



The International Institute for Conservation of Historic and Artistic Works

REPORTS AND FINANCIAL STATEMENTS

Year Ended 30th June 2004

COUNCIL REPORT

The Council have pleasure in submitting their report and audited financial statements of The Institute for the year ended 30th June 2004.

Legal and administrative information

The International Institute for Conservation of Historic and Artistic Works (IIC) is a registered charity (number 209677) and a company limited by guarantee (number 481522). The Council Members during the year were as follows:

President

Andrew Oddy

Vice-Presidents

John Mills*

Andreas Burmester†

John Winter*

Joyce Hill Stoner†

Sarah Staniforth

Secretary General

Jonathan Ashley-Smith

Treasurer

David Leigh

Director of Publications

David Saunders†

Ordinary Members

Giorgio Torraca*

Eleanor McMillan

Barbara Overton Roberts*

Sharon Cather

Marion Kite

Mary Todd Glaser

Gabriela Krist

Paul Schwartzbaum

Elizabeth Peacock

Leslie Carlyle†

Ségolène Bergeon Langle

Lorenzo Lazzarini†

Julian Bickersteth

*retired 12th January 2004, †elected 12th January 2004

Auditors

Jacob Cavenagh & Skeet

Bankers

National Westminster Bank Plc

5 Robin Hood Lane

38 Strand

Sutton, Surrey

London

SM1 2SW

WC2N 5JQ

Solicitors

Slaughter and May

Registered Office

6 Buckingham Street

One Bunhill Row

London

London EC1Y 8YY

WC2N 6BA

Council Member Sarah Staniforth is due to retire in January 2005. Other Council Members who will retire at the Annual General Meeting and are eligible for re-election are Julian Bickersteth and Eleanor McMillan.

Principal activity and organization of The Institute

The principal activity of The Institute is the promotion of the knowledge, methods and working standards needed to protect and preserve historic and artistic works. The Institute is administered by an international council of up to 20 members who are drawn from and elected by Fellows of The Institute, and who meet on a regular basis. The Institute achieves its objects by producing publications of current and technical interest, and also by means of international congresses held at intervals of two years on a topic of current interest.

Council Members' responsibilities

The Council Members are required to prepare financial statements for each financial year, which give a true and fair view of the affairs of the charity and the incoming resources and application of resources, including the net income or expendi-

ture, of the charity for the year. In preparing those financial statements, the Council are required to:

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The Council are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Investment policy

The charity's current investment policy is to maintain the value of the holdings and to generate income which can be used to support The Institute's activities and minimize the call on membership fees. The purchase of holdings in companies whose actions may have an adverse effect on cultural heritage is avoided.

Reserves policy

The charity has a policy of maintaining 'free' reserves at a minimum of one year's expenditure (approximately £180,000) to enable the charity to continue in existence in the event of a shortfall in funding. It also maintains a congress reserve of approximately £85,000 to cover potential shortfalls arising from the biennial congresses.

Review of finances, developments, activities and achievements

Although this report officially covers only the year up to the end of June 2004, it is traditional to allow mention of more recent events, especially if they are as successful and exciting as the congress held in Bilbao in September. The preparations for this event had anyway been ongoing throughout the report year. For the congress the Technical Committee, chaired by David Bomford, had orchestrated a varied programme of presentations covering all aspects of the problems posed to conservators by new museums and modern art. The local organisers, the Guggenheim Museum Bilbao, had arranged a splendid conference venue and an interesting social programme which included demonstrations of the intricacies of the ball-game pelota and a party in a cider house. Seven students from around the world were given financial support from The IIC Bromelle fund to attend the congress.

The year of the biennial congress is also the year for selecting the winner of the IIC Keck Award for the individual or group that has in the opinion of the Council contributed most towards promoting public understanding and appreciation of the accomplishments of the conservation profession. The prize was awarded to Andreina Nardi from Italy at the Bilbao Congress.

The long-term planning of the series of biennial congresses forms a substantial part of the activities of the institute. Planning has already started for the 21st International Congress to be held in Munich, Germany in September 2006. In 2008 the biennial IIC congress will coincide with the triennial meeting of the Conservation Committee of ICOM. An agreement has been reached that the two organisations should try to plan a joint meeting at a single venue in that year.

In terms of the Institute's history and the Secretary-General's anxiety, one of the most important activities of the year was the

preparation for the retirement of Perry Smith who has been Executive Secretary for more than 35 years. The search for a successor resulted in the selection of Graham Voce, someone with an excellent record of office administration and experience with publications, marketing and information technology. The Fellows of IIC responded generously to a request for donations toward a leaving present for Perry. The cheque was presented at the closing ceremony of the Congress at which time Perry was granted Honorary Fellowship of the Institute.

During the period of the report Honorary Fellowships were also awarded to O. P. Agrawal, Karen Finch, Kenzo Toishi and Marilyn Kemp Weidner.

The Institute's publications have always set high standards in the conservation field. David Saunders, who was formally elected as the Director of Publications at the 2004 AGM, has overseen the production of *Studies in Conservation* and *Reviews in Conservation*. The Director of Publications is also given the responsibility for the Institute's web-site, which is run by webmaster Tim Padfield. In July 2003 a new site was launched with a number of pages exclusively for IIC members' use. There are pages for notices, events, news, jobs and discussions. There is also a searchable and downloadable list of members which has space for the member's own biographical details and a photograph. Electronic copies of IIC publications are available on the web-site. Until members learn to appreciate the benefits the site provides it will remain rather under-used.

Following the launch by the Getty Conservation Institute of *AATA Online* (the web based version of *Art & Archaeology Technical Abstracts*) discussions have continued with representatives of GCI to see how the links between IIC and AATA

can be strengthened and standards of abstracting maintained. Through the generosity of GCI, the Institute is able to offer a reduced membership rate to abstractors for *AATA Online*.

Relationships with other international conservation bodies have been maintained. Observers from ICCROM and ICOM-CC have attended IIC Council meetings. In November the Secretary-General of IIC attended a meeting of ICCROM Council and the ICCROM General Assembly in Rome, and a meeting of ICOM-CC Directory Board, hosted by GCI in Los Angeles in January.

The new category of student membership introduced at the 2003 AGM has proved popular. The changes in election procedures introduced at that AGM granting all Individual Members the right to vote for members of Council, and the introduction of a postal voting system, ensured a large virtual turnout for the elections. Those who came in real time and space to the AGM in London were treated to a talk by Tim Padfield on designing museums with naturally stable climates.

Auditors

A resolution proposing the re-appointment of Jacob Cavenagh & Skeet as auditors will be put to the members at the annual general meeting.

The above report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985.

BY ORDER OF THE COUNCIL

Jonathan Ashley-Smith
Secretary General
8th October 2004

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE INTERNATIONAL INSTITUTE FOR CONSERVATION OF HISTORIC AND ARTISTIC WORKS

We have audited the financial statements of The International Institute for Conservation of Historic and Artistic Works which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Council Members and auditors

The responsibilities of the company's Council Members (who are also the directors of the company for the purposes of company law) for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the statement of Council Members' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the report of the Council Members is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Council Members' remuneration and transactions within the company is not dis-

closed. We read the report of the Council Members and consider the implications for our report if we become aware of any apparent misstatements within it.

We read other information contained in the Council Members' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th June 2004 and of its incoming resources and application of resources, including its income and expenditure in the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

5 Robin Hood Lane
Sutton, Surrey
SM1 2SW

Jacob Cavenagh & Skeet
Chartered Accountants and Registered Auditors
8th October 2004

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30th JUNE 2004

	Note	Unrestricted £	Restricted £	2004 £	2003 £
INCOMING RESOURCES					
Donations		715	781	1,496	6,488
Activities in furtherance of the charity's objects:					
Subscriptions	5	99,717	—	99,717	107,781
Sale of publications and advertising revenue		13,454	—	13,454	22,615
Income from Congress		—	—	—	48,486
Investment income:					
Listed investments		11,793	—	11,793	11,925
Interest receivable		10,214	933	11,147	11,699
Other incoming resources		1,094	—	1,094	4,905
TOTAL INCOMING RESOURCES		<u>136,987</u>	<u>1,714</u>	<u>138,701</u>	<u>213,899</u>
RESOURCES EXPENDED					
Charitable expenditure					
Grants payable in furtherance of the charity's objects		6,187	—	6,187	5,578
Costs of activities in furtherance of the charity's objects:					
Congress expenditure	2	—	—	—	51,487
Other charitable expenditure		150,768	—	150,768	163,524
Management and administration	3	15,052	—	15,052	14,535
TOTAL RESOURCES EXPENDED		<u>172,007</u>	<u>—</u>	<u>172,007</u>	<u>235,124</u>
NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR		<u>(35,020)</u>	<u>1,714</u>	<u>(33,306)</u>	<u>(21,225)</u>
NET LOSSES ON INVESTMENT ASSETS					
Realised	7	(407)	—	(407)	—
Unrealised	7	(668)	—	(668)	(22,870)
NET MOVEMENT IN FUNDS		<u>(36,095)</u>	<u>1,714</u>	<u>(34,381)</u>	<u>(44,095)</u>
Funds brought forward		<u>519,430</u>	<u>25,753</u>	<u>545,183</u>	<u>589,278</u>
FUNDS BALANCES CARRIED FORWARD AT 30th JUNE 2004		<u><u>483,335</u></u>	<u><u>27,467</u></u>	<u><u>510,802</u></u>	<u><u>545,183</u></u>

All income is derived from continuing activities. There are no recognized gains or losses other than as reported above. The loss for the year for Companies Act purposes comprises the net outgoing resources for the year plus realized losses on investments and was £33,713 (2003: £21,225).

BALANCE SHEET AS AT 30th JUNE 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Tangible assets	6	139	167
Investments	7	538,379	538,570
		<u>538,518</u>	<u>538,737</u>
CURRENT ASSETS			
Stocks of goods for re-sale		5,783	4,867
Debtors	8	19,477	17,859
Cash at bank and in hand		77,209	30,799
		<u>102,469</u>	<u>53,525</u>
CREDITORS — amounts falling due within one year	9	<u>130,185</u>	<u>47,079</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(27,716)</u>	<u>6,446</u>
NET ASSETS		<u><u>510,802</u></u>	<u><u>545,183</u></u>
FUNDS			
Restricted	11	27,467	25,753
Unrestricted	12	483,335	519,430
		<u>510,802</u>	<u>545,183</u>

The financial statements were prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and approved by the Council on 8th October 2004 and signed on their behalf by

David Leigh, Treasurer

NOTES TO THE FINANCIAL STATEMENTS AT 30th JUNE 2004

1 Accounting policies

Accounting convention. The accounts are prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards, the Charity's Act and the Statement of Recommended Practice published by the Charity Commission in October 2000. The company has taken advantage of the exemption in Financial Reporting Standard No 1 from producing a cash flow statement, on the grounds that it is a small company.

Fund accounting. *Restricted funds* are funds subject to specific trusts, which may be declared by the donor or with their authority but still within the objects of the charity. The restricted funds relevant to The Institute are restricted income funds which are expendable at the discretion of the Council in furtherance of some particular aspects of the objects of the charity. *Unrestricted funds* are expendable at the discretion of the Council in furtherance of the objects of the charity. *Designated funds* are a type of unrestricted fund, the Council merely ear-marking certain funds for a particular purpose. It is not a legally binding restriction, the Council Members being free to re-designate should this be appropriate.

Incoming resources. Subscriptions represent membership fees receivable during the year. Subscriptions in advance represent membership fees received for a later period. Sale of publications and advertising revenue represents the invoiced amounts of goods sold and services provided net of value added tax. Income relating to fees received for future Congresses is deferred. Donations in the case of Institutional Members represent sums paid in excess of the annual subscription. In other cases, donations represent amounts received in the year. Investment income is accounted for when receivable along with the appropriate income tax credit. Interest is accounted for on a receivable basis.

Expenditure. All expenditure is included on an accruals basis. Costs are allocated according to function and hence to the categories of costs of activities in furtherance of the charity's objects and management and administration. Where expenditure relates to more than one functional category a reasonable method of allocation is determined.

Fixed assets. All assets intended for ongoing use in the charity are capitalized at cost.

Depreciation. Depreciation is provided on all tangible fixed assets at the rate calculated to write off the cost of each asset evenly over its expected useful life as follows: Office equipment – over three years

Stocks. Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Foreign currencies. Transactions in dollars are recorded at predetermined rates. All exchange rate differences are taken to the income and expenditure account.

Finance and operating leases. Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

Investments. Quoted investments are shown in the Balance Sheet at market value. Realised and unrealised gains on investment assets are reported in the Statement of Financial Activities allocated to the appropriate fund.

2 Costs of activities in furtherance of the charity's objects	Unrestricted funds	Restricted funds	2004	2003
	£	£	£	£
Congress expenditure	3,342	—	3,342	51,487
Less: Deferred expenditure	(3,342)	—	(3,342)	—
Other charitable expenditure				
Cost of services	149,457	—	149,457	155,847
Cost of sales of publications	1,311	—	1,311	7,677
	<u>150,768</u>	<u>—</u>	<u>150,768</u>	<u>215,011</u>

The deferred expenditure relates to future congresses.

3 Management and administrative expenses	Unrestricted funds	Restricted funds	2004	2003
	£	£	£	£
Staff costs	5,356	—	5,356	5,223
Office costs	3,393	—	3,393	3,248
Professional costs	5,000	—	5,000	4,880
Other	1,303	—	1,303	1,184
	<u>15,052</u>	<u>—</u>	<u>15,052</u>	<u>14,535</u>

During the year £1,670 (2003: £1,630) was paid to the auditors as remuneration and £3,300 (2003: £3,250) for accountancy services.

4 Total resources expended	Staff costs	Depreciation	Other costs	Total 2004	Total 2003
	£	£	£	£	£
Services, publications & grants	48,200	212	108,453	156,955	220,589
Administration	5,356	24	9,672	15,052	14,535
	<u>53,556</u>	<u>236</u>	<u>118,215</u>	<u>172,007</u>	<u>235,124</u>
Staff costs					
Wages and salaries				48,536	47,608
Social security costs				5,020	4,621
				<u>53,556</u>	<u>52,229</u>

No employees received emoluments greater than £50,000 in the year or previous year. Expenses were reimbursed to two Council Members in the year amounting to £302 (2003: £5,703). No remuneration was paid to Council Members during the year (2003: £nil).

4 Total resources expended (continued)			2004	2003
Other costs			£	£
Publications			65,917	74,572
Congress expenditure			—	51,487
Miscellaneous			52,298	56,298
			<u>118,215</u>	<u>182,357</u>
The average number of staff during the year was:				
Office administration			2	2
			<u>2</u>	<u>2</u>
5 Subscriptions	2004	2003	2004	2003
	No.	No.	£	£
Students	72	2	1,050	30
Individual Members	1,800	2,019	55,584	64,268
Fellows	339	323	15,098	14,438
Institutional Members	453	466	27,985	29,045
	<u>2,664</u>	<u>2,810</u>	<u>99,717</u>	<u>107,781</u>
6 Tangible fixed assets			Office equipment	
Cost			£	
At 1st July 2003			8,062	
Additions			208	
At 30th June 2004			<u>8,270</u>	
Depreciation				
At 1st July 2003			7,895	
Provided during the year			236	
At 30th June 2004			<u>8,131</u>	
Net book value				
At 30th June 2004			<u>139</u>	
At 30th June 2003			<u>167</u>	
			2004	2003
			£	£
7 Investments				
Quoted investments				
Market value at 1st July 2003			239,153	259,683
Additions			29,441	2,340
Disposals			(32,008)	—
Net realised losses			(407)	—
Net unrealised losses			(668)	(22,870)
Market value as at 30th June 2004			<u>235,511</u>	<u>239,153</u>
Historical cost at 30th June 2004			<u>173,165</u>	<u>186,016</u>
Common deposit and investment funds				
At 1st July 2003			299,417	318,974
Net movement in year			3,451	(19,557)
At 30th June 2004			<u>302,868</u>	<u>299,417</u>
Total at 30th June 2004			<u>538,379</u>	<u>538,570</u>
All investment assets are UK based. Investments in listed securities are direct holdings.				
			2004	2003
			£	£
8 Debtors				
Trade debtors			1,539	3,232
Other debtors			3,623	2,795
Prepayments and accrued income			14,315	11,832
			<u>19,477</u>	<u>17,859</u>
			2004	2003
			£	£
9 Creditors: amounts falling due within one year				
Other creditors			24,777	14,175
Subscriptions in advance			33,831	27,015
Deferred income			64,296	—
Accruals			7,281	5,889
			<u>130,185</u>	<u>47,079</u>
Deferred income				
At 1st July 2003			—	20,080
Amount released to incoming resources			—	(20,080)
Amount deferred in the year			64,296	—
At 30th June 2004			<u>64,296</u>	<u>—</u>
Deferred income comprises income relating to future congresses.				

10 Operating leases

At 30th June 2004, the company had commitments for payments in the following year under non-cancellable operating leases as set out below:

	2004	2003
Land and buildings	£	£
More than five years	<u>20,000</u>	<u>20,000</u>

11 Restricted funds

	Member Sponsorship Fund	IIC Keck Award Fund	Total
	£	£	£
Incoming resources	781	933	1,714
Expenditure	<u>—</u>	<u>—</u>	<u>—</u>
Net incoming resources	781	933	1,714
Balance brought forward	<u>75</u>	<u>25,678</u>	<u>25,753</u>
Balance carried forward	<u>856</u>	<u>26,611</u>	<u>27,467</u>

IIC Keck Award Fund

This fund was created in 1993 by Sheldon and Caroline Keck and is used to provide a cash award which is presented every two years at the IIC congress to the individual or group who has, in the opinion of the Council, contributed most towards promoting public understanding and appreciation of the accomplishments of the conservation profession.

Member Sponsorship Fund

This fund was created last year as the Student Sponsorship Fund and renamed in 2004. The funds were given to contribute towards the membership fees of all categories of members from developing countries.

12 Unrestricted funds

	Designated Funds			Total
	General Fund	Congress Fund	Brommelle Memorial Fund	
	£	£	£	£
Incoming resources	134,470	—	2,517	136,987
Resources expended	<u>(165,820)</u>	<u>—</u>	<u>(6,187)</u>	<u>(172,007)</u>
Net outgoing resources	(31,350)	—	(3,670)	(35,020)
Balance brought forward	366,430	84,262	68,738	519,430
Net losses on investment assets				
Realised	(407)	—	—	(407)
Unrealised	<u>(668)</u>	<u>—</u>	<u>—</u>	<u>(668)</u>
Balance carried forward	<u>334,005</u>	<u>84,262</u>	<u>65,068</u>	<u>483,335</u>

General Fund

This fund is maintained for the general running of the charity and to subsidise subscription fees.

Congress Fund

The purpose of this designated fund is to underwrite the congress by providing funding for payments required in advance and by compensating for any shortfall in projected income. The fund is maintained at a level sufficient to meet the basic operating costs of an IIC congress.

Brommelle Memorial Fund

This fund was established in 1990 in memory of Norman Brommelle, Secretary-General of IIC between 1958 and 1988. The fund is used to provide financial assistance to students of conservation who wish to attend The Institute's biennial international congress.

13 Analysis of net assets between funds

	Tangible fixed assets	Investments	Net current liabilities	Total
	£	£	£	£
Restricted funds				
IIC Keck Award Fund	—	26,611	—	26,611
Member Sponsorship Fund	—	—	856	856
Unrestricted funds	<u>139</u>	<u>511,768</u>	<u>(28,572)</u>	<u>483,335</u>
	<u>139</u>	<u>538,379</u>	<u>(27,716)</u>	<u>510,802</u>