and also the Library's revised redundancy terms.

The Committee also considered any requests for use of the Library's private funds and made recommendations accordingly to the Board of Trustees on whether these should be approved.

In addition to its four scheduled meetings, the Committee held three extraordinary meetings during the year to discuss specific matters as they arose. The meeting on 14 August 2020 was held to specifically discuss the Library's proposed revised redundancy scheme ahead of the corporate restructuring exercise, while the meeting on 9 February 2021 was held to discuss the implications of the receipt of additional funding of £2.25m allocated to the Library by Welsh Government, and the conditions pertaining to the allocation of that funding. Discussions at the third extraordinary meeting on 22 March centred around an outline costed plan for the implementation of the Tailored Review recommendations and a draft revised budget for 2021/22.

Governance and Performance Committee

This Committee had not met regularly during 2020, until the Interim President took the Chair in September.

The main area of scrutiny for this Committee during the remainder of 2020 was the Tailored Review and its Operational Plan, a plan jointly drafted by the Library and Welsh Government to implement the recommendations and findings of the Tailored Review published in 2020.

In addition to the three scheduled meetings held during the year, an extraordinary meeting of the Committee was held on 19 March 2021 specifically to discuss the governance implications of the receipt of the additional funding allocated to the Library by Welsh Government in February 2021, and the conditions pertaining to the allocation of the funding.

The Committee also scrutinised in detail the performance indicators for 2020/21, discussed the amendments to the Corporate Governance Framework and Regulations, and the Trustees' training programme for 2021/22.

1.6 Board Performance

Appraisals of Board members were undertaken by the Interim President during January 2021, and the interim President's appraisal was undertaken by the Director of CyMAAL, also in January 2021. The Board had previously postponed undertaking an assessment of its own effectiveness as it awaited the publication of the Tailored Review Report. Following the publication of that report, which recommended that the Board assess its own effectiveness and that of its committees every three years, undertaking regular skills assessments and development evaluation, this will now be considered during 2021.

The Board is satisfied that it is provided with timely and accurate information for areas for which they are responsible, and considers that the quality and quantity of information provided is sufficient for it to conduct its role.

In addition to receiving the minutes of each meeting of the Audit and Risk Committee, Financial Planning Committee and Governance and Performance Committee, the Board also received minutes of each meeting of the Buildings Advisory Panel.

The Board also received reports on strategic and financial performance, risk management, the Library's investments, Pension Scheme and progress reports against the targets set in the annual operational plan.

In addition to standing items, the following significant issues were also considered by the Board during the year:

- The National Broadcast Archive – the Board approved a revised project programme, which was submitted to the National Heritage Lottery Fund;
- Tailored Review – the Board approved a detailed joint operational plan by the Library and Welsh Government for implementing the recommendations of the Tailored Review report. Progress against the plan will be kept under review on behalf of the Board by the Governance and Performance Committee;
- Approval of revised staff redundancy terms;
- Corporate restructuring programme;
- Approval of revised Charitable Reserves Policy 2020 – 2025;
- Approval of the 2021 – 2026 Strategic Plan;

- Capital Building Programme – regular reports were received on the development and refurbishment of Gregynog Gallery and the Main Hall;

- COVID-19 – the Board received regular reports on the financial implications, the effect on Library events and activities, and how it had adapted to the challenge of staging virtual events;

- Cyber Security – the Board is acutely aware of the increased risk of cyber-attacks and this is regularly scrutinised by the Audit and Risk Committee, and reported to the Board. Trustees will undertake specific training in this area during 2021.

1.7 Internal Audit

The Library continued to work closely with its internal auditors, Welsh Government's Internal Audit Service. The internal audit is provided by the Welsh Government Internal Audit Service in compliance with the Public Sector Internal Audit Standards. A programme of work for 2021/22 has been agreed and approved by the Audit and Risk Committee. Owing to the COVID-19 pandemic, audits during 2020/21 were carried out remotely.

The internal audit service reports independently on an annual basis on the adequacy and effectiveness of the Library's system of internal control, together with recommendations for improvement. Regular internal audit reports are presented to the Audit and Risk Committee to allow members to review and challenge assurance statements and other evidence provided by management. The Head of Internal Audit can provide reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with moderate risk exposure until resolved.

The following internal audits were presented to the Committee during 2020/21:

- Main Building Envelope Construction Project – May 2020
- Health and Safety Follow Up – June 2020
- Cyber Security Follow Up – August 2020
- COVID-19 – Changes to Financial Control Processes – October 2020
- Corporate Records Management - November 2020
- Strategic and Financial Planning – October/November 2020

All the above audits received a reasonable assurance rating, with the exception of the Corporate Records Management Audit, which received a limited assurance rating. Management actions were agreed for the latter audit, and the Committee has received assurance that significant steps have been taken to address all the actions contained in the audit.

1.8 Code of Best Practice on Governance

As far as the Board of Trustees and Accounting Officer are aware, there is no relevant audit information of which the Library's auditors are unaware. The Board and Accounting Officer have also taken all necessary or required steps to make themselves aware of relevant audit information and to establish that the Library's auditors are aware of that information. The Library has acted in accordance with the Good Governance Code: A Code for the Third Sector in Wales and the Board of Trustees have ensured, again in accordance with this particular code of practice, that the Library has robust governance arrangements in place to promote high performance and safeguard propriety and regularity.

As a Registered Charity, the Library has acted in accordance with the Good Governance Steering Group's Charity Governance Code and the Charity Commission's The Essential Trustee (CC3) guide and codes of practice.

1.9 Risk Management and Controls

The Library's system of internal control as laid down in its Assurance Framework relating to Risk Management is based on an on-going process designed to identify and prioritise the risks to the achievement of its Strategy and annual Operational Plan; to evaluate the likelihood of those risks being realised and their potential impact; and to manage them efficiently, effectively and economically. A revised Assurance Framework was presented to the Audit and Risk Committee for consideration in April 2021.

The Corporate Risk Register identifies, documents, assesses and considers the key strategic and operational risks relating to the Library's activities. These are kept under constant review by the Executive Team and other assigned risk owners and action is taken as appropriate to manage and mitigate these risks. Staff are informed of their duties in relation to risk management through the Core Brief, (a means of communicating key corporate messages to staff), and encouraged to contribute to the process.

No new risks were included during the year, but the effect of the COVID-19 pandemic was closely monitored and scrutinised at each Audit and Risk Committee meeting, and scoring adapted to reflect the constantly changing circumstances. Cyber Security is another area which has come under close scrutiny during the past year and the Audit and Risk Committee have resolved to undertake an internal audit in this area during 2021 to gain assurances that the Library has appropriate mitigations in place.

Following recommendations made by the Audit and Risk Committee, residual risk score and suggested target risk score are now included on the Risk Register.

The Library remains cautious in its approach to managing risk in terms of its responsibilities as a publicly funded body, and in areas such as compliance with legislation or conditions imposed by the Welsh Government, it will always seek to comply without exception. The most significant future risk to the Library relates to the possibility of further reductions in Welsh Government Grant-in-Aid as a

result of future pressures on UK public expenditure, especially in the light of the current COVID-19 crisis, to a level where the Library is unable to deliver its objectives.

In implementing its statutory obligations and in particular the Well-Being of Future Generations (Wales) Act 2015, the Library continues to be committed to not only provide services which fulfil present needs, but which also safeguard future generations and their needs by means of its Well Being Statement and Guidelines.

The Office of the Commissioner for Well Being of Future Generations has informed the Library that the revised programme for the National Broadcast Archive Project is to be highlighted in a published case study illustrating how the revised changes to the programme respond positively and constructively to the requirements of the Act.

The Library is also embarking on an ambitious decarbonisation programme which aims to see the Library achieving an 80% carbon reduction by 2030.

The Library was certified annually for Cyber Essentials, Cyber Essentials+ and IASME until 29th November 2020. The re-certification process was delayed until March 2021 due to changes in priorities and resources caused by the pandemic. The process and requirements to re-certify are fully underway. All information security incidents were fully reported to the Executive and Audit and Risk Committee, and dealt with internally. There were no security breaches which required reporting to the Information Commissioner.

COVID-19

Following the lockdown which saw the Library having to close its doors to the public on 17 March 2020, it reopened to readers on 1 September 2020 on a pre booking basis, and with a restricted service. Those staff who had been identified as being unable to work from home during the pandemic began a gradual return to the Library on 20 July.

The Library was again forced to close its doors on 18 December 2020 during the second lockdown, and has reopened again to readers and staff following the Easter break in April 2021, when restrictions were lifted.

Signed on behalf of the Board:





Pedr ap Llwyd

Librarian & Chief Executive & Accounting Officer
23 July 2021

Lee Yale-Helms

Treasurer
23 July 2021

2 OBJECTIVES AND ACTIVITIES

2.1 Primary objectives

The Library's primary objective, as expressed in Supplemental Charter 2006 is:

- *to collect, preserve and give access to all kinds and forms of recorded knowledge, especially relating to Wales and the Welsh and other Celtic peoples, for the benefit of the public, including those engaged in research and learning.*

The fundamental purpose and vision was to ensure that the unique history, culture and heritage of Wales, which has been documented in various forms and media over the years, is available at all times to enable everyone to obtain a better understanding of who we are, to explain the historic and cultural heritage that has shaped us as a nation over the centuries, and to encourage learning and research. It has two dimensions - a splendid physical building, in Aberystwyth, housing the print, manuscript, visual and audio-visual collections and also a library and archives, as well as a digital presence on the internet.

2.2 Public Benefit

Our vision 'to deliver change for the better for everyone in Wales now and in the future', as stated in our new Strategic Plan for 2021-26, ensures that public benefit is at the core of all our activities.
In fulfilling their duties, the Trustees have complied with section 2 of the Charities Act 2011 by having due regard to the guidance published by the Charity Commission on public benefit. While our main beneficiaries are people living in Wales, the Strategic Plan 'A Library for Wales and the World' also emphasises our global impact both as a cultural destination for visitors and through our services to online users worldwide.

2.3 Main Activities

Our main activities are as follows:-

2.3.1. *Collecting:*

Collecting materials by legal deposits, purchases, donations, bequests, exchanges, and deposit, according to agreed collection development policies.
This function is carried out through:

- creating as complete a collection as possible, in all media, of published material relating to Wales (and other Celtic countries to a lesser extent), including electronic and printed publications and audio/moving image material;
- maintaining (mainly through legal deposits and purchases) the most comprehensive collection in Wales of printed materials published in the UK and Ireland, and research material from other countries;
- developing collections of unpublished materials relating to or deriving from Wales, including archives and artistic work;
- gaining access to acquired work, processing, cataloguing and storing it in the most effective way.

2.3.2. Preserving and Conserving:

Preserving and conserving the collections. This function is carried out through:

- ensuring environment, storage and handling conditions are appropriate for continued preservation of the collections;
- intervening to actively conserve materials to arrest deterioration or to repair damage;
- transferring information to more appropriate preservation formats.

2.3.3. Providing access and information:

Providing suitable/effective public access to the Library building, its collections and services, and information about them. This function is carried out through:

- monitoring and analysis of user needs;
- providing access to public spaces, collections and facilities within the building;
- arranging access to collection items and information services for on-site users or via on-line communication for remote users;
- providing easy access to catalogues of the Library's collections and electronic resources, and to its corresponding digital versions.

2.3.4 Publicising and interpreting:

Raising awareness of, and disseminating knowledge of, the Library's work and collections. This function is carried out through:

- materials on the Library's website;
- guides and publicity materials in paper and on-line formats;
- exhibitions and educational/community activities derived from the collections, both at the Library and in other venues across Wales;
- events, lectures and seminars.

2.3.5.Professional collaboration:

Collaborating with, and sometimes leading, related professional groups, across and beyond Wales. This function is carried out through:

- acting as a focal point for library and archive bodies in Wales;
- working with bodies in Wales and beyond to pursue collaborative initiatives and partnerships in the broad heritage, culture and information sectors, and to advance professional practice.

Support functions:

The ***core functions*** are supported by essential management and business functions, including: managing and developing staff; controlling and being accountable for financial resources and income generation; and maintaining and developing ICT infrastructure and the Library's building and facilities.

These are the main activities undertaken to further the charity's purposes for the benefit of the public in Wales.

The Library submits an Annual Operational Plan to the Welsh Government on how the activities will be delivered and targets against these activities. Further details regarding how this strategy is derived and carried out are included in section 7.

3. ACHIEVEMENT AND PERFORMANCE

3.1 Key highlights in 2020/21

The coronavirus pandemic had a significant impact on the work of the Library during 2020/21 with the building closed to staff and researchers and visitors for extended periods. However, the pandemic presented many opportunities and there have been significant achievements in many areas during the year in particular:

3.1.1 National Broadcast Archive Project

The project to establish a National Broadcast Archive was launched in July 2019. This exciting and pioneering 5-year project worth over £9m will establish a National Broadcast Archive for Wales, the first national broadcast archive in the UK. The project was remodelled during 2020-21 to respond to the coronavirus pandemic and other opportunities. It will enable the public to access the wealth of broadcast material online and at a host of new centres across Wales, enabling the public to view, listen, and enjoy this entire collection, alongside ITV Wales and NLW's audiovisual collection.

3.1.2 Online Events Programme

In response to the COVID-19 lockdown the Library launched an online events programme that allowed the Library to reach a wider audience, invite a broader range of speakers and contributors and to collaborate with a number of external partners.

3.1.3 Development of the Library Building

Throughout the pandemic, the iconic Library building in Aberystwyth has undergone an extensive refurbishment programme thanks to capital funding provided by the Welsh Government. In addition to refurbishment there is a renewed focus on developing the Library building to attract and welcome visitors. During 2020-21 we saw the refurbishment of the Gregynog Gallery.

3.1.4 Online Exhibitions

A digital exhibition of First World War portraits by DC Harries was published in time for Remembrance Sunday 2020. The Paul Peter Piech and Nick Treharne exhibitions that were to be held in the building were converted into digital exhibitions, using People's Collection Wales as a platform. A suite of online exhibitions based on the collections was launched on the Google Arts & Culture platform in March 2021.

3.1.5 Mass Digitisation

The pandemic enabled the Library to redeploy resources to increase the number of digital collections processed and made available online. A total of 468,677 new digital pages were made available during 2020/21, which was a significant increase compared to 2019/20.

3.1.6 The Nation's Memory: Informing the Future: 2017-2021 strategic plan

There have been many notable achievements during the 5-year strategic planning period ending March 2021 in particular:

- Over 6.1 million visits to our websites and online resources between April 2017 and October 2020, and an increase of 57% between April 2017 and April 2020.
- A substantial increase in the collections available digitally, by digitising physical materials, collecting e-publications and archiving websites. A total of 7 million digitised items are now available through our newly-designed catalogue.

- An award-winning volunteer programme enriched our collections and, more importantly, transferring new skills and confidence to participants.
- The Places of Wales website to share the work of more than 1,300 volunteers who contributed to the Cynefin tithe map project and a platform for future crowdsourcing projects.
- Our contribution to Welsh Government's Wales Remembers programme to commemorate the centenary of the First World War and collaboration with the Wales at Peace project to digitise and transcribe the Welsh National Book of Remembrance.
- Sharing more than 17,000 digital objects on Wikicommons, which led to their use in Wikipedia articles in 185 languages worldwide which were viewed around 18 million times a month in 2020.
- Securing funding for the establishment of a National Broadcast Archive for Wales, the first of its kind in the UK.

3.2. Key Achievement Indicators

The Library's performance against its targets was reported to the Welsh Government in 2020/21 as follows:

		Target	Attainment
1a	Number of user visits (total)	1,865,000	2,085,209
1b	Number of visits to the Library's digital collections and services (total)	1,800,000	2,085,209
1c	New users to the Library's digital collections and services	1,000,000	1,233,995
1e	Number of responses to remote enquiries	7,000	3,369
2a	User satisfaction - physical visits	96%	100%
2b	User satisfaction - digital visits	80%	85%
3a	Total number of events (total)	150	159
3b	On-site events organized by the Library	80	77
3d	Outreach events organized by the Library	70	82
4a	Number of participants in each of the Library's activities (total)	11,500	9,636
4b	Number of participants at on-site events organized by the Library	10,000	8,222
4c	Number of participants at outreach events organized by the Library	1,500	1,414
5d	Digital Volunteers	800	848
6a	Number of Fusion events and Education Service activities	35	40
6b	Participants in Fusion events and Education Service activities	900	738
7a	Number of new interpretation items published online by the Library	1,200	2,488

7b	New digital pages created through the Library's digitization program	200,000	468,677
8a	Number of impressions across social media channels	2,750,000	3,632,581
8b	Reach of the Library's content on Wikimedia	190,000,000	244,402,588

The attainment figure for 1a does not include physical visits to the Library which were limited due to the COVID-19 pandemic during 2020-21.

Performance against targets is reviewed by the Welsh Government and the Board with notes and interpretations being provided regarding achievements against targets.

We are obliged to monitor continuously and evaluate our work both quantitatively and qualitatively. Although our quantitative achievement indicators provide a snapshot of performance, the qualitative data from case studies and narrative reports still continue to provide a more detailed snapshot, and an and an opportunity to reflect on our work and enrich it.

4 FINANCIAL REVIEW

4.1 Financial Results and Allocations

The accounts are prepared under Section 9(4) of the Museums & Galleries Act 1992 in a form directed by Ministers of the Welsh Government with the approval of the Treasury. The Library's net incoming resources for the financial year were £3,208k (2019/20: £808k)). The Library's incoming resources totalled £17.31m (2019/20: £14.54m) and total resources expended were £14.10m (2019/20: £13.73m).

The unrestricted public reserve increased from £338k to £789k.

Fund balances at 31 March 2021 stood at £78.2m (31 March 2020 £75.8m).

4.2 Charities Statement of Recommended Practice

The Charity Commission issued a Statement of Recommended Practice (SORP) for charities in October 1995, which was most recently updated by the Charities SORP 2015. The Library has complied with the SORP since the 1996/97 accounts.

4.3 Valuation of Tangible Fixed Assets

The Library commissioned a revaluation by Cooke and Arkwright, Chartered Surveyors, of the Library's buildings and freehold land as at 31 March 2021. Land and buildings values are adjusted annually by indexation between each formal valuation which usually takes place every five years. Other fixed assets are not

revalued nor indexed, and from 2017-18, are held at original cost less depreciation.

4.4 Charity Reserves Policy

The Charities SORP 2015 requires the Library to disclose its policy on Reserves.

4.4.1 Unrestricted Public Funds

The National Library of Wales is currently dependent on the Welsh Government to sustain the majority of its activities. The Library's Public Funds reserves policy is to conform to the requirements of the Welsh Government's Framework Document, which sets out the financial framework under which the Library is required to operate. The main requirement of the Framework Document in relation to reserves is that only 2% of gross Grant-in-Aid can be held as cash balances. This requirement is particularly difficult at a time of financial uncertainly and mitigation of risks would justify carrying higher levels of reserves due to the financial outlook. Therefore, the Library is exposed to a high level of financial risk and the requirements of the Welsh Government do not help to promote good financial and risk management in relation to the level of reserves held.

4.4.2 Restricted Public Funds

Public restricted funds represent Capital and Purchase Grants received from the Welsh Government or any grant received from a public body for specific purposes. This funding is also restricted to 2% of gross Grant-in-Aid carry over in cash balances.

4.4.3 Unrestricted Private Funds

The Library's unrestricted private funds have three main objectives:

- To contribute to the revenue costs of running the Library's services.
- To supplement the Collections Purchase Grant to enable the Library to fulfil its collections policy.
- To finance capital investment or future developments including equipment, buildings and computer hardware and software.

The level of reserves is being reviewed and monitored by the Board through the Financial Planning Committee.

4.5.4 Restricted Private Funds

The Library's restricted private funds can only be used in accordance with any stipulated terms of each specific bequest. They can only be used for the purposes described and therefore they are only used when an item of expenditure that directly relates to the fund is approved by the Board or the funder.

4.6 Investment Policy

The portfolio has been invested in both equities and bonds and the amount that can be invested in different asset classes has been set in accordance with a risk assessment. The Library's attitude to risk is considered "moderate", accepting that in order to achieve higher returns than placing cash in a deposit account, there will be a consequent risk in investing in bonds and equities.

The Board reviews the Investment Policy and Strategy on an annual basis, which includes consideration of social, environmental or ethical investments.

The Library has appointed investment managers, Investec Wealth & Investment, who are responsible for investing the private funds portfolio. The managers have been set a benchmark for the performance of the investment portfolio, and in 2020/21 a return of 22.76% was achieved against a benchmark of 16.63% (2019/20: -4.99% against a benchmark of -4.81%).

The investments were managed on a discretionary basis in accordance with the requirements of the Trustee Investments Act 1961 and latterly the Trustee Act 2000. The performance of the portfolios is monitored and submitted regularly in the form of a report to the Financial Planning Committee and the Trustees. On 31 March 2021, the market value of the investments and cash was £13.63m (£11.15m on 31 March 2020).

4.7 Key risks and uncertainty

4.7.1 Financial uncertainty

Following discussion with the Welsh Government and the Deputy Minister the Library was awarded £500k of additional revenue GIA funding in 2020/21. In 2021/22 an additional £750K has been allocated to meet the costs of implementing the Tailored Review, and £1,000k to meet the other financial pressures. It is expected that this £1,000k will be confirmed in the Library's baseline GIA from 2022/23 onwards.

The Library reviewed its policy for charitable reserves during 2020/21. Unrestricted private funds are available to the Board in order to manage financial risk as part of its reserves policy.

4.7.2 Pension Scheme

An actuarial valuation of the scheme was obtained on 31st March 2019. The main results of the Scheme's actuarial valuation are as follows:

- The funding level as at 31 March 2019 has increased to 100% (2016: 99%).
- There is now a surplus of assets relative to the accrued liabilities of £300k (2016: there was a deficit of £400k).
- The rate of Library contributions required to meet the accrual of future service benefits, with a normal retirement age of 65, has increased to 34.2% of pensionable salaries (2016: 27.2%)

The additional contribution rate will be implemented from the 1st April 2022 following an additional employer contribution of £400k in March 2020 and a further £400k in March 2021.

As at 1st July 2017 existing staff could also choose to contribute either 3% of their salary towards not having a reduction in their pension if they retire at the age of 60 or to accept that the retirement age has changed to 65, and so there will be an actuarial reduction in the pension if they retire before this date. New members of staff after this date have a normal retirement date of 65.

5 SUSTAINABILITY REPORT

This report has been complied in accordance with the guidelines laid down by HM Treasury in *Public Sector Annual Reports: Sustainability Reporting Guidance*. During 2020-21, the following was achieved: -

	2020-21	2019-20	2018-19
Water consumption			
Water consumption m^3	6,139	9,585	10,323
Water consumption m^3 per WTE*	28.46	43.37	40.48
Water supply costs £	£23,110	£39,191	£47,054
Paper consumption			
Paper consumption in reams (external and internal)	6	698	550
Paper consumption in reams (internal use)	2	632	514
Waste			
Total waste (tonnes)	14.17	42.44	35.11
Reused, recycled, composted	3.55	33.9	26.6
Landfill	10.62	8.58	8.51
Hazardous	-	-	-
Reused, recycled, composted as % of total waste	25.0%	79.8%	75.8%
Total disposal cost	£8,344	£9,125	£4,953
Greenhouse gas emission			
Total emission tonnes CO_2 equivalent			
Attributable to business travel	0	17	16
Attributable to energy consumption ($1,000\ tCO_2e$)			
Electricity and Gas	1,133	1,276	1,368
Attributable to energy consumption			
Electricity (kWh)	2,235,894	2,521,075	2,649,751
Gas (kWh)	3,348,749	3,458,695	3,510,705
Expenditure on business travel £ (Car, Train, Bus & Plane)	£51	£49,360	£51,591
Total energy expenditure £	£354,872	£394,724	£366,057

*WTE = full-time equivalent

Note on Energy:

Costs are total for the site including energy supplied to adjacent building, but consumptions are only for National Library buildings.

The Welsh Government's budget for 2021/22 included additional capital funding of £0.5M for the Library to commence its decarbonisation programme. The replacement of the heating system which uses gas with combined heater/chiller plant is planned, and this will maintain environmental conditions for storage of the collections and at the same time provide heating for other parts of the building. The Library is developing onsite solar photo-voltaic generation, and the set of panels on the Outstore building installed in 2020/21 are the second such installation on the building. The Library hopes to secure future funding for

decarbonisation in the next few years with the aim of becoming carbon neutral by the mid-2020s.

Horticultural waste generated on site is composted on site. The quantity of this waste is not measured.

6 POLICIES RELATING TO STAFF

6.1 Living Wage

The Library has undertaken to pay the living wage as set out by the Living Wage Foundation since April 2014.

6.2 Recruitment and Retention of Staff

The Library can only achieve its goals through the commitment of its staff; therefore the Library focuses on providing a staff training and development programme annually to ensure that all staff members achieve their potential.

6.3 Employment of Disabled People

The Library operates a non-discriminatory recruitment procedure and is always prepared to consider applications from, and to appoint, disabled persons. The Library makes every effort to ensure that disabled employees are provided with the facilities necessary to carry out their employment effectively.

6.4 Consultation with Employees

The Library communicates information to staff by various methods including staff meetings, weekly e-mails, team briefing sessions, Core Brief, and regular consultation and negotiation with the Partnership Council and representatives of the national Trade Unions. The Library adopted an Internal Communication Strategy in 2016 and implementation of this Strategy will be a further opportunity to develop the relationship between managers and staff.

6.5 Remuneration Report

The Library remunerates its entire staff under an agreed pay and grading system. The current system was approved by the Library's Executive Team and agreed with the staff unions through the collective bargaining arrangements. An independent appeals process is in place to consider grading issues.

Each year, the Library, in consultation with the staff unions, considers the Library's remuneration package against external comparators, movements in the economy and any internal inequities that may have developed. From this, a pay remit or proposal is produced and this is submitted to the Welsh Government for approval and is then formally negotiated with the unions. This leads to a new pay and conditions package for the whole of the Library staff which is binding until the next round of negotiation. Incremental increases under the pay remit are dependent upon the Library's system of annual appraisals. Inflationary elements contained within the agreed pay remit are automatically awarded to all members of staff.

The salaries of the Chief Executive and Librarian and the two Directors and Deputy Chief Executives have been included as part of the pay remit negotiations in relation to all Library staff. The Chief Executive and Librarian during the year had a fixed term employment contract and the two Directors/Deputy Chief Executives had permanent contracts. All three are ordinary members of the Library's pension scheme.

The pay remit is approved by the Welsh Government. Membership of the Executive Team is shown on page 2 and further details of the remuneration and pension benefits are shown in Note 8(c) to the accounts. The notice period for members of the Executive Team is 3 months. Provision for compensation for early termination is contained within the Library's standard redundancy agreement.

7 PLANS FOR FUTURE PERIODS

During 2020-21 the Library entered the last year of its current Strategic Plan covering 2017-2021. A new Strategic Plan for 2021-2026 under the title 'A Library for Wales and the World' was developed over many months from the Summer of 2020 onwards in consultation with key stakeholders. The final version was approved by the Board of Trustees in January 2021. It is an ambitious plan that provides a clear, coordinated and prioritised focus and direction for everyone involved in the organisation over the next five years.

The new plan identifies four strategic and well-being objectives:

- Cultivate and care for the nation's memory
- Lay the foundation for a knowledge economy
- Be at the heart of national life
- Empower learning and research

The Well-being of Future Generations Act was a key consideration when drafting the new Strategic Plan and the requirements of the Act have been considered when formulating plans to deliver against the objectives.

Strategic Objective 1 Cultivate and care for the nation's memory	**How will we achieve this?**
➢ Capturing contemporary Wales ➢ Committed to diversity ➢ Leading in preservation and management of information	• We will develop and invest in the work of collecting and preserving digital materials in various formats • We will establish a National Broadcast Archive that will be a rich and comprehensive record of life in the 20th and 21st Centuries • We will deliver guidance and advice on conservation and raise awareness of the risks of losing the national memory in the digital age • We will develop our relationships with libraries, archives, museums and others in the heritage sector as we collect the nation's memory • We will foster our connections with ethnically diverse communities across Wales • We will work with these communities as

	we continue to develop our Collections Policy • We will review the way in which our collections are described, interpreted and promoted • We will invest in the cultivation and transfer of physical and digital conservation skills within the Library and across the sector • We will invest in the development of our technical infrastructure as a trusted home for our digital collections • We will support other organisations with the preservation of digital collections • We will share good practice in information management, conservation and collections development internationally
Strategic Objective 2 **Lay the foundation for a knowledge economy**	**How will we achieve this?**
➢ Knowledge that invigorates and inspires ➢ Creating opportunities to participate ➢ Improving user experience	• We will continually review the way we describe collections, to provide effective access and highlight 'hidden' collections • We will improve access to physical collections by continuing our digitisation programme • We will seek opportunities to increase the use of collections by businesses and the creative sector • We will work to ensure that information is available in an open and accessible format • We will continue to offer a range of volunteering opportunities at Library sites • We will increase opportunities for volunteering and engaging with the collections on a digital basis, using approaches such as crowdsourcing • We will support national and international participatory programmes and projects • We will develop new and innovative ways of widening access to knowledge • We will ensure that user feedback and the voice of the user are central to the development of our services • We will invest in the building in Aberystwyth as a visitor destination, where visitors from Wales and the world can research, discover and enjoy
Strategic Objective 3	**How will we achieve this?**

Be at the heart of national life	
➢ Connecting communities ➢ Sharing collections ➢ Promoting a global Wales	• We will invest in our relationship and connections with individuals and communities with the aim of increasing the value and impact of our collections and services • We will establish connections with new communities and audiences • We will consider all opportunities to expand our connections with public bodies and organisations throughout Wales and further afield • We will improve access and connections across Wales through the activities of the National Broadcast Archive. • We will share our collections widely and openly with the aim of achieving the greatest reach and deepest engagement • We will develop methods and channels for acting in collaboration with the public to jointly interpret our history and culture • We will hold exhibitions and events on themes that are timely and relevant to Wales today • We will promote the Library's sites as cultural destinations • We will develop and deliver an International Strategy and collaborate with Welsh Government and other organisations to promote Wales on a global stage • We will continue to foster and strengthen our relationship with the Welsh diaspora
Strategic Objective 4 Empowering learning and research	**How will we achieve this?**
➢ Enabling research and innovation ➢ Supporting formal learning ➢ Promoting informal learning	• We will foster a relationship with Higher Education Institutions and research teams interested in the collections • We will explore and experiment with new technologies as means of enhancing access and research, supporting aspects such as geodata, artificial intelligence and adopting concepts such as 'collections as data' • We will collaborate with partners and stakeholders with the aim of establishing an accredited trusted digital repository as research infrastructure • We will continue to contribute to the dev

	elopment of the Curriculum for Wales • We will continue to increase our own ran ge of digital learning resources in collaboration with partners • We will invest in our services for schools and post-16 education • We will develop a programme that supports informal learning and foster skills and transfer knowledge • We will increase the interpretative conte nt available online as resources for informal learning • We will explore opportunities to work in p artnership to support informal learning in communities across Wales

Trustees
The Trustees have complied with their duties to have due regard to guidance published by the Charity Commission.

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



Pedr ap Llwyd
CHIEF EXECUTIVE & LIBRARIAN
23 July 2021

Lee Yale-Helms
TREASURER
23 July 2021

STATEMENT OF BOARD AND LIBRARIAN'S RESPONSIBILITIES

Under Section 9(4) of the Museums and Galleries Act 1992, the Board of the National Library of Wales is required to prepare a statement of accounts for each financial year in the form and on the basis determined by Ministers of the Welsh Government with the consent of the Treasury. The accounts are prepared to give a true and fair view of the Library's financial activities during the year and of its financial position at the end of the year.

In preparing the Library's accounts the Board is required to:-

- Observe the accounts direction issued by ministers of the Welsh Government 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 a going concern basis, unless it is inappropriate to assume that the Library will continue in operation.

The Principal Accounting Officer for Ministers of the Welsh Government has designated the Librarian as the Accounting Officer for the Library. His or her relevant responsibilities as Accounting Officer, including his or her responsibility for the propriety and regularity of the public finances for which he or she is answerable and for the keeping of proper records, are set out in the Welsh Government's Accounting Officer Memorandum.

Statement of the Disclosure of Relevant Audit Information

As far as the Accounting Officer is aware, there is no relevant audit information of which the auditors are unaware, and the Accounting Officer has taken all steps that he ought to have taken to make himself aware of any audit information and to establish that the auditors are aware of that information.

Pedr ap Llwyd



CHIEF EXECUTIVE & LIBRARIAN
23 July 2021



Endorsed on behalf of the Board by

Lee Yale-Helms
TREASURER
23 July 2021

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

Opinion on financial statements

I certify that I have audited the financial statements of the National Library of Wales for the year ended 31 March 2021 under section 9 of the Museums and Galleries Act 1992. These comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement 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 United Kingdom Accounting Standards including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of the National Library of Wales's affairs as at 31 March 2021 and of its net income, recognised gains and losses and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with HM Treasury directions issued under section 9 of the Museums and Galleries Act 1992.

Opinion on regularity

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

Basis of opinions

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

Conclusions relating to going concern

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the National Library of Wales's ability to continue to

adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Accounts Report other than the financial statements, the audited elements of the remuneration report and my auditor's report thereon. The Board of Trustees and Librarian as Accounting Officer are responsible for the other information in the annual report and accounts. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Report on other requirements

Opinion on other matters

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

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 Governance Statement has been prepared in accordance with HM Treasury guidance; and
- the information given in the Annual Accounts Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Accounts Report has been prepared in accordance with applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the National Library of Wales and its environment obtained in the course of the audit, I have not identified

material misstatements in the Annual Accounts Report including the Governance Statement.

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

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

Responsibilities

Responsibilities of the Board of Trustees and Librarian for the financial statements

As explained more fully in the Statement of Board of Trustees and Librarian's Responsibilities, the Board and Librarian as Accounting Officer are 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 Board and Librarian determine are 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 Board and Librarian are responsible for assessing the National Library of Wales's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

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

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

My procedures included the following:

- Enquiring of management, the head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the National Library for Wales's policies and procedures concerned with:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and the posting of unusual journals;
- Obtaining an understanding of the National Library for Wales's framework of authority as well as other legal and regulatory frameworks that the National Library for Wales operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the National Library for Wales;

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit and Risk Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of Board meetings and other relevant committees;

- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- substantively tested a sample of large payments from banking records around the year end date to ensure that they are accounted for in the correct year.

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

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

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

Responsibilities for regularity

The Librarian as 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.

Report

I have no observations to make on these financial statements,



Adrian Crompton

Auditor General for Wales

2 August 2021

24 Cathedral Road

Cardiff

CF11 9LJ

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

	Notes	PUBLIC FUNDS Unrestricted £'000	PUBLIC FUNDS Restricted £'000	PRIVATE FUNDS Unrestricted £'000	PRIVATE FUNDS Restricted £'000	2020/21 Total **£'000**	2019/20 Total **£'000**
Income:							
Donations and legacies	15b	-	-	1,210	478	**1,688**	1,435
Charitable activities							
Government Grants	2	10,444	3,811	-	-	**14,255**	11,813
Other Grants	3	612	444	-	-	**1,056**	407
Other trading activities	4	145	-	-	-	**145**	610
Investment income	15b	-	-	158	3	**161**	272
Total Income		**11,201**	**4,255**	**1,368**	**481**	**17,305**	14,537
Expenditure:							
Costs of raising funds	5	535	56	44	1	**636**	937
Charitable activities:							
Collection	5	2,563	700	-	-	**3,263**	2,829
Giving Access & Information	5	3,132	751	-	-	**3,883**	3,384
Publicising & Interpretation	5	1,273	355	-	28	**1,656**	1,751
Conservation & Preservation	5	3,370	531	-	-	**3,901**	3,582
Governance	5	1,217	174	-	-	**1,391**	1,230
Total expenditure		**12,090**	**2,567**	**44**	**29**	**14,730**	13,713
(Gain)/ Loss on disposal of investments	15b	-	-	(1,042)	(21)	**(1,063)**	(234)
Pension Finance Costs	22d	430	-	-	-	**430**	250
Total expenditure		**12,520**	**2,567**	**(998)**	**8**	**14,097**	13,729
Net income/ (expenditure)		**(1,319)**	**1,688**	**2,366**	**473**	**3,208**	808
Gross transfers between funds	15	-	850	(822)	(28)	-	-
		(1,319)	**2,538**	**1,544**	**445**	**3,208**	808
Other recognised gains/ (losses):							
Unrealised gains/ (losses) on investments	15b	-	-	1,271	-	**1,271**	(1,050)
Tangible Fixed Assets Revaluation, Indexation and impairment	10	-	(452)	-	-	**(452)**	(3,393)
Actuarial gains / (losses) on defined benefit pension scheme	22e	(1,660)	-	-	-	**(1,660)**	(13,890)
Total gains/ (losses)		(1,660)	(452)	1,271	-	**(841)**	(18,333)
NET MOVEMENT IN FUNDS FOR THE FINANCIAL YEAR		**(2,979)**	**2,086**	2,815	**445**	**2,367**	(17,525)
FUND BALANCES BROUGHT FORWARD AT 1 APRIL	15	(24,152)	80,699	12,007	7,283	**75,837**	93,362
FUND BALANCES CARRIED FORWARD AT 31 MARCH	15	**(27,131)**	**82,785**	**14,822**	**7,728**	**78,204**	75,837

All activities are continuing. All recognised gains and losses are recorded in the Statement of Financial Activities. The notes on pages 34 to 56 form part of these accounts. There is no endowment income or expenditure to report.

BALANCE SHEET AS AT 31 MARCH 2021

	Notes	31st March 2021 £000	31st March 2021 £000	31st March 2020 £000	31st March 2020 £000
FIXED ASSETS					
Tangible Assets	10	**66,535**		65,152	
Intangible Assets	10	**337**		405	
Heritage Assets	12	**22,473**		21,802	
Investments	11	**13,630**		11,149	
			102,975		98,508
CURRENT ASSETS					
Stocks		**45**		45	
Debtors	13	**2,641**		1,893	
Bank		**1,614**		530	
		4,300		2,468	
CREDITORS					
Amounts falling due within one year	14	**(1,151)**		(649)	
NET CURRENT ASSETS			**3,149**		1,819
Net assets excluding pension scheme liability			**106,124**		100,327
Defined benefit pension liability	22		**(27,920)**		(24,490)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			**78,204**		75,837
FUNDS	15				
Public Unrestricted		**789**		338	
Pension Reserve		**(27,920)**		(24,490)	
Total Public Unrestricted Funds		**(27,131)**		(24,152)	
Public Restricted (exc Revaluation Reserve)		**61,415**		58,877	
Revaluation Reserve		**21,370**		21,822	
Private Unrestricted		**14,822**		12,007	
Private Restricted		**249**		257	
Private Restricted Collections		**7,479**		7,026	
			78,204		75,837

The trustees have prepared the accounts in accordance with section 132 of the Charities Act 2011.

The notes on pages 34 to 56 form part of these accounts.

Pedr ap Llwyd

CHIEF EXECUTIVE AND LIBRARIAN

23 July 2021

Lee Yale-Helms

TREASURER

23 July 2021



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

		2020/21		2019/20	
		£000	**£000**	£000	£000
Cash generated from operating activities	17		**4,534**		1,071
Cash flows from investing activities: -					
Purchase of tangible and intangible fixed assets	10	**(3,085)**		(3,657)	
Purchase of heritage assets	12	**(218)**		(401)	
Proceeds from sale of investments	11	**6,383**		1,144	
Purchase of Investments	11	**(7,495)**		(984)	
Net cash provided by/(used in) investing activities			**(4,415)**		(3,898)
Increase/(Decrease) in Cash and cash equivalents in the year			**119**		(2,827)
Cash and cash equivalents at the beginning of the year			**2,948**		5,775
Total cash and cash equivalents at the end of the year	18		**3,067**		2,948

The notes on pages 34 to 56 form part of these accounts.

NOTES TO THE ACCOUNTS AT 31 MARCH 2021

1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities SORP (FRS 102), and the 2000 Accounts Direction issued to the Library by the Welsh Government. The accounts are prepared on a going concern basis.

The National Library of Wales meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note (s),

The accounts meet the requirements of Accounting Standards issued or adopted by the Financial Reporting Council in so far as those requirements are appropriate. The Accounts Direction does not require the Library to produce a summary income and expenditure account or note of historical cost on surpluses or deficits.

(b) Incoming Resources

All income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item have been met, it is probable that the income will be received and the amount can be measured reliably.

All Grant-in-Aid from Welsh Government is recognised in the Statement of Financial Activities (SOFA) on a receivable basis. Other grants of a more specific nature are recognised on a receivable basis when grant conditions are met.

For legacies, entitlement is taken as the earlier of the date on which either; the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor (s) to the Library that a distribution will be made, or when a distribution is received from the estate. Where legacies have been notified to the charity or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. Transfers from private funds are accounted for after consideration of movements in working capital. Income received relating to subsequent accounting periods will be treated as deferred income.

Fund Accounting

Unrestricted funds (public and private) are available to spend on activities that further any of the general objectives of the Library. Public restricted

funds represent Capital and Purchase Grants received from the Welsh Government for specific purposes.

Private restricted funds are funds subject to specific restriction imposed by donors or by the purpose of the appeal. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside for a specific purpose. Private restricted funds are donations which the donor has specified are to be solely used for particular areas of the Library's work or for a specific project being undertaken by the Library.

(c) Expenditure

Expenditure is 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 obligation can be measured reliably. Where expenditure has been incurred in advance and relates to a later period, the accounts will only consider a prepayment if higher than £5,000 in value. Where expenditure is incurred in arrears but relates to the current financial year, the accounts will only consider an accrual if higher than £5,000 in value. Expenditure is classified under the following activity headings:

- Cost of raising funds comprises the cost of commercial trading, fundraising costs and investment management fees.
- Expenditure of charitable activities includes the cost of maintaining collections, conservation, education and exhibitions and other activities undertaken to further the purposes of the charity.
- Other expenditure represents those items not falling into any other headings.

(d) Investments

Investments are stated at market value at the balance sheet date. 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 Charities SORP (FRS 102).

(e) Tangible and Intangible Assets

Individual plant, machinery, equipment and motor vehicles costing £5,000 or more are capitalised at cost, unless the equipment forms part of a group of assets, network or project where the value is over £5,000. Assets are depreciated over their estimated useful lives on a straight-line basis. Items of a capital nature costing less than £5,000 are not capitalised and are written off in-year. Non-property assets (i.e. plant & vehicles, and fixtures, fittings & equipment) are held at historic cost and not indexed as these assets have short useful economic lives or low values (or both). This is considered to provide a more reliable, appropriate and relevant representation of the fair value of these assets. Further details are provided in Note 10.

Land and buildings assets are usually 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 a 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 noted as revenue cost in the year in which it is undertaken.

Depreciation is provided in full in the year of acquisition, at rates calculated to reduce each asset to its estimated residual value evenly over its expected useful economic life, as advised by the valuers as follows:

- Freehold buildings - up to 125 years
- Plant, machinery and equipment - up to 30 years
- Computer equipment and digital development - up to 10 years
- Motor Vehicles - up to 5 years

Freehold land is not depreciated.
Collection Purchases are not depreciated (see Heritage Assets (f)).

Intangible assets with an economic life of more than one year and value greater than £5,000 are capitalised. All intangible assets are measured at cost. Intangible assets are amortised on a straight-line basis over a period of 10 years.

(f) Heritage assets

Prior to 1st April 2001, the Library's collection had not been capitalised in the balance sheet. Purchases for the collection were charged to Restricted Public Funds in the Statement of Financial Activities in the year of acquisition. Purchases for the collection are capitalised in the year of acquisition and held at historic value; these assets are not re-valued or indexed.

Donations of items to the collections are accounted for when received at an estimate of their market value. These assets are not revalued or indexed.

Heritage Assets are not depreciated because they have indefinite life.

The carrying amount of an asset will be reviewed only where there is evidence of impairment.

(g) Stocks

The cost of stocks of re-saleable items has been recognised in the balance sheet at the lower of cost or net realisable value. No value is given on assets produced historically by the Library where there is a restricted market for the goods or goods have impaired.

(h) Pension Costs

The Library operates its own superannuation scheme which provides benefits based on final pensionable salary. Contributions to the 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 calculated based upon the current service cost as calculated by the scheme actuary.

(i) Staff holiday pay

At the year end, staff holiday entitlements that has not yet taken and which is carried forward to the next financial year have been provided for in the accounts in line with FRS 102 requirements.

(j) Taxation

The Library has been granted charitable status by the HMRC and is therefore exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. Non-recoverable Value Added Tax arising from expenditure on non-trading activities is charged to the Statement of Financial Activities or capitalised if related to a fixed asset.

(k) Significant areas of estimation and judgement

The preparation of the financial statements requires judgements, estimations and assumptions to be made that affect the reported values of assets, liabilities, revenues and expenses. The nature of estimation and judgement means that actual outcomes could differ from expectation.

Sources of estimation uncertainty

- The defined benefit pension obligation is recognised and disclosed in accordance with FRS 102. The valuation, prepared by a qualified actuary, reflects a number of judgements and estimations including the expected return on assets, the discount rate, cost inflation and life expectancy. Changes in these assumptions have a significant effect on the value of the defined benefit pension obligation.
- Land and buildings assets are professionally valued periodically. The valuation is prepared by a qualified surveyor and has been prepared in accordance with the RICS Red Book. Buildings have been valued on the basis of ‘open market value’ or ‘depreciated replacement cost’ and land is shown at ‘existing use value’. These methods are subject to various assumptions and judgements and changes in either could have a significant effect on the valuation.

(l) Going Concern

The Library’s accounts have been prepared on a going concern basis. The Library’s Board has recognised the significant revenue account deficits that have been forecast and will be considering plans to address this situation. The significant level of unrestricted private funds reserves will ensure that the Library can continue with current activities until action is taken to

address the deficit. There are no other material uncertainties about the charity's ability to continue.

2. GOVERNMENT GRANTS

	2020/21	2019/20
	£000	£000
Unrestricted		
Grant-in-Aid	**10,444**	9,985
Restricted		
Capital - Purchase Grant	**305**	305
Capital – Digital Development Grant	**-**	41
Capital - General	**2,790**	1,000
Digital Libraries	**498**	186
People's Collection Wales	**114**	117
ARCW	**47**	141
Wikipedia	**57**	38
Total grant received from Welsh Government	**14,255**	11,813

3. OTHER GRANTS

	2020/21	2019/20
	£000	£000
Restricted public fund		
European Union Grants	**10**	-
British Film Institute	**21**	-
National Heritage Lottery Fund – National Broadcast Archive	**270**	222
	130	135
National Heritage Lottery Fund – Save Our Sounds		
Other minor grants	**13**	50
	444	407
Unrestricted public fund		
Coronavirus Job Retention Scheme	**612**	-
Total other grants	**1,056**	407

During the period 1st April 2020 to 31st March 2021 the Library has claimed Coronavirus Job Retention Scheme grant totalling £612k. This related to an average of 54 staff members per month for the 12 month period. The closure of the Library building was required under the Welsh Government response to the COVID-19 pandemic. Services that generated commercial income were unable to operate and as such the Library's income for the year reduced significantly. The Library obtained support to its application for funding under the Scheme from Welsh Government.

4. INCOME FROM OTHER TRADING ACTIVITIES

	2020/21	2019/20
Unrestricted public income	**£000**	£000
Catering	**2**	211
Shop income	**20**	93
Events	**-**	17
Consultancy and systems	**14**	46
Income generated from collections	**24**	61
Licensing and royalties	**43**	36
Miscellaneous	**42**	133
Car Park	**-**	13
Total	**145**	610

5. ANALYSIS OF EXPENDITURE

	Staff Costs	Other direct costs	Depreciation and amortisation	**2020/21 TOTAL**	2019/20 TOTAL
	£000	£000	£000	**£000**	£000
Cost of raising funds	512	68	56	**636**	937
Charitable Expenditure					
Collection	1,720	1,272	271	**3,263**	2,829
Giving Access & Information	3,097	456	330	**3,883**	3,384
Publicising & Interpretation	1,382	141	133	**1,656**	1,751
Conservation & Preservation	3,434	113	354	**3,901**	3,582
Governance	668	549	174	**1,391**	1,230
	10,813	2,599	1,318	**14,730**	13,713

6. NET INCOME/ (EXPENDITURE) FOR THE YEAR

	2020/21	2019/20
This is stated after charging:	**£000**	£000
Depreciation and amortisation	**1,318**	1,210
External auditor's remuneration	**33**	33
Internal audit fees	**12**	12
Investment management fees	**45**	40

7. ANALYSIS OF SUPPORT COSTS

The Library initially identifies the costs of its support functions. It then identifies those costs which relate to its governance function. Having identified its governance costs, the remaining support costs are apportioned between the cost of raising funds and four key charitable activities undertaken in the year.

The support salary cost is apportioned in line with salary costs for each department, with the non-staff support cost allocated based on activity expenditure.

	Cost of generating	Governance	Collection	Giving Access & Information	Publicising & Interpretation	Conservation & Preservation	Total
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Exec Support	1	2	5	9	4	10	**31**
Finance	8	30	52	53	21	50	**214**
HR	6	30	48	44	17	40	**185**
ICT	40	155	268	282	115	268	**1,128**
Building	47	355	536	388	144	306	**1,776**
Other	2	3	7	13	6	13	**44**
	104	**575**	**916**	**789**	**307**	**687**	**3,378**

8. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

(a) Total Staff Costs

	2020/21		2019/20	
	£000	**£000**	£000	£000
Salaries and Wages		**6,760**		6,336
Social Security Costs (including Apprenticeship Levy)		**619**		595
Pension Cost				
Current Service Cost	**1,694**		1,673	
Deficit Contribution for past service cost	**-400**		32 400	
Additional pension contribution FRS 102 current service cost adjustment	**1,340**		560	
		3,434		2,665
Wages as noted in note 5		**10,813**		9,596
FRS 102 finance interest charge (see note 22d)		**430**		250
Total		**11,243**		9,846

There were no agency or short term contractors employed.

Other than the staff noted in 8c, there were no members of staff who earned over £60,000 (2019/20- Nil).

(b) Pension Scheme

The Library operates a funded pension scheme which is a defined benefit pension scheme providing benefits based on final pensionable pay at a normal retirement age. Members leaving the scheme who have contributed for a period of less than 2 years will receive a refund of member's contributions. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to 3 years' pension is payable on retirement. On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service the scheme pays a lump sum benefit. Medical retirement is possible in the event of serious ill-health.

The employer contribution to the scheme for the period amounted to £2.1m (2019/20 £2.1m). The assets of the Scheme are held separately from those of the Library and were invested with Blackrock. The 31 March 2019 actuarial valuation showed that the market value of the Scheme's assets was £73.2m and that the actuarial value of those assets amounted to 100% of the value of the liabilities of the Scheme. However, by 31 March 2021 the Actuary's interim assessment was that the Scheme was likely to have fallen into a deficit of £3.5M. This was due to a number of factors, including the pay award from 1 April 2019 that had significantly increased pension benefits above the rate allowed for in the full valuation, a reduction in the discount rate used to calculate pension benefits and the effect of COVID-19 and Brexit on asset prices. In addition, there was a longer term effect on the price of index-linked Gilts linked to RPI, which is likely to fall when the UK Government's plans to cease using RPI and move to CPI instead.

Note 22 provides further information on the finances of the pension scheme to comply with the requirements of FRS 102. The actuarial statement is published in the National Library of Wales' Pension Fund Annual Accounts. Welsh Government granted in 2006/07 a Crown Guarantee which exempts the Scheme from the Pension Protection Fund and the associated levy.

(c) Remuneration of Executive Team

Membership of the Executive Team is noted on page 2 (Reference & Administrative Details). The Executive Team's terms and conditions is indicated in Section 6 of the Trustee Report (6.5).

The Librarian's salary was 3.41 times the median salary (£28,176) of the Library. Other senior staff receive a gross salary, which is determined as part of the negotiation of the pay remit for all other staff in the Library.

The value of pension benefits is calculated as follows:

- (real increase in pension* x20) + (real increase in any lump sum*) – (contributions made by member)

*excluding increases due to inflation or any increase of decrease due to a transfer of pension rights.

The multiplier of 20 is specified in the disclosure requirements. The Library has used this figure in order to comply with the guidance. This is not an amount which has been paid to an individual by the Library during the year; it is a calculation which uses information from the pension benefit table. These figures can be influenced by many factors e.g. changes in a person's salary, whether or not they choose to make additional contributions to the pension scheme from their pay and other valuation factors affecting the pension scheme as a whole.

The National Library of Wales Staff Superannuation Scheme is a funded final salary scheme. The accrued pensions and lump sums are the amounts that would be paid from Normal Retirement Date if the member left service at the relevant date. The Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits, including any Additional Voluntary Contributions and transfers in of service, accrued by the member at a particular point in time. The transfer values have been calculated in accordance with the guidance note "GN11" published by the Institute of Actuaries and Faculty of Actuaries. The assumed rate of price inflation was 0.5% (2019/20 1.7%).

The following payments were made to members of the Executive Team:

	2020/21			2019/20		
	Salary Consolidated	**Real Increase (decrease) in Pension**	**Single Total Figure of Remuneration**	**Salary Consolidated**	**Real Increase**	**Single Total Figure of Remuneration**
	£	**£**	**£**	**£**	**£**	**£**
Mr P ap Llwyd Chief Executive and Librarian	**96,213**	**38,890**	**135,103**	94,230	120,950	215,180
Mr. DH Michael Director and Deputy Chief Executive and Librarian	**79,856**	**33,124**	**112,980**	80,269	23,263	103,532
Dr O Roberts Director and Deputy Chief Executive and Librarian	**80,462**	**64,537**	**144,999**	65,637	37,348	102,985

The pension entitlements of the Library's senior staff with responsibility for running policy-making departments are disclosed as follows:-

	Cash Equivalent Transfer Value at 31/3/20 or at date became director if later	Total Accrued Pension at 31/3/21	Lump Sum at 31/3/21	**Cash Equivalent Transfer Value at 31/3/21**	Increase in accrued pension net of inflation	Increase in lump sum net of inflation	Increase (Decrease) in transfer value net of inflation
	£	£	£	**£**	£	£	£
Mr P ap Llwyd Chief Executive and Librarian	563,710	23,080	69,240	**579,640**	1,620	4,870	13,110
Mr DH Michael Director and Deputy Chief Executive and Librarian	642,180	25,570	76,710	**675,650**	1,470	4,410	30,260
Dr O Roberts Director and Deputy Chief Executive and Librarian	196,470	11,300	33,900	**261,060**	2,780	8,330	63,610

(d) Gifts Register

The Library also operates a gifts register. No items noted during the year are considered of material interest to these financial statements.

(e) Severance

Voluntary severance payments of £307,542 were accounted for in 2020/21 of which £20,200 were paid in 2020/21 (2019/20: Nil).

(f) Board emoluments

The Board do not receive any emoluments. The total amount of travel, subsistence, and hospitality expended by the Library for its Board and committee members was £261 (2019/20 £6,668), this was claimed by 2 members (2019/20: 16 members).

9. STAFF NUMBERS

The average monthly head count was 239 (2019/20: 244) and the average full-time equivalent staff employed by the Library (including casual and part-time staff) during the year were as follows:

Staff Numbers	**2020/21**	2019/20
Fundraising trading	**10.8**	11.1
Collection	**38.8**	39.9
Giving Access and Information	**56.1**	57.6
Publicising and Interpretation	**30.2**	31.0
Conservation & Preservation	**66.9**	68.5
Governance	**12.9**	13.3
Total	**215.7**	221.4

10. TANGIBLE AND INTANGIBLE ASSETS

A. Tangible Assets

	Freehold Land & Buildings	Plant, Fittings & Equipment	Computer equipment	Total
	£000	£000	£000	£000
Cost & Valuation				
At 1 April 2020	63,100	2,651	3,620	69,371
Additions	2,246	129	710	3,085
Disposals	-	-	-	-
Revaluation	(1,239)	-	-	(1,239)
At 31 March 2021	**64,107**	**2,780**	**4,330**	**71,217**
Depreciation				
At 1 April 2020	-	1,863	2,356	4,219
Charged for the year	787	153	310	1,250

Disposals	-	-	-	-
Revaluation	(787)	-	-	(787)
At 31 March 2021	**-**	**2,016**	**2,666**	**4,682**
Net Book Value				
At 31 March 2021				**66,5**
	64,107	**764**	**1,664**	**35**
At 31 March 2020	63,100	788	1,264	65,152

The Library received a valuation as at 31st of March 2021 on the Library's freehold buildings and land by Cooke and Arkwright, Chartered Surveyors. Their valuation was carried out in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual. Buildings have been valued on the basis of "open market value" or "depreciated replacement cost", and land is shown at "existing use value".

The carrying amount of freehold land and buildings under the historic cost convention would be £42,430k (2019-20: £41,278k).

All tangible assets were used for the furtherance of the charitable activities of the Library.

B. Intangible Assets

	Digital development
	£000
Cost	
At 1 April 2020	1,086
Additions	-
At 31 March 2021	**1,086**
Amortisation	
At 1 April 2020	681
Charged for the year	68
At 31 March 2021	**749**

Net Book Value	
At 31 March 2021	**337**
At 31 March 2020	405

11. INVESTMENTS

	2020/21	2019/20
	£000	£000
Investments	**12,177**	8,730
Cash held for investments	**1,453**	2,419
Total investments	**13,630**	11,149
Market Value at 1 April 2020	**8,730**	9,708
Acquisitions at cost	**7,495**	984
Less disposals	**(6,383)**	(1,144)
Gain/(Loss) on disposals	**1,064**	235
Unrealised gain/(loss) on revaluation	**1,271**	(1,053)
Market Value at 31 March	**12,177**	8,730
Cash held for investment		
At 1 April 2020	**2,419**	2,029
(Decrease)/increase	**(966)**	390
At 31 March 2021	**1,453**	2,419

The historic cost of investments at 31 March 2021 was £11.508m (2019/20 £10.332m).

The assets were invested as follows: -

	Gilts, bonds, debentures & preference	Unit trusts, overseas equities, property & alternative assets	UK equities directly invested on UK stock market	Cash	Total
	£'000	£'000	£'000	£'000	£'000
No1 portfolio	1,489	7,552	2,319	(7)	11,353
No2 portfolio	390	342	85	1,460	2,277
	1,879	7,894	2,404	1,453	13,630

In deciding on the returns that the Library requires from its portfolio, and the balance between capital growth and income, the Library is prepared to accept that there will be risks attached to the investment of funds above that of simply placing cash on deposit. The Library is prepared to accept these provided that they are within acceptable levels.

The Library's appetite for risk could best be described as "moderate". The Library is willing to accept that in order to achieve higher returns risks must be taken, but the Trustees will also consider the Library's position as a charity largely funded from government grant and consequently the standards of stewardship that are implied. The risks of investment will therefore be tempered by:

- **Asset allocation** – an asset allocation strategy that does not overly expose the funds to variances in one particular sector of the investment

spectrum – i.e. a balance will be struck between the amount of bonds, equities, cash and other investments including property, and UK and non-UK investments.

- **Quality of investments** – the Library will only consider high quality investments such as gilts and investment grade bonds, or FTSE 350 equities and collectives.

12. HERITAGE ASSETS

Purchases of Heritage Assets are capitalised at historic cost.

Acquired or donated during the year:

	Books	**Subscription**	**Pictures Manuscripts &Maps**	**Others**	**Digital Collections**	**NSSAW**	**Total**
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 01/04/20	1,971	2,799	11,916	380	4,370	366	**21,802**
Additions	25	32	157	-	-	4	**218**
Donations	-	-	452	-	-	1	**453**
At 31/03/21	**1,996**	**2,831**	**12,525**	**380**	**4,370**	**371**	**22,473**

Five Year financial summary of additions:

	2020/21 £'000	2019/20 £000	2018/19 £000	2017/18 £000	2016/17 £000
Books	**25**	40	51	47	38
Subscription	**32**	44	55	48	53
Pictures, Manuscripts & Maps	**157**	312	381	148	249
Film and music	**4**	5	12	6	9
Total Additions	**218**	401	499	249	349

The Library has an agreed policy for the acquisition, preservation and management of heritage assets. A copy of the agreed policy is available on request. The Library does not loan items to users, but collections are accessible in the reading rooms and exhibition spaces, as well as on-line.

The Library (since 1911) has the right to receive a copy of all books, magazines, newspapers and other printed material published in the UK and Ireland. It mainly collects material of Welsh and Celtic interest. Its collections currently include:

- **Printed material:** ranging from *Yny lhyvyr hwnn,* the first Welsh-language book (printed in 1546) to programmes of local events, such as concerts and shows.
- **Manuscripts and archives:** including priceless items from the Middle Ages, such as the Book of Llandaf, the Hengwrt Chaucer manuscript and the Black Book of Carmarthen.

- **Maps:** Both antiquarian and modern and atlases, Ordnance survey maps, sea charts, maps of farms, estates and tithe maps, railway and public utility plans.
- **Pictures:** portraying people and places in Wales including, paintings, prints, engravings and other pictures.
- **Photographs:** the works of Mary Dillwyn, John Thomas, D.C. Harries and Geoff Charles.
- **Electronic resources and digital images:** New and created mainly by the Library the collections include over 5 million images.
- **The National Screen and Sound Archive of Wales** houses 250,000 hours of sound recordings, 300,000 hours of moving images, 7 million feet of film, 200,000 items from the ITV film and TV archive and 15km unique archive.

No salaries were capitalised in the period.

13 DEBTORS – due within one year

	31st March 2021	31st March 2020
	£000	£000
Trade Debtors	**42**	35
VAT repayment due	**484**	458
Prepayments	**621**	496
Other Debtors & Accrued Income	**326**	239
Private Funds Accrued Income	**1,168**	665
	2,641	1,893

Included within Private funds accrued income is a balance of £1,050k which relates to a property legacy which the Library will receive 2 years after the grant of probate as per the terms of the will. The grant of probate was issued on the 16th April 2021 and therefore the Library will receive this estimated amount on or after 16th April 2023.

14 (a) CREDITORS - Falling due within one year

	31st March 2021	31st March 2020
	£000	£000
Trade Creditors	**74**	117
Accruals and deferred income	**776**	342
Holiday pay accrual	**301**	190
	1,151	649

14 (b) CREDITORS – Movement on deferred income

	31st March 2021	31st March 2020
	£000	£000
Deferred income brought forward		

Release from previous year	**245**	270
Income deferred in the current year	**(147)**	(41)
Deferred income carried forward	**325**	16
	423	245

Deferred income relates to grants received.

15 ANALYSIS OF CHARITABLE FUNDS

a. Analysis of movements in funds - Public

	At 1 April 2020	Incoming Resources	Resources Expended	Other Movements In Year	At 31 March 2021
	£000	£000	£000	£000	**£000**
PUBLIC FUNDS					
Unrestricted – Public Pension	(24,490)	-	(1,770)	(1,660)	**(27,920)**
Unrestricted	338	11,201	(10,750)	-	**789**
	(24,152)	11,201	(12,520)	(1,660)	**(27,131)**
Restricted: -					
Capital and digital development	49,966	2,790	(1,318)	850	**52,288**
Revaluation Reserve*	21,822	-	-	(452)	**21,370**
Other restricted funds	149	1,160	(1,249)	-	**60**
Purchase grant funds	8,762	305	-	-	**9,067**
Total restricted public funds	80,699	4,255	(2,567)	398	**82,785**
TOTAL PUBLIC FUNDS	56,547	15,456	(15,087)	(1,262)	**55,654**

*Revaluation reserve has been calculated based on the revaluation to assets since 1999 in line with the FRS 102 requirement for separate identification of revaluation reserve. Revaluations prior to 1999 are not included in this reserve.

Other movements in the year £1,262k include:

- Tangible Fixed Asset Revaluation, Indexation and impairment – (£452k)
- Actuarial gains / (losses)– (£1,660k)

b. PRIVATE FUNDS (including collections)

	Unrestricted	Restricted	Collection	**Total 2020/21**	Total 2019/20
	£000	£000	£'000	**£000**	£000
Income					
Donations and Bequests	1,210	25	453	**1,688**	1,435
Interest Receivable	158	3	-	**161**	272
Total	1,368	28	453	**1,849**	1,707
Resources Expended					
Costs of raising funds	44	1	-	**45**	43
Private project expenditure	-	28	-	**28**	28
(Profit) / loss on sale of investments	(1,042)	(21)	-	**(1,063)**	(234)
Total	(998)	8	-	**(990)**	(163)
Net Incoming/ (Outgoing) Resources	2,366	20	453	**2,839**	1,870
Transfers	(822)	(28)	-	**(850)**	(349)
	1,544	(8)	453	**1,989**	1,521
Unrealised(loss)/ gain on investments	1,271	-	-	**1,271**	(1,050)
Net movement in private funds during the year	2,815	(8)	453	**3,260**	471
Brought forward at 1 April	12,007	257	7,026	**19,290**	18,819
Carried Forward at 31 March	**14,822**	**249**	**7,479**	**22,550**	**19,290**

The total of private restricted and collection funds represents total restricted private funds of £7,728k.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted public	Restricted public	Unrestricted private	Restricted private	**Total**
	£'000	£'000	£'000	£'000	**£'000**
Fixed Assets	-	81,865	13,383	7,727	**102,975**
Cash at bank and in hand	172	-	1,440	2	**1,614**
Other net current assets/ (liabilities)	615	920	-	-	**1,535**
Creditors of more than one year	(27,920)	-	-	-	**(27,920)**
Total	(27,133)	82,785	14,823	7,729	**78,204**

17. RECONCILIATION OF NET INCOME/ (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020/21	2019/20
	£000	£000
Net income/ (expenditure) for the reporting period (as per the statement of financial activities)	3,208	808
Profit on sale of investments/fixed assets	(1,063)	(234)
FRS 102 interest pension adjustment	430	250
Depreciation and amortisation charges	1,318	1,210
(Increase)/ Decrease in stock	-	(1)
Heritage asset donations (non-cash)	(453)	(419)
(Increase)/ Decrease in debtors	(748)	(742)
(Decrease)/ Increase in creditors	502	(361)
Pension current service cost adjustment	1,340	560
Net cash flow from operating activities	4,534	1,071

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020/21	2019/20
	£000	£000
Bank account balances	1,614	530
Bank accounts held within investments	1,453	2,418
Cash and cash equivalents at 31 March	**3,067**	2,948

19. RELATED PARTY TRANSACTIONS

The Welsh Government is regarded as a related party. During the year the Library received funding from the Government in the form of Grant in Aid, Purchase, Capital and Project Grants as disclosed in note 2. The Library owed/paid the following sums to Welsh Government: -

- Interest reimbursed - £Nil (2019/20: £9k)

Details of expenditure in respect of board member travel, subsistence and hospitality are disclosed in Note 8(f).

Transactions and balances with the pension scheme are disclosed in Note 8.

Related party transactions with Board members and members of the senior management team are noted in the table below.

		2020/21		2019/20	
Related Party	Relationship	**Income**	**Debtor**	Income	Debtor
		(Expenditure)	**(Creditor)**	(Expenditure)	(Creditor)
		£	**£**	£	£
Coleg Cymraeg Cenedlaethol Cymru	Mr Pedr ap Llwyd, Chief Executive of the Library is a Director. Gwilym Dyfri Jones, Trustee of the Library is a Director. Ms Meri Huws, Trustee of the Library is a Director.	0	0	949	0
National Lottery Heritage Fund	Mr David Michael, Director of the Library is an independent member of the Audit Committee.	399,924	232,682	356,812	162,816
Cardiff University	Dr Janet Wademan, Trustee of the Library is a Council Member.	(3,472)	0	311 / (195)	0
University of Wales Trinity Saint David	Dr Liz Siberry, Trustee of the Library is a Council Member	15,884 / (18,813)	13,534	1,299	0
Gŵyl Hanes Cymru i Blant	Ms Eleri Twynog Davies, Trustee of the Library is a Director.	(1,200)	0	0	0
Aberystwyth University	Ms Meri Huws, Trustee of the Library is a Council Member.	208 / (8,590)	0	683 / (9,023)	0

At 31 March 2021, the Library had consolidated debtors and creditors with other Government financed bodies as follows:

	Debtors £000	Creditors: due in 1 year £000	Creditors: more than 1 year £'000
Central Government bodies	516	423	-
Local Government bodies	-	-	-
Non-Government Bodies	2,125	728	-
Total	2,641	1,151	**-**

20. FINANCIAL INSTRUMENTS – RISK DISCLOSURE

The Library has no borrowings and relies primarily on departmental grants for its cash requirements and is therefore not exposed to liquidity risks. The only material deposit is disclosed in note 11, and all material assets and liabilities are denominated in sterling, so it is not exposed to interest rate risk or currency risk. In 2020/21, £14.255m or 82% of the Library's consolidated income derived from the Welsh Government (2019/20 £11.813m or 81%). The balance, £3.05m or 18% (2019/20 £2.72m or 19%) is derived from income on the Library's private funds (note 15b), from trading activities (note 4) and grants from other bodies as disclosed in Note 3 to these accounts.

The Library has exposure to market risk through its investments and this is managed through portfolio diversification as well as setting the risk appetite and investment objectives to be used by the Fund Manager.

21. LEASES

The Library made no lease payments during the year or the previous year.

22. PENSION COSTS

The Library operates a defined benefit scheme with benefits accruing at the rate of 1/80th of pensionable salary for each year of service. The latest full actuarial valuation was at 31 March 2019 and it was assessed that the Scheme was 100% funded.

During 2020/21, the Library contributed 27.2% of pensionable salaries and expected employer contributions for 2021/22 are £1.7 million as well as an additional contribution in the region of £400k depending on projected out-turn.

(a) Development of the Net Balance Sheet Position

	31 March 2021	31 March 2020

	£m	£m
Fair value of assets (22b)	**82.45**	74.14
Actuarial value of scheme liabilities (22c)	**110.37**	98.63
Pension liability recognised in balance sheet	**(27.92)**	(24.49)

(b) Changes in the fair value of plan assets

	Year Ended 31 March 2021	Year Ended 31 March 2020
	£m	£m
Scheme assets at beginning of year	**74.14**	73.18
Benefits paid from plan assets	**(2.24)**	(2.15)
Employer contributions	**2.09**	2.10
Member contributions	**0.10**	0.10
Administrative costs	**(0.14)**	(0.11)
Interest income on Scheme Assets	**1.33**	2.12
Return on scheme assets greater/(less) than discount rate	**7.17**	(1.10)
Scheme assets at end of year – (22a)	**82.45**	74.14

(c) Analysis of changes in the Defined Benefit Obligations (DBO)

	Year Ended 31 March 2021	Year Ended 31 March 2020
	£m	£m
Scheme liabilities at beginning of year	**98.63**	82.97
Interest cost on the DBO	**1.76**	2.37
Effect of employee services in the current period	**3.29**	2.55
Member contributions	**0.10**	0.10
Benefits paid from plan assets	**(2.24)**	(2.15)
Remeasurement on the DBO/ change of assumptions	**8.83**	12.79
Scheme liabilities at end of year – (22a)	**110.37**	98.63

(d)Amounts charged to SOFA (Total Expenditure)

	Year Ended 31 March 2021	Year Ended 31 March 2020
	£m	£m
Effect of employee services in the current period	**3.29**	2.55
Net interest on net defined benefit liability/ (asset)	**0.43**	0.25
Defined benefit cost recognised in P&L	**3.72**	2.80
Administration costs during the period	**0.14**	0.11
Total cost recognised in SOFA	**3.86**	2.91

(e) **Actuarial Gains/(Losses) charged to the SOFA (Other recognised gains/(losses))**

	Year Ended 31 March 2021	Year Ended 31 March 2020
	£m	£m
Return on scheme assets (greater)/ less than discount rate – (22b)	**(7.17)**	1.10
Actuarial loss/(gain) arising during period – (22c)	**8.83**	12.79
Total actuarial loss/(gain) recognised in reserves	**1.66**	13.89

(f) Total defined benefit cost

	Year Ended 31 March 2021	Year Ended 31 March 2020
	£m	£m
Total cost recognised in SOFA – (22(d))	**3.86**	2.91
Remeasurement effect recognised in reserves (22(e))	**1.66**	13.89
Defined benefit cost	**5.52**	16.80

(g)Reconciliation of Net Balance Sheet Position

	Year Ended 31 March 2021	Year Ended 31 March 2020
	£m	£m
Net defined (liability) at beginning of year	**(24.49)**	(9.79)
Effect of employee services in the current period (22c)	**(3.29)**	(2.55)
Net interest on net defined benefit liability/ (asset)	**(0.43)**	(0.25)
Remeasurement effect recognised in reserves (22(e))	**(1.66)**	(13.89)
Employer contributions (22b)	**2.09**	2.10
Administrative costs (22b)	**(0.14)**	(0.11)
Scheme liabilities at end of year – (22a)	**(27.92)**	(24.49)

(h)Market value of Assets and Percentage of Total Scheme Assets

	31 March 2021		**31 March 2020**	
	£m	**%**	£m	%
Equities	**20.81**	**25.2**	45.00	60.7
Bonds	**54.71**	**66.4**	25.95	35.0
Property and other	**6.93**	**8.4**	3.19	4.3
Total value of assets	**82.45**		74.14	

(i) Financial Assumptions

The financial assumptions made in order to calculate the FRS 102 disclosure requirements are as follows:

	31 March 2021	31 March 2020
	%per annum	%per annum
Price Inflation	**2.22**	2.35
Rate of Salary Increase	**2.22**	2.35
Rate of increase of pensions in payment*	**2.22**	2.35
Discount rate**	**1.25**	1.80

* in excess of any Guaranteed Minimum Pension (GMP) element

** prescribed by HM Treasury

The discount rate used for FRS 102 disclosures is different to that used by the Actuary for the most recent financial assessment of the Scheme at 31 March 2019. The requirement to use the Treasury's discount rate for the FRS 102 disclosure will result in the financial position of the Scheme being assessed differently under this measure in comparison to the method used in the formal actuarial valuation of the Scheme.

23. CAPITAL COMMITMENTS

At the balance sheet date, the outstanding commitments are as follows:

	31 March 2021	31 March 2020
	£000	£000
Contracted –building work on Bookstack 1 North	**-**	20
Contracted –chiller replacement	**-**	21
Contracted –main building envelope	**170**	1,817
Contracted –professional fees	**10**	70
Contracted – lift replacement	**30**	-
	210	1,928

24. POST BALANCE SHEET EVENTS

There were no material post balance sheet events up to the date on which the accounting statements were authorised by the Accounting Officer on 23 July 2021, which would have meant that the accounts had to be adjusted.