Report of the Trustees and
Audited Financial Statements for the Year Ended 31 March 2016
for
NATIONAL WATERFRONT MUSEUM SWANSEA
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NATIONAL WATERFRONT MUSEUM SWANSEA

Report of the Trustees
for the year ended 31 March 2016

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2016. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objects

The principal object of the charitable company is the establishment, for the benefit of the public, of a Museum in Swansea to house and display (inter alia) the industrial and maritime collections of the National Museum of Wales and the City and County of Swansea (the partners to the project). The Museum is developed on long leasehold property, a headlease having been granted to the charitable company by City and County of Swansea (a partner to the project).

Public benefit

The Trustees note the Charity Commission’s guidance on public benefit and the delivery of such benefit is achieved via the management of the museum by National Museum of Wales as a constituent part of its group of eight locations across Wales. The core objective of the National Museum of Wales is "the advancement of the education of the public" and extensive reporting on how the National Museum delivers against that core objective is obtained in the National Museum’s own Financial Report. Supported by the Welsh Assembly Government, admission to all eight sites is free to the public, with the National Museum continually striving to increase its impact and extend social inclusion.
ACHIEVEMENT AND PERFORMANCE
Charitable activities
With the completion of the post-opening works several years ago, the Trustees’ role is now based upon the Operational Agreement for the Museum entered into by Amgueddfa Cymru-National Museum Wales, the City and County of Swansea and the Company in 2005. This agreement provides for the museum and the council to consult with the Company at least twice a year in relation to the operation and further development of the Museum and the development of the destination.

On 17 October the museum had been open to the public for ten years, during which time it had received nearly 2,556,000 visits. This birthday was celebrated in three events. On 14 October the Deputy Minister for Culture visited the museum and met with a number of staff and Communities First volunteers. A stake-holder reception was held on the evening of 16 October, which was attended by around 120. This was followed by a family fun day on the 17 October that attracted around 2,000 visitors and included the first performance of a specially-commissioned fanfare by the composer Sir Karl Jenkins. An infographic postcard was also produced for distribution at all three events. This provided a number of key statistics about the museum’s performance during its first decade, including the latest economic impact figures from the City & County of Swansea that calculated the museum to have contributed £77 million to the local economy.

During the year the Company concluded the redisplay of the Made in Wales gallery and a refresh of the Achievers Gallery to look at artists and writers in Welsh industry. A major refresh of the Coal Gallery was also commenced. Around 20 temporary exhibitions were mounted, including one that dealt with the 150th anniversary of the founding of the Welsh community in Patagonia and another dealing with disability and the mining industry. The latter was created in partnership with Swansea University and funded through the Welcome Trust, and coincided with an international symposium on the history of disability hosted by the museum. About 200 events supported the exhibition programme.

The museum continues to work closely with a number of community, cultural and academic partners to host a variety of public events. These included hosting the three-day annual conference of the Group for Education in Museums, which nearly 100 people attended from UK and Europe, and the Welsh Government’s ‘Senedd in Swansea’ week. For this event a number of formal meetings of AMs (including the First Minister) were held in the museum. The museum continues to lead the Swansea Creative Learning Partnership / Pioneer Area programme, part of the Welsh Government’s Fusion initiative to use culture to support the alleviation of poverty. Once again the South Wales finals of the Formula 1 in Schools design competition for both the primary and secondary were held in the Museum and colleagues from the City & County of Swansea organised a large, six-week Christmas festival in the park outside from November to early January. The museum also continues to serve as the western ‘Anchor Point’ for the South Wales portion of the European Route of Industrial Heritage.

Overall, the museum continues to thrive. By 31 March 2016 it had received 2,653,038 visits since opening in October 2005, and 261,801 of these were made since 1 April 2015. Nearly 20,000 of these visits were by formal educational groups.

FINANCIAL REVIEW
Financial position
The incoming resources and resources expended are set out in the Statement of Financial Activities. The state of the charitable company’s affairs at 31 March 2016 is shown in the balance sheet. The Trustees consider the state of the charitable company’s affairs to be satisfactory.
FINANCIAL REVIEW
Reserves policy
As the ongoing operational costs of the charitable company are met by the National Museum Wales and Swansea County Council, the trustees are of the opinion minimal cash reserves need to be maintained. The unrestricted reserve will be utilised to cover the depreciation charges in relation to land and buildings. The remainder of the restricted reserves will be spent in line with the grant funding document.

FUTURE PLANS
The Trustees' plans for the next year include the conclusion of the refresh of the Coal Gallery, and creating a new section in the Day's Work Gallery to explain Wales' contribution the development of computer technology, together with the re-structuring of a number of other long-term displays.

STRUCTURE, GOVERNANCE AND MANAGEMENT
Governing document
The charitable company is controlled by its governing document, its Memorandum & Articles of Association and constitutes a limited company, limited by guarantee, as defined in the Companies Act 2006.

Recruitment and appointment of new trustees
The first Trustees of the charitable company are those persons appointed as "first directors" by the National Museum of Wales and City and County of Swansea (i.e. the partners to the project) and referred to in the Articles of Association. Three persons are stipulated in the Articles of Association as being appointed by each of the partners to the project. The Articles specify that the persons appointed are to hold office for periods ranging from 5 years to 7 years. The directors of National Waterfront Museum Swansea for the purposes of company law are the Trustees of the charitable company.

When a Trustee leaves, he or she is replaced by a person appointed by the respective organisation which appointed the first Trustee. The Articles of Association specify that the number of members of the Board of Trustees shall be seven (unless otherwise determined by ordinary resolution). Six of the Trustees are appointed by the respective partners to the project. The seventh member of the Board of Trustees is appointed jointly by the partners to the project as an independent Chair.

REFERENCE AND ADMINISTRATIVE DETAILS
Registered Company number
4255473 (England and Wales)

Registered Charity number
1090512

Registered office
Oystermouth Road
Maritime Quarter
Swansea
SA1 3RD
REFERENCE AND ADMINISTRATIVE DETAILS

Trustees
R Phelps- Chairman
E Elias
N S Bradley - resigned 26/6/2015
L A Pvelin
R Francis-Davies
J C Bayliss - resigned 26/6/2015
G Jones
E T Kirchner - appointed 26/6/2015
J A M Hale - appointed 26/6/2015

Company Secretary
H Van Willegen

Auditors
KTS OWENS THOMAS LIMITED
Chartered Accountants and Statutory Auditor
The Counting House
Celtic Gateway
Cardiff
CF11 0SN

Bankers
BARCLAYS BANK PLC
Business Banking
PO Box 334
1/6 Pockets Wharf
East Burrows Road
Swansea
BX3 2BB

LEGAL AND ADMINISTRATIVE DETAILS

The charitable company was formed by the National Museum of Wales and the City and County of Swansea who are the partners to the project to establish the National Waterfront Museum in Swansea. The charitable company is limited by guarantee and does not have a share capital.

The legal and administrative details of the charitable company and details of the Trustees currently holding office, secretary, registered office, registered auditors and bankers to the company are shown on page 1. The principal objective of the charitable company is set out below. The Governing document of the company is its Memorandum and Articles of Association.

The Trustees are also directors of the charitable company for the purposes of company law.
NATIONAL WATERFRONT MUSEUM SWANSEA

Report of the Trustees
for the year ended 31 March 2016

STATEMENT OF TRUSTEES RESPONSIBILITIES
The trustees (who are also the directors of National Waterfront Museum Swansea for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS
The auditors, KTS OWENS THOMAS LIMITED, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 17 June 2016 and signed on its behalf by:

[Signature]
R Phelps - Chairman - Trustee
We have audited the financial statements of National Waterfront Museum Swansea for the year ended 31 March 2016 on pages eight to twenty one. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustees and auditors
As explained more fully in the Statement of Trustees Responsibilities set out on page five, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

This report is made solely to the charitable company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company’s members those matters we are required to state to them in an auditors’ report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion the financial statements:
- give a true and fair view of the state of the charitable company’s affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.
Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Gareth Lynn (Senior Statutory Auditor)
for and on behalf of KTS OWENS THOMAS LIMITED
Chartered Accountants and Statutory Auditor
The Counting House
Celtic Gateway
Cardiff
CF11 0SN
Date: 17/6/16
NATIONAL WATERFRONT MUSEUM SWANSEA

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the year ended 31 March 2016

<table>
<thead>
<tr>
<th>Unrestricted fund</th>
<th>Restricted fund</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>INCOME AND ENDOWMENTS FROM</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations and legacies</td>
<td>2</td>
<td>4,550</td>
<td>-</td>
</tr>
<tr>
<td>Other income</td>
<td>3</td>
<td>168,892</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>173,442</td>
<td>-</td>
<td>173,442</td>
</tr>
</tbody>
</table>

| EXPENDITURE ON |
| Charitable activities | 4 |
| Museum activities     | 162,011 | 162,011 | 161,953 |

| NET INCOME/(EXPENDITURE) |
| 11,431 | - | 11,431 | (157,003) |

| RECONCILIATION OF FUNDS |
| Total funds brought forward | 18,988,785 | 1,851 | 18,990,636 | 19,147,639 |
| **TOTAL FUNDS CARRIED FORWARD** | 19,000,216 | 1,851 | 19,002,067 | 18,990,636 |

CONTINUING OPERATIONS
All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements
NATIONAL WATERFRONT MUSEUM SWANSEA

Balance Sheet
At 31 March 2016

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Notes</strong></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>FIXED ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>19,048,000</td>
<td>19,036,836</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>1,724</td>
<td>22,915</td>
</tr>
<tr>
<td><strong>CREDITORS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts falling due within one year</td>
<td>(2,224)</td>
<td>(23,287)</td>
</tr>
<tr>
<td><strong>NET CURRENT ASSETS/(LIABILITIES)</strong></td>
<td>(500)</td>
<td>(367)</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS LESS CURRENT LIABILITIES</strong></td>
<td>19,047,500</td>
<td>19,036,469</td>
</tr>
<tr>
<td><strong>CREDITORS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts falling due after more than one year</td>
<td>(45,433)</td>
<td>(45,833)</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td>19,002,067</td>
<td>18,990,636</td>
</tr>
<tr>
<td><strong>FUNDS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted funds</td>
<td>19,000,216</td>
<td>18,988,785</td>
</tr>
<tr>
<td>Restricted funds</td>
<td>1,851</td>
<td>1,851</td>
</tr>
<tr>
<td><strong>TOTAL FUNDS</strong></td>
<td>19,002,067</td>
<td>18,990,636</td>
</tr>
</tbody>
</table>

The notes form part of these financial statements
These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 17 June 2016 and were signed on its behalf by:

R Phelps- Chairman -Trustee
1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (SORP 2015); and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets. The financial statements are presented in sterling, which is the functional currency of the charitable company.

Reconciliation with previous generally accepted practice
In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items required. No restatements were required at either the transition date (1 April 2014) or for the comparative year.

Preparation of accounts on a going concern basis
The trustees consider that there are no material uncertainties above the charitable company’s ability to continue as a going concern as the National Museum of Wales and the City and Council of Swansea each contribute 50% for the total cost of governance, which should be the only costs incurred.

Cash flow statement
The charitable company is exempt from preparing a cash flow statement as it is classified as small with turnover less than £500,000.

Income
Income is recognised when the charitable company has entitlement to funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Other income consists of rental income received in advance which is recognised over the length of the lease. The charitable company has opted to utilise the option under FRS 102 for Public Benefit Entities to recognise concessionary loans on the amounts received. Therefore no adjustments have been made for fair value purposes.
1. ACCOUNTING POLICIES - continued

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.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated and apportioned to the applicable expenditure headings.

Charitable activities
Costs of charitable activities are incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Corporation taxation
As a registered charity, the National Waterfront Museum Swansea is entitled to the exemptions from taxation in respect of income and capital gains received within Sections 478 - 489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only. No tax charges have arisen in the charitable company.

Allocation of support and governance costs
Support costs consists solely of governance costs. Governance costs comprise all costs involving the public accountability of the charitable company and its compliance with regulation and good practice. These costs include costs related to statutory audit and company secretarial activity. As the charitable company has one charitable activity all support costs are allocated to this activity.
I. ACCOUNTING POLICIES - continued

Tangible fixed assets
Tangible fixed assets are stated at cost or valuation, less accumulated depreciation and less any amounts eliminated in respect of disposals of tangible fixed assets. Individual fixed assets costing £1,000 or more are capitalised at cost. Tangible fixed assets consist of a building which is used by the charitable company as a functional property to further the charitable company’s aims.

The Museum is developed on long leasehold land. No depreciation was charged on the expenditure incurred on the Museum’s development from commencement of the project to 31 March 2006 (ie no depreciation was charged during the development phase of the Museum’s construction). On 1 April 2006 depreciation began to be charged. Depreciation is calculated on a straight line basis and the amount of the charge is based on the remaining term of the headlease granted to the charitable company.

An asset was acquired in a past accounting period by donation in kind from a partner to the project. The asset donated comprised the headlease of the Waterfront Museum site, a heritage asset. The terms of the headlease include conditions for development of the site only for the purposes of the Museum. The asset donated in kind was not included at a value in arriving at expenditure capitalised, as it proved difficult or costly to attribute a value to the asset donated.

The charitable company has a policy of undertaking periodic revaluations of the tangible fixed asset comprising the Museum development. The accounting policy adopted by the company is that formal periodic valuations by professionally qualified valuers will be made at least every five years. During 2011 a formal valuation was obtained. This resulted in a downwards revaluation of the asset. As this was a permanent diminution this was recognised in the Statement of Financial Activity. In 2016 a revised valuation was undertaken which increased the carrying value of the asset, partially reversing the prior diminution in value which was recognised in the Statement of Financial Activity.

In addition, if circumstances arise where the carrying value of the tangible fixed asset is higher than its recoverable amount, during a year when a valuation does not occur, a write down for impairment would be made. The carrying value would be reduced to its recoverable amount. The recoverable amount is the higher of the net realisable value of the asset and its value in use. Value in use of the asset comprising the Museum development is based on a measure of its service potential or replacement cost. Any impairment loss arising is treated as additional depreciation and is included as such in the Statement of Financial Activities.

Cash at bank and in hand
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions
Creditors and Provisions are recognised where the charity has a present obligation resulting from past events that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.
NATIONAL WATERFRONT MUSEUM SWANSEA

Notes to the Financial Statements - continued
for the year ended 31 March 2016

1. ACCOUNTING POLICIES - continued

Fund accounting
Unrestricted Funds are expendable at the discretion of the Trustees in furtherance of the objects of the charity; the fund comprises the accumulated surpluses and deficits of unrestricted income and expenditure.

Restricted funds are those where the donor has imposed restrictions on the use of the funds that are binding. Income arising on restricted funds and expenditure incurred in respect of these funds are reflected through the Statement of Financial Activities.

Funds are transferred from restricted to unrestricted when the initial restrictions no longer apply. If any restricted fund falls into deficit transfers are made from unrestricted reserves to cover the additional expenditure.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. DONATIONS AND LEGACIES

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution from City and County of Swansea</td>
<td>2,275</td>
<td>2,275</td>
</tr>
<tr>
<td>Contribution from National Museum of Wales</td>
<td>2,275</td>
<td>2,275</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,550</td>
<td>4,550</td>
</tr>
</tbody>
</table>

3. OTHER INCOME

Included in other income in the year ended 31 March 2016 is £168,491 relating to the revaluation of tangible fixed assets. See note 11 for further detail.

4. CHARITABLE ACTIVITIES COSTS

<table>
<thead>
<tr>
<th></th>
<th>Direct costs (See note 5)</th>
<th>Support costs (See note 6)</th>
<th>Totals £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Museum activities</td>
<td>157,448</td>
<td>4,563</td>
<td>162,011</td>
</tr>
</tbody>
</table>
5. DIRECT COSTS OF CHARITABLE ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation</td>
<td>£157,327</td>
<td>£157,327</td>
</tr>
<tr>
<td>Interest payable and similar charges</td>
<td>£121</td>
<td>£63</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£157,448</strong></td>
<td><strong>£157,390</strong></td>
</tr>
</tbody>
</table>

6. SUPPORT COSTS

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company secretarial fees</td>
<td>£3,000</td>
<td>£3,000</td>
</tr>
<tr>
<td>Audit fees</td>
<td>£1,550</td>
<td>£1,550</td>
</tr>
<tr>
<td>Legal fees</td>
<td>£13</td>
<td>£13</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£4,563</strong></td>
<td><strong>£4,563</strong></td>
</tr>
</tbody>
</table>

All the above costs are classified as governance costs. As the charity has only one activity all costs are allocated to this activity.

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit fees</td>
<td>£1,550</td>
<td>£1,550</td>
</tr>
<tr>
<td>Depreciation - owned assets</td>
<td>£157,327</td>
<td>£157,327</td>
</tr>
</tbody>
</table>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2016 nor for the year ended 31 March 2015.

**Trustees donations**

No (2015: None) trustees made donations to the charitable company this year.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2016 nor for the year ended 31 March 2015.
NATIONAL WATERFRONT MUSEUM SWANSEA

Notes to the Financial Statements - continued
for the year ended 31 March 2016

9. STAFF COSTS

There were no staff costs for the year ended 31 March 2016 nor for the year ended 31 March 2015.

No employees earned £60,000 or more for the period ended 31 March 2016 (2015: None).

The average monthly headcount and average monthly full-time equivalent employees was nil (2015: Nil).

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

<table>
<thead>
<tr>
<th>Unrestricted fund</th>
<th>Restricted fund</th>
<th>Total funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
</tbody>
</table>

INCOME AND ENDOWMENTS FROM

Donations and legacies
- 4,550

Other income
- 400

Total
- 4,950

EXPENDITURE ON

Charitable activities
Museum activities
- 161,953

Total
- 161,953

NET INCOME/(EXPENDITURE)

- (157,003)

RECONCILIATION OF FUNDS

Total funds brought forward
- 19,145,788

TOTAL FUNDS CARRIED FORWARD
- 18,988,785
11. TANGIBLE FIXED ASSETS

COST
At 1 April 2015 19,665,855
Impairments (617,855)

At 31 March 2016 19,048,000

DEPRECIATION
At 1 April 2015 629,019
Charge for year 157,327
Reversal of impairments (786,346)

At 31 March 2016 -

NET BOOK VALUE
At 31 March 2016 19,048,000
At 31 March 2015 19,036,836

The tangible fixed asset was professionally valued at 31 March 2016 by Cooke and Arkwright Chartered Surveyors. The valuation was undertaken in accordance with the requirements of the Royal Institute of Chartered Surveyors Appraisal and Valuation Standards and FRS102. The valuation was on the bases and assumptions for owner occupied properties: being valued to Existing Use Value assuming that the property would be sold as part of a continuing business or by using the depreciated replacement cost method.

Cost or valuation at 31 March 2016 is represented by:

Long Leasehold £
Valuation in 2016 19,048,000

19,048,000
11. TANGIBLE FIXED ASSETS - continued

If the Long Leasehold Property had not been revalued it would have been included at the following historical cost:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>26,978,530</td>
<td>26,978,530</td>
</tr>
<tr>
<td>Aggregate Depreciation</td>
<td>2,188,720</td>
<td>1,972,892</td>
</tr>
</tbody>
</table>

A sub-underlease which relates to the tangible fixed asset referred to above has been granted to a partner to the project (ie National Museum of Wales). The day to day operation of the Museum is undertaken by the partner to the project referred to and the granting of the sub-lease facilitates this arrangement.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>VAT</td>
<td>-</td>
<td>5</td>
</tr>
</tbody>
</table>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts owed to group undertakings</td>
<td>-</td>
<td>21,087</td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td>2,224</td>
<td>2,200</td>
</tr>
<tr>
<td></td>
<td>2,224</td>
<td>23,287</td>
</tr>
</tbody>
</table>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other creditors</td>
<td>45,433</td>
<td>45,833</td>
</tr>
</tbody>
</table>
14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

Balances relating to deferred income which are included in creditors at 31 March 2016 and 31 March 2015 comprise the following:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creditors falling due within one year</td>
<td>400</td>
<td>400</td>
</tr>
<tr>
<td>Creditors falling due after more than one year</td>
<td>45,433</td>
<td>45,833</td>
</tr>
<tr>
<td><strong>At 31 March 2015</strong></td>
<td>45,833</td>
<td>46,233</td>
</tr>
</tbody>
</table>

Movements in the deferred income account during the year:

<table>
<thead>
<tr>
<th></th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 April 2015</td>
<td>46,233</td>
</tr>
<tr>
<td>Transferred to incoming resources</td>
<td>(400)</td>
</tr>
<tr>
<td><strong>At 31 March 2016</strong></td>
<td>45,833</td>
</tr>
</tbody>
</table>

The principal objective of this charitable company is the establishment of the National Waterfront Museum in Swansea. The construction project reached its completion stage during a prior financial period. The Museum opened to the public in October 2005. The day to day operations of the Museum (after its opening to the public) are being undertaken by the National Museum of Wales (a partner to the project). A sub-lease has been granted by this charitable company to the National Museum of Wales in order to facilitate this arrangement. The sub-lease was granted for a consideration of £50,000. The sub-lease includes provision for only a nominal amount of rental income to this charitable company.

The consideration received for the granting of the sub-lease is being credited to the Statement of Financial Activities over the term of the sub-lease. The balance held in the deferred income account represents the amount of the consideration which remains to be credited to the Statement of Financial Activities at the financial year end.
15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted fund</th>
<th>Restricted fund</th>
<th>2016</th>
<th>2015</th>
<th>Total funds</th>
<th>Total funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td>19,048,000</td>
<td>-</td>
<td>19,048,000</td>
<td>19,036,836</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>(127)</td>
<td>1,851</td>
<td>1,724</td>
<td>22,920</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(2,224)</td>
<td>-</td>
<td>(2,224)</td>
<td>(23,287)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long term liabilities</td>
<td>(45,433)</td>
<td>-</td>
<td>(45,433)</td>
<td>(45,833)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>19,000,216</td>
<td>1,851</td>
<td>19,002,067</td>
<td>18,990,636</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

16. MOVEMENT IN FUNDS

<table>
<thead>
<tr>
<th></th>
<th>Net movement in funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1/4/15</td>
<td>At 31/3/16</td>
</tr>
<tr>
<td>£</td>
<td>£</td>
</tr>
</tbody>
</table>

**Unrestricted funds**

General fund

18,988,785 11,431 19,000,216

**Restricted funds**

Restricted fund

1,851 - 1,851

**TOTAL FUNDS**

18,990,636 11,431 19,002,067

Net movement in funds, included in the above are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Incoming resources</th>
<th>Resources expended</th>
<th>Movement in funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General fund</td>
<td>173,442</td>
<td>(162,011)</td>
<td>11,431</td>
</tr>
</tbody>
</table>

**TOTAL FUNDS**

173,442 (162,011) 11,431

Restricted Fund

The company’s restricted fund is initially credited with the grants receivable for funding the development of the Museum. The amount of the grants which fund capital expenditure are transferred to the general fund when the related expenditure has been incurred.
17. RELATED PARTY DISCLOSURES

The National Museum of Wales and City and County of Swansea are partner to the project to establish the National Waterfront Museum Swansea. The National Museum of Wales is an organisation which is a Welsh Government Sponsored Body.

The members of the Board of Trustees throughout the financial period end 31 March 2016 are set out in the Report of the Trustees. Each of the partners to the project has nominated 3 members of this company's Board of Trustees.

The National Museum of Wales and the City and County of Swansea contribute 50% each for the cost of governance. This year this amounted to a contribution of £2,275 each (2015: £2,275 each).

For contractual reasons all; expenditure authorised by the Board is procured via the National Museum of Wales and then reimbursed by the Company to National Museum of Wales. During the year, £Nil (2015: £Nil) was reimbursed to National Museum of Wales.

At 31 March 2016 there was £Nil (2015: £Nil) owed to the National Museum of Wales.

Except as disclosed above and in notes to the financial statements there are no transactions, balances and relationships that require disclosure.

18. ULTIMATE CONTROLLING PARTY

The charitable company has no ultimate controlling party.

19. MEMBERS' GUARANTEE

All the members of National Waterfront Museum Swansea have guaranteed to contribute, in the event of a winding up, an amount not exceeding £10 each. The National Waterfront Museum Swansea has 6 members comprising 3 representatives of each of the partners of the project.

20. FIRST YEAR ADOPTION

The charitable company has adopted Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (SORP 2015) for the year ended 31 March 2016 and has restated the comparative year amounts.

There are no material changes to the basics of preparation of the accounts arising on transition.

Transitional relief
The charitable company did not take advantage of any of the transition reliefs available.