



The International Institute for Conservation of Historic and Artistic Works

REPORTS AND FINANCIAL STATEMENTS

Year ended 30th June 2010

COUNCIL REPORT

The Council have pleasure in submitting their report and audited financial statements of the Institute for the year ended 30th June 2010.

Reference and Administrative Information

The International Institute for Conservation of Historic and Artistic Works (IIC) is a registered charity and a company limited by guarantee with no share capital. Charity number: 209677. Company number: 481522.

Council members

The council members during the year were as follows:

<i>President:</i>	Jerry Podany**
<i>Vice-Presidents:</i>	Joyce Hill Stoner†, Eleanor McMillan, Gabriela Krist**, Ashok Roy††, Sharon Cather* Julian Bickersteth*
<i>Secretary-General:</i>	David Leigh†, Jo Kirby Atkinson‡*
<i>Treasurer:</i>	Sandra Smith††† Velson Horie‡**
<i>Director of Publications</i>	Joyce Townsend
<i>Ordinary Members:</i>	Hans-Christoph von Imhoff, Leslie Carlyle†, Tuulikki Kilpinen**, Mikkel Scharff**, Anne Rinuy**, Naoko Sonoda**, Richard Kerschner, David Saunders, Michael von der Goltz, David Watkinson, Valentine Walsh*, Cornelia Weyer*

* elected 28th January 2010, ** re-elected 28th January 2010

† retired 30th January 2010 †† retired 11 November 2009

††† retired 10 December 2009 ‡co-opted 14 September 2009

Advisors

Auditors
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6 Buckingham Street
London
WC2N 6BA

Solicitors
Slaughter and May
One Bunhill Row
London EC1Y 8YY

Structure, Governance and Management

The International Institute for Conservation of Historic and Artistic Works is a company limited by guarantee, incorporated on 27th April 1950. It is registered with the Charity Commission. The company was established under its Memorandum of Association which established the objects and powers of the charitable company and is governed by its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Appointment and Induction of Trustees

Council members are elected by the membership and at each Annual General Meeting members retire from office as defined by the Institute's Articles of Association. On retirement these Council members are eligible for re-election as appropriate. The Articles of Association provide for a minimum of seven members (these being the titled honorary posts of President, at least three Vice-Presidents, the Secretary General, the Treasurer and the Director of Publications of the Institute) and a maximum of 20 (up to 12 fellows and the 8 titled honorary posts, these including a maximum of four Vice-Presidents). For the purposes of company law, the Council members are deemed to be the directors of the company.

New Council members are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Council and the decision-making processes and the recent performance of the Institute. They meet key employees and the other Trustees.

Risk Assessment Policy

Council assesses potential risks and opportunities to IIC primarily under the following headings: Publications; Conferences; Financial; Membership; Governance; Position in the wider heritage world.

The Council has continued to assess the major risks faced by the IIC and kept all other risks under review during the year.

Organisational Policy

The Council meets three a year as agreed by Council. There is a Finance Committee comprising the Treasurer, Secretary-General and three other Council

members plus an external invited representative; this meets three times a year with the remit of reviewing the IIC's financial matters. No further committees or sub-committees were formed this year and they will only be established as and when required. The Executive Secretary is appointed to manage the day-to-day operations of the Institute. To facilitate effective operations, the Secretary General has delegated authority, within the terms of delegation approved by the Council members, for operational matters including finance, employment and the promotion and fulfilment of its objects.

Objectives and Activities

IIC is an independent international organisation supported by individual and institutional members. It serves as a forum among professionals with responsibility for the preservation of cultural heritage.

Policy of the Institute

It advances knowledge, practice and standards for the conservation of historic and artistic works through its publications and conferences. It promotes professional excellence and public awareness through its awards and scholarships.

Achievements and Performance

Review of Operations for the Year

In what has been an extremely busy year, IIC has concentrated primarily on three activities: preparations for the forthcoming 23rd Congress to be held in Istanbul; negotiations over the contract for the publication of the journal *Studies in Conservation*; and what may be summarised as developments in the organisation's outreach and methods of communication with both its members and the general public. Changes have also taken place within the organisation of IIC and its Council during the year. At the AGM in January 2010, David Leigh stood down from the post of Secretary-General after four years, having spent six years in the role of Treasurer before that; our thanks go to him for his loyalty and dedication to IIC. Sandra Smith stood down as Treasurer and we would like to thank her for her patient and meticulous attention and support over the four years she held the post. We are extremely grateful to Joyce Hill Stoner and Ashok Roy, who stood down as Vice-Presidents, and to Leslie Carlyle, who reached the end of her term as an Ordinary Member of Council, for their commitment and time they have given. It is a pleasure to welcome Sharon Cather (UK) and Julian Bickersteth (Australia) as Vice-Presidents and Valentine Walsh (UK) and Cornelia Weyer (Germany) as Ordinary Members of Council; in addition, Tuulikki Kilpinen (Finland), Anne Rinuy (Switzerland), Naoko Sonoda (Japan) and Mikkel Scharff (Denmark) were re-elected to Council.

At the time of writing, the final arrangements are being made for the IIC Istanbul Congress, on Conservation and the Eastern Mediterranean. This coincides with Istanbul's year as European Capital of Culture so delegates will find a wide range of activities to experience before and after the conference in this historically important and vibrant city. Our hosts in Istanbul, the Sakıp Sabancı Museum, with the Sakıp Sabancı University and Sabancı Holdings, with Vista Tourism, have generously provided a wonderful venue for the conference and the Round Table discussion 'Between Home and History: managing the interface between preservation and development of living historic places', and an exciting programme of associated events. We would like to express our enormous gratitude to the conference Advisory Committee in Istanbul, led by Nazan Ölçer, Director of the Sakıp Sabancı Museum. The papers to be presented were selected by the Technical Committee, chaired by Sharon Cather – and we would like to thank them for selecting the programme, reflecting the ancient and varied cultures and preoccupations of the region. The conference preprints have been edited by Christina Rozeik, Ashok Roy and David Saunders, to whom we are most grateful. We would particularly like to thank Duygu Çamurcuoğlu in London and Nurçin Kural Özgörüş and Ayşe Aldemir Kilercik at the Sakıp Sabancı Museum in Istanbul for their tireless help in the preparations for the conference as well as for providing Turkish abstracts in the preprints. For the first time, a selection of student posters will be on display as well as posters from established professional conservators and scientists. Thanks are due to the student poster selection committee, chaired by Amber Kerr-Allison and to Joyce Townsend for editing the posters.

One aspect of the conference administration has been the selection of candidates to receive assistance to attend the congress from IIC's Brommelle Memorial Fund (for students) and thanks to the generosity of the Getty Foundation and the Gabo Trust. It is a reflection of the very wide interest in the subject matter, the culture of the Eastern Mediterranean region, and the host city, Istanbul, that the number of applicants to receive grants was greater than ever before, far more, in fact, than the number of awards available.

The production of IIC's publications, *Studies in Conservation*, *Reviews in Conservation* and *News in Conservation* forms a major part of IIC's activity, but one that has had to be streamlined in an attempt to offset financial losses and increase efficiency. *Reviews in Conservation* has been amalgamated with *Studies in Conservation*, a step which all advice from the publishing industry suggests was sensible. While Council agreed, somewhat reluctantly, that *News in Conservation* should become an electronic publication during 2010, this has yet to take place as its production is part of the ongoing discussions with potential publishers of *Studies in Conservation*. Since 2002, *Studies in Conservation* has been published by James and James, later renamed Earthscan, under conditions that are not advantageous to IIC, either from the financial point of view or in present-day publishing terms. As a result, Joyce Townsend, the Director of Publications, and Velson Horie, the Treasurer, have devoted a great deal of time conducting negotiations with Earthscan to try to improve the position, with no immediate result. We are extremely grateful to both of them for their tireless efforts to resolve the situation, as well as for Joyce's day-to-day overseeing of the production of the publications.

There has been some anxiety during the year over the standard of papers submitted to the journal and it is to be hoped that this situation will improve in the future. There is no doubt, however, that the workload on the editors (who are, volunteers, as is usually the case with academic publications) is quite heavy. We are very sorry to lose Alan Phenix as Editor-in-Chief of *Studies in Conservation* after just under two years service and would like to thank him for his thorough and patient work; we would also like to welcome his successor, Chandra Reedy. Changes have also taken place in the team of editors over the year and we thank all the retiring editors and welcome their successors. We are most grateful to Marika Spring and Fiona Jordan, the editors of *Reviews in Conservation*; Marika Spring remains with *Studies* as Review papers editor and Nancy Odegaard will be joining her in this capacity. For the 60th anniversary of IIC, a number of senior conservation professionals were invited to write keynote papers for *Studies in Conservation*. These papers were co-ordinated and edited by Joyce Townsend.

Under the able editorship of Lucy Wrapson and, more recently, Vicki Humphrey, *News in Conservation* has remained a colourful, lively and accessible publication. Due to pressure of work, Lucy was unable to continue as Editor, but by efficient forward planning a seamless transition between editors was achieved and it is a pleasure to welcome Vicki Humphrey in the role.

Developments in IIC's outreach and methods of communication have included the launch of the World Membership scheme, to which is linked the renaming and extension of the Professional Development Fund to form the Opportunities Fund, and the beginning of improvements to the website. With the encouragement and active involvement of several present and former members of Council, including Gabriela Krist, Sharon Cather, Sanda Smith, Ashok Roy and now Julian Bickersteth, the Professional Development Fund, which was open to applications by individual conservators who were unable to afford IIC membership, has been renamed the Opportunities Fund. This fund is intended to support institutions, as well as individuals, with the gift of membership, with the associated publications and other advantages, for two years renewable for a further two years. The first institutions to benefit from the fund are CENCREM, Havana, Cuba, the Georgian National Museum, Tbilisi, and the Hudogestvena Akademia, Sofia, Bulgaria; several others are under consideration for support. Julian Bickersteth is at present working on the criteria to be applied to enable the merits of potential candidates to be assessed. In support of the fund the World Membership initiative was launched in January 2010 to encourage IIC members to donate money towards the Opportunities Fund with a scale of donations meriting the designation of Bronze, Silver or Gold member (with the names to be published in *News in Conservation*), depending on the amount given.

The IIC website has become a very important organ of communication in the last year or two, finally requiring more specialist attention than the IIC office, together with the paid advice received, was able to give it. Under the guidance of two volunteer web editors, Athanasios Velios and Eike Friedrich, to whom we are extremely grateful, great improvements to the site have been made. It is, however, clear that the site, which was designed about ten years ago, is under some strain with the demands being made on it and research on the redevelopment of the site is being carried out at present.

The social networking sites Facebook and Twitter have been a great success. IIC has a very large number of fans and we are extremely grateful to Amber Kerr-Allison and Joyce Hill Stoner for establishing and Amber Kerr-Allison for continuing to administer both sites.

Dialogues for a New Century continues to be a most successful and interesting initiative and one that is very much the creation of our President, Jerry Podany. The audience at the AGM in January 2010 were entertained by a discussion between Sam Jones of the think-tank DEMOS and Anna Somers Cocks of *The Art Newspaper* on 'Conservation in Crisis'. In July 2009, 'Before the Unthinkable Happens Again', a discussion on seismic mitigation research and the cultural heritage, took place, appropriately enough, in Japan. The most recent of these discussions, 'The Plus/Minus Dilemma: The Way Forward in Environmental Guidelines', took place in May 2010 during the American Institute for Conservation annual meeting in Milwaukee. We look forward to the next of these Round Table discussions during the Istanbul Congress and

thank Jerry for his work in organising the Round Tables, investigating funding to make the forum sustainable, editing the transcripts for the IIC web page and coordinating a growing body of volunteers to translate these transcripts into several different languages, also for the web page.

IIC would like to welcome a new Regional Group, the Croatian group. We wish it every success.

After the intervention by IIC in support of the UK Textile Conservation Centre at the University of Southampton two years ago, it is interesting to note that a new centre, The Centre for Textile Conservation and Technical Art History, is being established at Glasgow University within the School of Culture and Creative Arts. This year IIC wrote to members of the French government in support of C2RMF, the laboratory of the Musée du Louvre in Paris, which is under threat of being moved to the northern suburbs of Paris, away from easy access between the laboratory and the works of art to be studied and cared for, to the great distress of all who work there. At the time of writing it is not clear that the letter has had any effect on the government, but the support did give some comfort to the demoralised laboratory staff. IIC will continue to support and inform its members and to help all conservators feel that they belong to an active and world-wide community.

Finally – but not least by any means – we owe a huge vote of thanks to IIC Executive Secretary Graham Voce for his tireless work on behalf of IIC. In this he has been ably assisted by Valerie Compton Taylor and, over the period of the Congress, David Compton Taylor; our thanks are due to them also.

Public benefit

The Council Members confirm that they have had due regard to the guidance published by the Charity Commission on public benefit.

Financial Review

The charity built up considerable reserves in the past and in recent years has been using these to protect and improve services to members. The gradual reduction in the reserves and of members is prompting a shift in emphasis in order to stabilise the reserves and to finance initiatives. This is resulting in a reconsideration of publication and conference financing. The major focus of the Finance committee this year has been the identification of changes to the financial arrangements for the publications, which will take a couple of years to be implemented and a further period until the changes are reflected in the accounts. Other areas under discussion are the IIC's office arrangements (the existing lease expires in 2011) and the need to recruit more members to ensure sustainability of activities.

The global financial downturn has had its effects on the charity's investments. Income from dividends etc have held up remarkably well, but the interest from cash held on deposit has dropped significantly reflecting wider interest rate reductions. However although the investment holdings have not changed significantly, their market value has dropped by one third in the past 2 years. Cash on deposit has been reduced by about £30,000 in the past two years as part of the support for publications.

Membership subscriptions have increased slightly while publications sales are down, prompting a sales drive in the coming year. Other activities have changed little from previous years. The net effect on Institute's finances in the current year is a £20,000 reduction in the reserves.

The Council drew heavily, and gratefully, on the expertise and enthusiasm of the previous Treasurer, the members of the Finance Committee, our advisors and particularly the Executive Secretary.

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 minimise the call on membership fees. Purchasing 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 £210,000) to enable the charity to continue in existence in the event of a shortfall in funding. It also maintains a congress reserve of approximately £80,000 in accordance to cover potential shortfalls arising from the biennial congresses.

Plans for the Future

The charity is steadily shifting its focus from being primarily an organisation by and for the members to engaging vigorously with others in order to fulfil its policy in the wider world. This will involve an evolution in functions over the coming years, retaining the existing foundations of excellence of the charity while ensuring that resources and effort are available to respond to the needs of a changing world.

- Governance. The internal rules and practices of the charity will evolve to reflect this change of focus and to enable the charity to exploit the opportunities of digital communication with its members and the wider heritage world.
- Financial model. The Institute aims to make a significant profit from each of its major existing business activities in order to support the creation of initiatives which in turn will contribute to achieving the charity's policy. These initiatives will also increase the resources (financial and human) of the Institute.

- Publications. The publications of IIC have been the foundation of much of the excellence of conservation in the past 60 years. Too often their circulation and readership have been restricted to conservators or even just IIC members. Mechanisms are being explored to make current issues and the archive widely available. This will involve reorganising the output and making far more use of electronic delivery, increasing the attractiveness and accessibility to authors and readers alike. This will be aided by integration of the web site as part of the publication output.

As an international organisation, IIC needs to look outwards, to engage with conservators throughout the world, to provide information and services, and to enable the members to contribute widely. In order to do this efficiently, work needs to be carried out on the website to render it stable and efficient and to bring it up to present-day standards. IIC is actively looking at means of carrying this out economically and with results that give us the greatest flexibility. We intend that the work will be well under way in the coming year. It is also hoped to extend the information that is provided in languages other than English, building, for example, on Jerry Podany's initiative in having translations made of the transcripts of the Dialogues for a New Century (and offers of translation will be gratefully received).

We look forward to extending the provision of IIC membership to both institutions and individuals through the Opportunities Fund and the generous provisions made through the World Membership initiative. This is an important way by which IIC can help to assure the preservation of cultural heritage across the world, providing expertise and means of communication for all its members.

Council members' responsibilities

The Council members (who are also directors of the International Institute for Conservation of Historic and Artistic Works for the purposes of company law) are responsible for preparing the Council Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Council members 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 these financial statements, the Council members are

required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Commission Statement of Recommended Practice
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its operations.

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 2006. 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.

The Council members who held office at the date of the approval of this Annual Report as set out above each confirm that:

- so far as they were aware, there is no relevant audit information (information required by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
- as directors of the company, they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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 15 of the Companies Act 2006.

BY ORDER OF THE COUNCIL

Josephine Kirby Atkinson – *Secretary General*

January 2011

THE 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 for the year ended 30th June 2010 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 495 of the Companies Act 2006. 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

As described in the Council Members' responsibilities, the Council Members, who are also the directors for the purposes of company law, are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for satisfying themselves that the financial statements give a true and fair view.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK & Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Report of the Council Members is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

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SM1 2SW

We read other information contained in the Report of the Council Members and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK & Ireland) 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.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard – Provisions Available for Smaller Entities, in the circumstances set out in note 14 to the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charity's affairs as at 30 June 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been properly prepared in accordance with the Companies Act 2006; and
- the information given in the report of the Council Members is consistent with the financial statements.

Andrew Hazael FCA, Senior Statutory Auditor for and on behalf of
Jacob Cavenagh & Skeet Statutory Auditor
Chartered Accountants and Registered Auditors
28th January 2010

**STATEMENT OF FINANCIAL ACTIVITIES (including INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30TH JUNE 2010**

	Note	Unrestricted £	Restricted £	2010 £	2009 £
INCOMING RESOURCES					
Incoming resources from generating funds					
<i>Voluntary income:</i>					
Donations and grants		—	803	803	4,823
<i>Investment income (all UK):</i>					
Listed investments		11,386	—	11,386	10,744
Interest receivable		1,602	180	1,782	10,512
Incoming resources from charitable activities					
Subscriptions	4	156,281	—	156,281	149,784
Sale of publications advertising revenue	5	7,018	—	7,018	11,767
Congress income		—	—	—	188,361
Other incoming resources		3,684	—	3,684	4,008
TOTAL INCOMING RESOURCES		<u>3179,971</u>	<u>983</u>	<u>180,954</u>	<u>379,999</u>
RESOURCES EXPENDED					
Charitable expenditure	2	202,083	1,272	203,355	430,864
Governance costs	2	3,300	—	3,300	3,150
TOTAL RESOURCES EXPENDED		<u>205,383</u>	<u>1,272</u>	<u>206,655</u>	<u>434,014</u>
NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR		(25,412)	(289)	(25,701)	(54,015)
Realised net gains/(losses) on investment assets	7	1,242	—	1,242	(1,931)
NET (EXPENDITURE)/INCOME FOR THE YEAR		<u>(24,170)</u>	<u>(289)</u>	<u>(24,459)</u>	<u>(55,946)</u>
Unrealised net gains/(losses) on investment assets	7	4,650	—	4,650	(43,563)
NET MOVEMENT IN FUNDS		<u>(19,520)</u>	<u>(289)</u>	<u>(19,089)</u>	<u>(99,509)</u>
Funds brought forward		<u>352,960</u>	<u>41,700</u>	<u>394,660</u>	<u>494,169</u>
FUNDS BALANCES CARRIED FORWARD AT 30TH JUNE 2010	13	<u>333,440</u>	<u>41,411</u>	<u>374,851</u>	<u>394,660</u>

All income is derived from continuing activities. There are no recognised gains or losses other than as reported above.

BALANCE SHEET AS AT 30TH JUNE 2010

	Note	2010 £	2009 £
FIXED ASSETS			
Tangible assets	6	2,432	1,950
Investments	7	382,091	383,762
		<u>384,523</u>	<u>385,712</u>
CURRENT ASSETS			
Stocks of goods for re-sale		19,779	16,205
Debtors	8	59,066	40,316
Cash at bank and in hand		92,012	57,157
		<u>170,857</u>	<u>113,678</u>
CREDITORS: Amounts falling due within one year	9	<u>180,529</u>	<u>104,730</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(9,672)</u>	<u>8,948</u>
NET ASSETS		<u>374,851</u>	<u>394,660</u>
FUNDS			
Restricted	11	41,411	41,700
Unrestricted (including a revaluation reserve of £13,721 (2009: £6,380))	12	333,440	352,960
		<u>374,851</u>	<u>394,660</u>

The financial statements were prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and approved by the Council on ?? January 2011 and signed on their behalf by:

V Horie Treasurer

NOTES TO THE FINANCIAL STATEMENTS AT 30TH JUNE 2009

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 Companies Act 2006, the Charities Act 1993 and the Statement of Recommended Practice, 'Accounting and Reporting by Charities' published by the Charity Commission in March 2005.

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

- (i) 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.
- (ii) Unrestricted funds are expendable at the discretion of the Council in furtherance of the objects of the charity.
- (iii) 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 supporting institutions represent sums paid in excess of the annual subscription. In other cases, donations represent amounts received in the year.

Investment income, including 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 governance costs. 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 capitalised 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 disposal.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. 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 RESOURCES EXPENDED

	2010		Governance costs	Total	2009
	Unrestricted	Charitable expenditure Restricted			Total
	£	£	£	£	£
<i>Studies in Conservation</i>	33,273	—	—	33,273	23,660
<i>Reviews in Conservation</i>	5,504	—	—	5,504	4,737
<i>News in Conservation</i>	34,485	—	—	34,485	34,406
Website	5,834	—	—	5,834	5,465
Accountancy	675	—	—	675	225
Audit	—	—	3,300	3,300	3,150
Investment management fees	641	—	—	641	614
General expenses	480	—	—	480	1,127
Maintenance	382	—	—	382	72
Depreciation	1,969	—	—	1,969	1,233
Bank charges	5,403	—	—	5,403	7,095
Irrecoverable VAT	7,172	—	—	7,172	20,405
Postage and telephone	1,009	—	—	1,009	1,018
Printing and stationery	5,433	—	—	5,433	5,909
Rent, rates, light, heat and insurance	26,942	—	—	26,942	30,560
Staff costs	66,747	—	—	66,747	64,410
Travel and meeting costs	1,638	—	—	1,638	2,588
Awards	—	1,272	—	1,272	14,670
	<u>197,587</u>	<u>1,272</u>	<u>3,300</u>	<u>202,159</u>	<u>221,344</u>
Cost of publication sales (Note 5)	4,496	—	—	4,496	3,888
	<u>202,083</u>	<u>1,272</u>	<u>3,300</u>	<u>206,655</u>	<u>225,232</u>
Grants	—	—	—	—	358
Congress expenditure (London)	—	—	—	—	208,424
	<u>202,083</u>	<u>1,272</u>	<u>3,300</u>	<u>206,655</u>	<u>434,014</u>

3 STAFF COSTS		2010	2009
		£	£
Wages and salaries		60,612	62,377
Social security costs		6,135	6,521
		<u>66,747</u>	<u>68,898</u>

No employees received emoluments greater than £60,000 in the year or previous year.

Expenses were reimbursed to two (2009: two) Council members in the year amounting to £779 (2009: £1,037).

No remuneration was paid to council members during the year (2009: £nil).

The average number of staff during the year was:	2010	2009
Office administration	<u>2</u>	<u>2</u>

4 SUBSCRIPTIONS	2010	2009	2010	2009
	Number	Number	£	£
Students	138	118	2,614	2,242
Individual Members	1,295	1,263	62,675	59,106
Fellows	298	301	21,085	20,586
Institutional Members	427	425	69,908	67,850
	<u>2,158</u>	<u>2,107</u>	<u>156,282</u>	<u>149,784</u>

5 SALE OF PUBLICATIONS AND ADVERTISING		2010		2009
	Sales	Cost	Sales	Cost
Publications	£	£	£	£
<i>Studies in Conservation</i>	720	—	1,777	—
<i>Reviews in Conservation</i>	945	—	454	—
<i>Conservation of Stone and Wall Paintings</i>	13	—	113	—
<i>Conservation of Far Eastern Art</i>	63	—	225	—
<i>Conservation of the Iberian and Latin American Cultural Heritage</i>	75	—	138	—
<i>Preventive Conservation</i>	251	—	682	—
<i>Archaeological Conservation and its Consequences</i>	185	—	413	—
<i>Painting Techniques</i>	228	—	575	—
<i>Tradition and Innovation</i>	263	—	470	—
<i>Works of Art on Paper, Books, Documents and Photographs</i>	235	—	561	—
<i>Modern Art, New Museums</i>	297	—	560	—
<i>The Object in Context – Books</i>	448	—	821	—
<i>The Object in Context – CDs</i>	—	—	505	—
<i>Conservation and Access</i>	990	—	998	—
Other publications and congress preprints	—	—	—	—
Postage and packing	—	4,496	—	3,888
	<u>4,713</u>	<u>4,496</u>	<u>8,292</u>	<u>3,888</u>
Advertising				
<i>Studies in Conservation</i>	1,080	—	1,540	—
<i>News in Conservation</i>	450	—	1,150	—
Website	775	—	785	—
<i>Reviews in Conservation</i>	—	—	—	—
	<u>7,018</u>	<u>4,496</u>	<u>11,767</u>	<u>3,888</u>
Cost of sales (Note 2)	4,496		3,888	
Net incoming resources	<u>2,522</u>		<u>7,879</u>	

6 TANGIBLE FIXED ASSETS		Office Equipment
		£
Cost		
At 1st July 2009		14,251
Additions		2,451
At 30th June 2010		<u>16,702</u>
Depreciation		
At 1st July 2009		12,301
Provided during the year		1,969
At 30th June 2010		<u>14,270</u>
Net book value		
At 30th June 2010		<u>2,432</u>
At 30th June 2009		<u>1,950</u>

7 INVESTMENTS	2010	2009
	£	£
Quoted investments		
Market value at 1st July 2009	182,707	231,139
Additions	51,211	30,694
Disposals	(49,952)	(33,632)
Net realised gains/(losses)	1,242	(1,931)
Net unrealised gains/(losses)	4,650	(43,563)
Market value as at 30th June 2010	<u>189,858</u>	<u>182,707</u>
Historical cost at 30th June 2010	<u>176,137</u>	<u>176,327</u>
	£	£
Common deposit and investment funds		
At 1st July 2009	201,055	224,607
Net movement in year	(8,822)	(23,552)
At 30th June 2010	<u>192,233</u>	<u>201,055</u>
Total at 30th June 2010	<u>382,091</u>	<u>383,762</u>

All investment assets are UK based. Investments in listed securities are direct holdings and comprise the following which individually exceeded 5% of the total market value of investments:

		£	£
6,000	BP 25c ordinary shares	19,134	28,668
2,000	Franklin Templeton Global Bond Fund	19,300	—
27,000	Carrefour 5.375% 2012	—	20,016
		<u>38,434</u>	<u>48,684</u>

8 DEBTORS	2010	2009
	£	£
Trade debtors	44,831	29,130
Other debtors	37	513
Prepayments and accrued income	14,198	10,673
	<u>59,066</u>	<u>40,316</u>

9 CREDITORS: Amounts falling due within one year	2010	2009
	£	£
Other creditors	8,976	15,421
Subscriptions in advance	87,012	85,367
Deferred income	75,120	—
Accruals	9,421	3,942
	<u>180,529</u>	<u>104,730</u>

Deferred income	2010	2009
	£	£
At 1st July 2009	—	74,860
Amount released to incoming resources	—	(74,860)
Amount deferred in the year	75,120	-
At 30th June 2010	<u>75,120</u>	<u>-</u>

Deferred income in the year comprises income relating to the 2010 Congress.

10 OPERATING LEASES

At 30th June 2010, the company had commitments for payments in the following year under non-cancellable operating leases as set out below:

	2010	2009
	£	£
Land and buildings	<u>20,000</u>	<u>20,000</u>

11 RESTRICTED FUNDS

	IIC Keck Award Fund £	Professional Development Fund £	Total £
Incoming resources	180	803	983
Expenditure	1,000	272	1,272
Net (outgoing)/incoming resources	(820)	531	(289)
Balance brought forward	31,309	10,391	41,700
Balance carried forward	30,489	10,922	41,411

IIC Keck Award Fund

This fund was created in 1993 by Sheldon & 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.

Professional Development Fund

This fund was created in 2003 as the Member Sponsorship Fund and renamed in 2005. The funds were given to contribute towards the membership fees of all categories of members from developing countries.

12 UNRESTRICTED FUNDS

	General Fund £	Designated funds		Total £
		Congress Fund £	Brommelle Memorial Fund £	
Incoming resources	179,513	—	458	179,971
Resources expended	205,383	—	—	205,383
Net incoming/(outgoing) resources	(25,870)	—	458	(25,412)
Balance brought forward	211,454	80,000	61,506	352,960
Transfer — funds generated by Congress	—	—	—	—
Net gains on investment assets				
Realised	1,242	—	—	1,242
Unrealised	4,650	—	—	4,650
Balance carried forward	191,476	80,000	61,964	333,440

General Fund

This fund is maintained for the general running of the charity.

Congress Fund

The purpose of this designated fund is to separately identify the income and expenditure relating to International Congresses. Surpluses or deficits arising on each congress are transferred to the General Fund, with a reserve maintained in this fund to cover the expected costs of future events.

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 Assets £	Total £
Restricted funds				
IIC Keck Award Fund	—	29,786	703	30,489
Professional Development Fund	—	—	10,922	10,922
Unrestricted funds	2,432	352,305	(21,297)	333,440
	2,432	382,091	(9,672)	374,851

14 OTHER PROFESSIONAL SERVICES PROVIDED BY THE AUDITOR

In common with many other organisations of our size and nature we use our auditors to assist with the preparation of the financial statements.

15 POST BALANCE SHEET EVENTS

After the year end the Company decided to terminate its publishing contract in order to improve the quality of distribution, availability and cost of its publications. This is expected to result in a significant payment for compensation. The amount of this payment is yet to be determined so no reliable estimate of the financial effect can be made.