



**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 &amp; 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 apprised 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
<b>Audit, Risk and Assurance</b>	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
<b>Finance and Resources</b>	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
<b>Performance and Quality</b>	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 4<sup>th</sup> 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	



<b>Carl Williams</b>	4/9		2/5
<b>Gwenllian Lansdown Davies</b>	7/9	1/4	
<b>Anwen Jones</b>	7/9		
<b>Elin Royles</b>	7/8*	4/4	
<b>David Hay</b>	9/9		2/3
<b>Lydia Rumsey</b>	9/9	4/4	
<b>Janet Wademan</b>	9/9	4/4	
<b>Susan Davies</b>	8/9		3/3
<b>Elaine Treharne</b>	6/9		3/5
<b>Hannah Lindsay</b>	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 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;

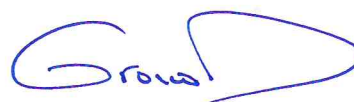
- Consider any changes required to the existing Pension Scheme
- Continue to develop new public spaces as part of the Wales Broadcast Archive at sites beyond Aberystwyth
- Develop and implement a new *Strategic Equality Plan 2022 – 2026*
- Develop and implement a new *Communications and Engagement Strategy*

- 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  
Librarian & Chief Executive & Accounting Officer  
22 March 2024



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 continued 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-Ileoedd 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 compiled 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
<b>Water consumption</b>			
Water consumption m <sup>3</sup>	6,095	6,559	6,139
Water consumption m <sup>3</sup> per FTE*	26.73	30.78	28.46
Water supply costs £	£25,209	£27,785	£23,110
<b>Paper consumption</b>			
Paper consumption in reams (external and internal)	605	262	6
Paper consumption in reams (internal use)	281	199	2
<b>Waste</b>			
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
<b>Greenhouse gas emission</b>			
Total emission tonnes CO <sub>2</sub> equivalent			
Attributable to business travel	11	4	0
Attributable to energy consumption (1,000 tCO <sub>2</sub> e)			
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?
<ul style="list-style-type: none"> <li>➤ Capturing contemporary Wales</li> <li>➤ Committed to diversity</li> <li>➤ Leading in preservation and management of information</li> </ul>	<ul style="list-style-type: none"> <li>• We will develop and invest in the work of collecting and preserving digital materials in various formats</li> <li>• We will establish a Wales Broadcast Archive that will be a rich and comprehensive record of life in the 20th and 21st Centuries</li> <li>• We will deliver guidance and advice on conservation and raise awareness of the risks of losing the national memory in the digital age</li> <li>• We will develop our relationships with libraries, archives, museums and others in the heritage sector as we collect the nation's memory</li> <li>• We will foster our connections with ethnically diverse communities across Wales</li> <li>• We will work with these communities as we continue to develop our Collections Policy</li> <li>• We will review the way in which our collections are described, interpreted and promoted</li> <li>• We will invest in the cultivation and transfer of physical and digital conservation skills within the Library and across the sector</li> <li>• We will invest in the development of our technical infrastructure as a trusted home for our digital collections</li> <li>• We will support other organisations with the preservation of digital collections</li> <li>• We will share good practice in information management, conservation and collections development internationally</li> </ul>

<b>Strategic Objective 2</b> <b>Lay the foundation for a knowledge economy</b>	<b>How will we achieve this?</b>
<ul style="list-style-type: none"> <li>➤ Knowledge that invigorates and inspires</li> <li>➤ Creating opportunities to participate</li> <li>➤ Improving user experience</li> </ul>	<ul style="list-style-type: none"> <li>• We will continually review the way we describe collections, to provide effective access and highlight 'hidden' collections</li> <li>• We will improve access to physical collections by continuing our digitisation programme</li> <li>• We will seek opportunities to increase the use of collections by businesses and the creative sector</li> <li>• We will work to ensure that information is available in an open and accessible format</li> <li>• We will continue to offer a range of volunteering opportunities at Library sites</li> <li>• We will increase opportunities for volunteering and engaging with the collections on a digital basis, using approaches such as crowdsourcing</li> <li>• We will support national and international participatory programmes and projects</li> <li>• We will develop new and innovative ways of widening access to knowledge</li> <li>• We will ensure that user feedback and the voice of the user are central to the development of our services</li> <li>• We will invest in the building in Aberystwyth as a visitor destination, where visitors from Wales and the world can research, discover and enjoy</li> </ul>
<b>Strategic Objective 3</b> <b>Be at the heart of national life</b>	<b>How will we achieve this?</b>
<ul style="list-style-type: none"> <li>➤ Connecting communities</li> <li>➤ Sharing collections</li> <li>➤ Promoting a global Wales</li> </ul>	<ul style="list-style-type: none"> <li>• 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</li> <li>• We will establish connections with new communities and audiences</li> <li>• We will consider all opportunities to expand our connections with public bodies and organisations throughout Wales and further afield</li> <li>• We will improve access and connections across Wales through the activities of the Wales Broadcast Archive.</li> <li>• We will share our collections widely and openly with the aim of achieving the greatest reach and deepest engagement</li> <li>• We will develop methods and channels for acting in collaboration with the public to jointly interpret our history and culture</li> <li>• We will hold exhibitions and events on themes that are timely and relevant to Wales today</li> <li>• We will promote the Library's sites as cultural destinations</li> <li>• We will develop and deliver an International Strategy and collaborate with Welsh Government and other organisations to promote Wales on a global stage</li> </ul>

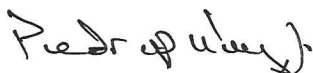
	<ul style="list-style-type: none"> <li>We will continue to foster and strengthen our relationship with the Welsh diaspora</li> </ul>
<b>Strategic Objective 4</b> <b>Empowering learning and research</b>	<b>How will we achieve this?</b>
<ul style="list-style-type: none"> <li>➤ Enabling research and innovation</li> <li>➤ Supporting formal learning</li> <li>➤ Promoting informal learning</li> </ul>	<ul style="list-style-type: none"> <li>We will foster a relationship with Higher Education Institutions and research teams interested in the collections</li> <li>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'</li> <li>We will collaborate with partners and stakeholders with the aim of establishing an accredited trusted digital repository as research infrastructure</li> <li>We will continue to contribute to the development of the Curriculum for Wales</li> <li>We will continue to increase our own range of digital learning resources in collaboration with partners</li> <li>We will invest in our services for schools and post-16 education</li> <li>We will develop a programme that supports informal learning and foster skills and transfer knowledge</li> <li>We will increase the interpretative content available online as resources for informal learning</li> <li>We will explore opportunities to work in partnership to support informal learning in communities across Wales</li> </ul>

**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](http://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

I Capital Quarter  
Tyndall Street  
Cardiff, CF10 4BZ

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

	Notes	PUBLIC FUNDS		PRIVATE FUNDS		2022-2023	2021-2022
		Unrestricted £'000	Restricted £'000	Unrestricted £'000	Restricted £'000	Total £'000	(as restated) Total £'000
<b>Income:</b>							
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
<b>Total Income</b>		<b>12,647</b>	<b>4,039</b>	<b>433</b>	<b>311</b>	<b>17,430</b>	<b>18,776</b>
<b>Expenditure:</b>							
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		<b>15,307</b>	<b>3,498</b>	<b>53</b>	<b>45</b>	<b>18,903</b>	<b>15,447</b>
Pension Finance Costs	23d	490	-	-	-	490	330
<b>Total expenditure</b>		<b>15,797</b>	<b>3,498</b>	<b>53</b>	<b>45</b>	<b>19,393</b>	<b>15,777</b>
Net gains/ (losses) on investments	16b	-	-	(959)	8	(951)	468
<b>Net income/ (expenditure)</b>		<b>(3,150)</b>	<b>541</b>	<b>(579)</b>	<b>274</b>	<b>(2,914)</b>	<b>3,467</b>
Gross transfers between funds	16	(705)	571	166	(32)	-	-
		<b>(3,855)</b>	<b>1,112</b>	<b>(413)</b>	<b>242</b>	<b>(2,914)</b>	<b>3,467</b>
<b>Other recognised gains/ (losses):</b>							
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
<b>NET MOVEMENT IN FUNDS FOR THE FINANCIAL YEAR</b>		<b>14,155</b>	<b>5,345</b>	<b>(413)</b>	<b>242</b>	<b>19,329</b>	<b>4,817</b>
FUND BALANCES BROUGHT FORWARD AT 1 APRIL	16	(31,180)	90,703	15,615	7,883	83,021	78,204
<b>FUND BALANCES CARRIED FORWARD AT 31 MARCH</b>	16	<b>(17,025)</b>	<b>96,048</b>	<b>15,202</b>	<b>8,125</b>	<b>102,350</b>	<b>83,021</b>

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
<b>FIXED ASSETS</b>					
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
<b>CURRENT ASSETS</b>					
Stocks		47		47	
Debtors	13	2,868		2,821	
Bank		1,986		2,840	
		4,901		5,708	
<b>CREDITORS</b>					
Amounts falling due within one year	14	(606)		(634)	
<b>NET CURRENT ASSETS</b>			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)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			102,350		83,021
<b>FUNDS</b>	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*

Gronw Percy  
TREASURER  
22 March 2024

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

		2022-2023		2021-2022	
		£000	£000	£000	£000
<b>Cash generated from operating activities</b>	18		<b>3,387</b>		5,176
<b>Cash flows from investing activities: -</b>					
Purchase of tangible and intangible fixed assets	10	<b>(3,679)</b>		(3,470)	
Purchase of heritage assets	12	<b>(338)</b>		(302)	
Proceeds from sale of investments	11	<b>4,032</b>		5,373	
Purchase of Investments	11	<b>(4,452)</b>		(6,686)	
<b>Net cash provided by/(used in) investing activities</b>			<b>(4,437)</b>		(5,084)
<b>Increase/(Decrease) in Cash and cash equivalents in the year</b>			<b>(1,050)</b>		92
Cash and cash equivalents at the beginning of the year			<b>3,159</b>		3,067
Total cash and cash equivalents at the end of the year	19		<b>2,109</b>		3,159

The notes on pages 38 to 61 form part of these accounts.

## NOTES TO THE ACCOUNTS AT 31 MARCH 2023

### I 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**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>£000</b>	<b>£000</b>
<b>Unrestricted</b>		
Grant-in-Aid	<b>12,155</b>	11,644
<b>Restricted</b>		
Capital - Purchase Grant	<b>305</b>	305
Capital – Wales Broadcast Archive	<b>-</b>	1,000
Capital - General	<b>2,195</b>	3,390
Digital Libraries	<b>451</b>	450
People's Collection Wales	<b>145</b>	121
ARCW	<b>86</b>	218
Others	<b>149</b>	31
<b>Total grant received from Welsh Government</b>	<b>15,486</b>	17,159

**3. OTHER GRANTS**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>£000</b>	<b>£000</b>
<b>Restricted public fund</b>		
British Film Institute	<b>5</b>	27
National Heritage Lottery Fund – Wales Broadcast Archive	<b>703</b>	587
National Heritage Lottery Fund – Save Our Sounds	<b>-</b>	161
	<b>708</b>	775
<b>Unrestricted public fund</b>		
Coronavirus Job Retention Scheme	<b>-</b>	40
<b>Total other grants</b>	<b>708</b>	815

During the period 1 April 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
<b>Unrestricted public income</b>	<b>£000</b>	<b>£000</b>
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
<b>Total</b>	<b>492</b>	<b>353</b>

**5. ANALYSIS OF EXPENDITURE**

	Staff Costs	Other direct costs	Depreciation and amortisation	2022-2023 <b>TOTAL</b>	2021-2022 <b>TOTAL</b>
	£000	£000	£000	£000	£000
<b>Cost of raising funds</b>	624	416	121	1,161	617
<b>Charitable Expenditure</b>					
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
<b>Governance</b>	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
<b>This is stated after charging:</b>	<b>£000</b>	<b>£000</b>
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
	<b>314</b>	<b>836</b>	<b>1,599</b>	<b>753</b>	<b>880</b>	<b>641</b>	<b>5,023</b>

## 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	
		<b>4,680</b>		<b>3,787</b>
Wages as noted in note 5		<b>12,324</b>		<b>10,550</b>
FRS 102 finance interest charge (see note 23d)		<b>490</b>		<b>330</b>
<b>Total</b>		<b>12,814</b>		<b>10,880</b>

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 1/80<sup>th</sup> 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 or 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
	£	£	£	£	£	£	£
<b>Mr P ap Llwyd</b> Chief Executive and Librarian	597,520	26,730	80,190	<b>500,040</b>	(230)	(700)	(157,830)
<b>Mr DH Michael</b> Director and Deputy Chief Executive and Librarian	708,840	28,980	86,940	<b>557,040</b>	(580)	(1,750)	(223,390)
<b>Dr O Roberts</b> Director and Deputy Chief Executive and Librarian	284,660	13,980	41,940	<b>149,560</b>	280	850	(163,850)
<b>Rhian Gibson</b> Director and Deputy Chief Executive and Librarian	-	600	1,800	<b>11,330</b>	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:

<b>Staff Numbers</b>	<b>2022/23</b>	<b>2021/22</b>
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
<b>Total</b>	<b>227.5</b>	<b>213.1</b>

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 £000	Plant, Fittings & Equipment £000	Computer equipment £000	Total £000
<b>Cost &amp; Valuation</b>				
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
<b>At 31 March 2023</b>	<b>76,751</b>	<b>4,607</b>	<b>4,842</b>	<b>86,200</b>
<b>Depreciation</b>				
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
<b>At 31 March 2023</b>	<b>2,218</b>	<b>1,974</b>	<b>2,688</b>	<b>6,880</b>
<b>Net Book Value</b>				
<b>At 31 March 2023</b>	<b>74,533</b>	<b>2,633</b>	<b>2,154</b>	<b>79,320</b>
At 31 March 2022	69,367	1,856	2,004	73,227

The Library received a valuation as at 31 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 £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	<b>1,086</b>
Amortisation	
At 1 April 2022	816
Charged for the year	67
At 31 March 2023	<b>883</b>
Net Book Value	
<b>At 31 March 2023</b>	<b>203</b>
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
<b>Total investments</b>	<b>13,550</b>	<b>14,277</b>
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
<b>Market Value at 31 March 2023</b>	<b>13,427</b>	<b>13,958</b>
<b>Cash held for investment</b>		
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
<b>At 31/03/23</b>	<b>2,127</b>	<b>2,911</b>	<b>13,393</b>	<b>380</b>	<b>4,370</b>	<b>381</b>	<b>23,562</b>

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
<b>Total Additions</b>	<b>338</b>	<b>302</b>	<b>218</b>	<b>401</b>	<b>499</b>

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**

	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>£000</b>	<b>£000</b>
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
	<b>2,868</b>	<b>2,821</b>

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 after 16 April 2023.

**14 (a) CREDITORS - Falling due within one year**

	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>£000</b>	<b>£000</b>
Trade Creditors	94	176
Accruals and deferred income	281	216
Holiday pay accrual	231	242
	<b>606</b>	<b>634</b>

**14 (b) CREDITORS – Movement on deferred income**

	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>£000</b>	<b>£000</b>
Deferred income brought forward	83	423
Release from previous year	(34)	(340)
Income deferred in the current year	-	-
Deferred income carried forward	<b>49</b>	<b>83</b>

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.



**I6 ANALYSIS OF CHARITABLE FUNDS****a. Analysis of movements in funds - Public**

	<b>At 1 April 2022 £000</b>	<b>Incoming Resources £000</b>	<b>Resources Expended £000</b>	<b>Other Movements In Year £000</b>	<b>At 31 March 2023 £000</b>
<b>PUBLIC FUNDS</b>					
Unrestricted – Public Pension	(32,760)	-	(3,330)	18,010	<b>(18,080)</b>
Unrestricted	1,580	12,647	(12,467)	(705)	<b>1,055</b>
	<b>(31,180)</b>	<b>12,647</b>	<b>(15,797)</b>	<b>17,305</b>	<b>(17,025)</b>
<b>Restricted: -</b>					
Capital and digital development	55,002	2,195	(1,888)	(134)	<b>55,175</b>
Revaluation Reserve*	26,121	-	-	4,236	<b>30,357</b>
Other restricted funds	208	1,539	(1,613)	705	<b>839</b>
Purchase grant funds	9,372	305	-	-	<b>9,677</b>
<b>Total restricted public funds</b>	<b>90,703</b>	<b>4,039</b>	<b>(3,501)</b>	<b>4,807</b>	<b>96,048</b>
<b>TOTAL PUBLIC FUNDS</b>	<b>59,523</b>	<b>16,686</b>	<b>(19,298)</b>	<b>22,112</b>	<b>79,023</b>

\*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	<b>Total</b>	Total
				<b>2022-2023</b>	2021-2022
	£000	£000	£'000	£000	(as restated) £000
<b>Income</b>					
Donations and Bequests	160	15	291	<b>466</b>	217
Interest Receivable	273	5	-	<b>278</b>	232
<b>Total</b>	<b>433</b>	<b>20</b>	<b>291</b>	<b>744</b>	<b>449</b>
<b>Resources Expended</b>					
Costs of raising funds	53	1	-	<b>54</b>	55
Private project expenditure	-	44	-	<b>44</b>	15
Net (gain)/loss on investments	959	(8)	-	<b>951</b>	(468)
<b>Total</b>	<b>1,012</b>	<b>37</b>	<b>-</b>	<b>1,049</b>	<b>(398)</b>
<b>Net Incoming/ (Outgoing) Resources</b>	<b>(579)</b>	<b>(17)</b>	<b>291</b>	<b>(305)</b>	<b>847</b>
Transfers	166	(32)	-	<b>134</b>	101
Net movement in private funds during the year	<b>(413)</b>	<b>(49)</b>	<b>291</b>	<b>(171)</b>	<b>948</b>
Brought forward at 1 April	15,615	230	7,653	<b>23,498</b>	22,550
<b>Carried Forward at 31 March</b>	<b>15,202</b>	<b>181</b>	<b>7,944</b>	<b>23,327</b>	<b>23,498</b>

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	Restricted	Unrestricted	Restricted	<b>Total</b>
	public	public	private	private	
	£'000	£'000	£'000	£'000	£'000
Fixed Assets	-	95,155	13,354	8,124	<b>116,633</b>
Cash at bank and in hand	136	-	1,848	1	<b>1,985</b>
Other net current assets/ (liabilities)	919	893	-	-	<b>1,812</b>
Creditors of more than one year	(18,080)	-	-	-	<b>(18,080)</b>
<b>Total</b>	<b>(17,025)</b>	<b>96,048</b>	<b>15,202</b>	<b>8,125</b>	<b>102,350</b>

## 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
<b>Net cash flow from operating activities</b>	<b>3,387</b>	<b>5,176</b>

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	<b>2,109</b>	<b>3,159</b>

## 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 1 <sup>st</sup> September 2022) is a Trustee of Diverse Cymru	(25)	0	0	0
Aberystwyth University	Ms Meri Huws, Trustee of the Library (to 9 <sup>th</sup>	0	0	1,737/(11,736)	216

	August 2021) is a Council Member				
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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 1/80<sup>th</sup> 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**

	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>£m</b>	<b>£m</b>
Fair value of assets <b>(23b)</b>	<b>56.38</b>	87.44
Actuarial value of scheme liabilities <b>(23c)</b>	<b>74.46</b>	120.20
Pension liability recognised in balance sheet	<b>(18.08)</b>	(32.76)

**(b) Changes in the fair value of plan assets**

	<b>Year Ended 31 March 2023</b>	<b>Year Ended 31 March 2022</b>
	<b>£m</b>	<b>£m</b>
Scheme assets at beginning of year	<b>87.44</b>	82.45
Benefits paid from plan assets	<b>(2.64)</b>	(2.55)
Employer contributions	<b>1.84</b>	2.66
Member contributions	<b>0.09</b>	0.09
Interest income on Scheme Assets	<b>1.35</b>	1.03
Return on scheme assets greater/(less) than discount rate	<b>(31.70)</b>	3.76
<b>Scheme assets at end of year – (23a)</b>	<b>56.38</b>	87.44

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

	<b>Year Ended 31 March 2023</b>	<b>Year Ended 31 March 2022</b>
	<b>£m</b>	<b>£m</b>
Scheme liabilities at beginning of year	<b>120.20</b>	110.37
Interest cost on the DBO	<b>1.84</b>	1.36
Effect of employee services in the current period	<b>4.52</b>	3.67
Member contributions	<b>0.09</b>	0.09
Benefits paid from plan assets	<b>(2.48)</b>	(2.43)
Remeasurement on the DBO/ change of assumptions	<b>(49.71)</b>	7.14
<b>Scheme liabilities at end of year – (23a)</b>	<b>74.46</b>	120.20

**(d) Amounts charged to SOFA (Total Expenditure)**

	<b>Year Ended 31 March 2023</b>	<b>Year Ended 31 March 2022</b>
	<b>£m</b>	<b>£m</b>
Effect of employee services in the current period	<b>4.52</b>	3.67
Net interest on net defined benefit liability/ (asset)	<b>0.49</b>	0.33
Defined benefit cost recognised in P&L	<b>5.01</b>	4.00
Administration costs during the period	<b>0.16</b>	0.12
<b>Total cost recognised in SOFA</b>	<b>5.17</b>	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
<b>Defined benefit cost</b>	<b>(12.84)</b>	<b>7.50</b>

**(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)
<b>Scheme liabilities at end of year – (23a)</b>	<b>(18.08)</b>	<b>(32.76)</b>

**(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
<b>Total value of assets</b>	<b>56.38</b>		<b>87.44</b>	

**(i) Financial Assumptions**

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

	<b>31 March 2023</b>	31 March 2022
	<b>%per annum</b>	%per annum
Price Inflation	<b>2.40</b>	2.90
Rate of Salary Increase	<b>2.40</b>	2.90
Rate of increase of pensions in payment*	<b>2.40</b>	2.90
Discount rate**	<b>4.15</b>	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:

	<b>31 March 2023</b>	31 March 2022
	<b>£000</b>	£000
Contracted – building works	<b>46</b>	1,806
Contracted – computer equipment	-	312
Contracted – plant fittings & equipment	<b>13</b>	-
	<b>59</b>	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.

