



# The International Institute for Conservation of Historic and Artistic Works

## REPORTS AND FINANCIAL STATEMENTS

### Year ended 30th June 2011

#### COUNCIL REPORT

The Council have pleasure in submitting their report and audited financial statements of the Institute for the year ended 30th June 2011.

#### 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>	Eleanor McMillan†, Gabriela Krist, Sharon Cather, Julian Bickersteth
<i>Secretary-General:</i>	Jo Kirby Atkinson
<i>Treasurer:</i>	Velson Horie
<i>Director of Publications</i>	Joyce Townsend
<i>Ordinary Members:</i>	Hans-Christoph von Imhoff, Tuulikki Kilpinen, Mikkel Scharff, Anne Rinuy, Naoko Sonoda, Richard Kerschner, David Saunders, Michael von der Goltz, David Watkinson, Valentine Walsh, Cornelia Weyer

† retired 19th January 2011

#### Advisors

<i>Auditors</i>	<i>Bankers</i>
Jacob Cavenagh & Skeet	National Westminster Bank Plc
5 Robin Hood Lane	38 Strand
Sutton	London
Surrey SM1 2SW	WC2N 5JQ

#### Registered Office

6 Buckingham Street	<i>Solicitors</i>
London	Slaughter and May
WC2N 6BA	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 times 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. Three temporary committees were established during the year, as is customary during the preparations for the IIC's biennial Congress: the Technical Committee under the leadership of

Jonathan Ashley-Smith; the Editorial Committee under the leadership of David Saunders, Director of Publications and the Congress Organising Committee chaired by Christopher Collins; all of these committees were dissolved after the year end once their work was achieved. No further 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

To deal briefly with IIC Council matters, Eleanor McMillan stood down as Vice-President at the AGM in January 2011. We are extremely grateful to her and wish to thank her for her long association with and loyalty to IIC. There were no other retirements or elections to Council.

It is a great pleasure to welcome Lorenzo Appolonia, David Grattan, Jerzy Kunicki-Goldfinger, Salvador Muñoz-Viñas, Velayudhan Nair, David Park, Marie-Louise Sauerberg, Andrew Thorn and Christina Young as new Fellows of IIC. Fellowship is a significant award as it indicates recognition of the contribution made by conservators and conservation scientists to the profession and to heritage conservation in general. It is gratifying to see the continual improvement of quality and activity in conservation, reflected in the Fellowship applications. Following a precedent set a few years ago, that one Council meeting a year should be held outside the UK, the September 2010 Council meeting was held in Istanbul, at the Sakıp Sabancı Museum, while that held in May 2011 was held in Helsinki, at the Sinebrychoff Museum, Finnish National Gallery, at the invitation of Tuulikki Kilpinen. During the meeting we were able to meet the museum conservators and later the Finnish Section of the NKF (IIC Nordic Group). This was a most useful and informative exercise as we were able to discuss how effective IIC has been and is being at maintaining contacts with this group of conservators and, indeed, how relevant IIC is to them. We would like to thank them all very much for their most generous hospitality.

The highlight of the year was undoubtedly the 23rd Congress held in Istanbul, on *Conservation and the Eastern Mediterranean*. Our hosts in Istanbul were the Sakıp Sabancı Museum, with the Sakıp Sabancı University and Sabancı Holdings and we would like to express our enormous gratitude to Nazan Ölçer, Director of the Sakıp Sabancı Museum, and her colleagues for their most generous hospitality. The technical programme was interesting and varied, while reflecting the ancient history and archaeology of the region. The papers presented were of a high standard, thanks to the rigour of the selection process and the efforts of the Technical Committee, chaired by Sharon Cather. However, an important aspect of the Congress is the social programme: opportunities are made for delegates to meet; for conservators who work far away from one another to discuss matters of common interest with others in the same field face to face; for students to meet the leaders in their field of interest. Thanks to the generosity of the Sakıp Sabancı Foundation, who sponsored seventy Turkish delegates, and the Getty Foundation, who sponsored another ten, local Turkish conservators were able to participate fully in the Congress and discuss problems with colleagues they would not otherwise have had the chance to meet. It was very clear that a most enjoyable time was had by all.

The degree of interest in the congress was reflected in the number of applications for grants to attend, made available from the Brommelle Memorial Fund (for students) and thanks to the generosity of the Getty Foundation, the Gabo Trust (for a sculpture conservator), the Clothworkers Guild (for textile conservators) and the International Trust for Croatian Monuments. The number applying was greater than ever before, far more, in fact, than the number of awards available. Applicants came from as far afield as Zimbabwe and Sri Lanka, Cambodia and Mexico and we hope to build on the relationships that have developed from this: several of these delegates have applied for membership of IIC through the Opportunities Fund.

An interesting aspect of the Congress was that, for the first time, a selection of

student posters was on display with the posters from those established in the profession and it was gratifying to see how very high a standard the students achieved. Student interest was so great, in fact, that some students expressed a desire to have their own conference in 2011. The aim is to provide a forum for students and newly qualified conservation professionals to get a better idea of what happens after the training course is finished: how to set up in business; what opportunities are open; what kind of employment is possible, with studio visits and web access to the discussion sessions for those unable to attend in person.

Another interesting development arising from the Congress has been the desire of conservators in Arabic-speaking countries to form a new IIC group for Arabic-speakers. Articles have been drawn up and are being examined by the necessary authorities in Jordan, where the group will be based. It is likely that the formation of the group will be confirmed during the next year.

The other significant event this year is that, after a long and frustrating period of discussion, IIC terminated its agreement with Earthscan to publish *Studies in Conservation* at the end of the financial year. The journal will, in future, be published by Maney, who have in their portfolio several other related journals. They will also advertise the journal to library subscribers, manage advertising and, most important of all, they have an efficient on-line submission and refereeing procedure, which will speed up the publication process considerably. The new publishing arrangement will facilitate publishing the congress papers as a special issue of *Studies in Conservation*. The papers will therefore become part of the standard literature e.g. by inclusion in citation indexes, something that will be of great benefit to future authors. Conservation, led by IIC, is steadily moving on from older methods of publishing and participating in the wider research community. We are most grateful to Joyce Townsend, Director of Publications, and Velson Horie, Treasurer, for their patient attempts to resolve the situation with Earthscan and for their successful negotiations with Maney. We are also extremely grateful to Joyce Townsend for her day-to-day overseeing of the production of *Studies*, *News in Conservation* and the congress preprints.

*Studies in Conservation* has gained a number of new editors in the team directed by the Editor-in-Chief, Dr Chandra Reedy: Dr John Delaney, Dr Gunnar Heydenreich, Philip Klausmeyer, Dale Kronkright, Prof Lorenzo Lazzarini, Dr Nancy Odegaard, Dr Aaron Shugar, Dr Matija Strlic and Dr Annelies van Loon. A number have also stepped down, after varying lengths of service: Chris Cople, Dr René de la Rie and Marika Spring. We are grateful for their contributions, and also for the contributions of the existing editors, whose number of years of service exceeds 10 and even 20 in some cases.

Council decided that *News in Conservation* should become an electronic publication with the August 2011 issue, when it will be available to all for download from the website. This will necessitate a redesign of the layout, which is under way. Paper copies will continue to be made available in limited numbers. After a successful year as Editor, Vicki Humphrey has been obliged to resign due to pressure of work and recruitment of a new Editor, with experience of electronic publication, is under way. Lucy Wrapson, the previous editor, has very kindly agreed to produce the next issue while the new editor is being recruited and getting settled in.

Work has continued through the year to redevelop the IIC website. IIC and the University of the Arts, London (UAL), have agreed to develop the site as a research programme. Day-to-day additions and maintenance of the website, which has become an essential means of communication and administration for IIC, is in the hands of volunteer web editors Athanasios Velios and Eike Friedrich. It is important to recognise how much IIC relies on the enormous amount of work they put in behind the scenes; their contribution is essential and we are most grateful.

The World Membership scheme, whereby IIC members can contribute to the Opportunities Fund, has proved a great success, with at least one Gold member and several Silver members. The names were published in *News in Conservation* earlier this year and will be listed on a World Membership page on the website. Several new institutions have been added to those benefitting from the Opportunities Fund: Universidad Externado de Colombia, Colombia, Museo de arte de Lima, Peru, Academy of Fine Arts Sarajevo, Sarajevo, Vietnam National Museum, Hanoi, Vietnam and the Escuela de Conservacion y Restauracion de Occidente, Mexico. Several individual conservators are also benefitting from the fund.

We are extremely grateful to Amber Kerr-Allison for continuing to administer IIC's social networking sites, Facebook and Twitter <http://www.facebook.com/International.Institute.for.Conservation?ref=nf> and [http://twitter.com/#!/IIC\\_](http://twitter.com/#!/IIC_) respectively, both of which are extremely popular and much followed.

The series of round table discussions, *Dialogues for a New Century*, must be one of the most successful of IIC's initiatives and one to which our President, Jerry Podany, has devoted a great deal of time and effort. The discussion at the Istanbul Congress, *Between Home and History: managing the interface between preservation and development of living historic places*, was particularly appropriate for the venue and audience and was a great success. We thank Jerry for his work in organising and arranging funding for the Dialogues, editing of the transcripts for the IIC web page and co-ordinating a growing body of volunteers to translate these transcripts into an impressive number of different languages, also for the web page. This project, named Lingua, has proved a most successful initiative. From the downloads logged, these are extremely popular among the conservation profession. Indeed, Greek and Spanish are the most popular languages downloaded. The *Dialogue* following the AGM in January, organised with the help of the British Film Institute, was on film conservation: *Saving Motion*, a dialogue between Kevin Brownlow and Paolo Cherchi Usai on the

contemporary challenges to the preservation of motion picture heritage.

We are pleased to say that a new Gabo Trust award has been made to a conservator working on modern sculpture, Anne Cummins. As with all of the Gabo Trust / IIC Travelling Scholars, Anne submitted a report on her work which was lodged with both Tate and IIC.

As always, we owe a huge vote of thanks to IIC Executive Secretary Graham Voce for his tireless work on behalf of IIC, ably assisted by Valerie Compton Taylor and, over the period of the Congress, David Compton Taylor.

#### 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 published accounts reflect difficult decisions that have had to be made this year. During the year, the Trustees decided to terminate the existing publishing agreement for *Studies in Conservation* with Earthscan (which had recently been bought by Taylor and Francis). Under the terms of the agreement, a termination payment reflecting the amount of business in the contract became due. This amount of £216,683 was paid just after the beginning of the next financial year, but is included in this reported year's accounts as a known liability. This money has been raised primarily by liquidating some of IIC's investments, but contributions were also received from Maney Publishers in the form of a loan against future profits and a 'signing on' payment. Thanks to the efforts of our investment managers, Brewin Dolphin Ltd, the value of our investments held up well until they were sold.

Considerable efforts in this reported year have been made to reduce major expenditure items of IIC, the publications and the premises, but their effects will not work through into the accounts for a number of years. The costs of producing and distributing *News in Conservation* should reduce sharply in the coming year as it is increasingly published and distributed electronically. The circulation of this excellent publication well beyond the membership will increase the standing and visibility of IIC amongst our peers. The full financial effect of changing the business model of *Studies in Conservation* will be seen when the necessary loan to Maney has been cleared in 2–3 years time, which in turn depends on their success in promoting *Studies* with its improved accessibility and status to new library markets. In September 2011, the lease on the present IIC office will expire and IIC has taken the opportunity to negotiate cheaper and better premises at the Institution of Mechanical Engineers, about one mile from the current office. Considerable synergies of the two organisations will benefit both parties.

As an international institution, IIC needs to communicate reliably, speedily and economically. Members will have noticed that IIC is increasingly using electronic communication. For this to be effective, members need to keep their email address up to date on IIC's membership database. We should be grateful if members could direct enquirers to the improving IIC website.

#### IIC 2010 Congress

In the past, IIC built up its reserves for funding other activities using profits from its congresses. Unfortunately, the Istanbul congress made a considerable loss of ca £30,000, which has reduced the reserves further. This figure results from analysis of the income and expenditure over two financial years. IIC will gradually rebuild its reserves in order to fund future initiatives.

#### 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 Institute has a policy of maintaining 'free' reserves to enable the charity to continue productive operations in the event of a shortfall in funding or exceptional financial demand. In order to facilitate the new publication arrangements, Council agreed a temporary reduction in the reserves held, from the previous policy of holding reserves equivalent to one year's core expenditure. Current reserves stand at about half a year's core expenditure, a common value for UK charities. It is Council's intent to rebuild the reserves to cover a year's core expenditure.

#### Plans for the Future

As the text is being written in October 2011, we are able to indicate future plans and some which have already been achieved.

Planning of the 24th IIC Congress, to be held in Vienna in 2012 in collaboration with the Universität für angewandte Kunst (University of Applied Arts), is already well advanced. The subject of the Congress will be *The Decorative: Conservation and the Applied Arts*, a topic for which Vienna is ideally suited. The range and number of abstracts received suggests an exciting technical programme, which is being organized under the guidance of the Technical Committee headed by Sharon Cather; the local organising committee, under the direction of Gabriela Krist, is working on a social programme which allows us to continue old friendships and make new ones.

IIC moved to its new premises in September 2011, with a new address and telephone numbers. We ask members to update their records to maintain communications. Every care will be taken to keep disruption of IIC's services to its members to a minimum. This has been a positive move, as it will enable the office to reorganise and create a more efficient and pleasant working environment.

The Student and Emerging Conservator Conference, *Conservation: Futures and*

*Responsibilities*, held on 16th and 17th September 2011 at University College London's Institute of Archaeology was a considerable success. Our hosts enabled the proceedings to be webcast, encouraging online participation from across the world. It is hoped that this will be the first of many such initiatives.

Development of a new, more efficient, website will begin in partnership with the University of the Arts, London. Most generously, the Getty Foundation have awarded IIC a grant to assist this development and also to hold a seminar to discuss with the different conservation training programmes ways by which IIC can make student theses available electronically. This will help IIC provide improved services to the conservation community.

From August 2011, *News in Conservation* went digital, as a PDF file downloaded from the IIC website. The new editor, Barbara Borghese, began work at the end of August, and she plans to implement further design improvements, and to improve links between *News in Conservation* and IIC's web site. By making *News* available to members and non-members, IIC is sharing the successes and challenges of the conservation community to anyone interested in the care of our heritage. It had not been possible, financially or practically, to distribute a paper newsletter to such a wide audience, scattered across many disciplines and continents.

Finally we look forward to a fruitful partnership with our new publisher, Maney Publishing, and to the development of *Studies in Conservation* into a more modern, effective publication with online access, providing an improved income stream. Maney are publishing the last two numbers of volume 56 in its current format. However for volume 57, *Studies* will be relaunched in a full colour A4 format. Starting with the recent volumes, all issues of *Studies* will progressively be made available online using standard electronic library search and retrieval tools. These features will make it attractive to authors and readers in many allied disciplines, as the only online conservation journal included in the standard citation databases. Eventually all back issues of *Reviews in Conservation* and past IIC congress preprints will be available online and fully searchable.

#### **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 2012

## **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 2011 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. 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).

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 explained more fully 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 and for being satisfied that they give a true and fair view.

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

#### **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 Council Members to identify material

inconsistencies with the audited financial statements. 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 30th June 2011 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 Trustees' Annual Report 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 in preparing the report of the Council Members.

5 Robin Hood Lane  
Sutton,  
Surrey  
SM1 2SW

Andrew Hazael FCA, Senior Statutory Auditor for and on behalf of  
**Jacob Cavenagh & Skeet** Statutory Auditor  
Chartered Accountants  
January 2012

**STATEMENT OF FINANCIAL ACTIVITIES (including INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 30TH JUNE 2011**

	Note	Unrestricted £	Restricted £	2011 £	2010 £
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generating funds</b>					
<i>Voluntary income:</i>					
Donations and grants		—	47,387	47,387	803
<i>Investment income (all UK):</i>					
Listed investments		9,122	—	9,122	11,386
Interest receivable		1,317	178	1,495	1,782
<b>Incoming resources from charitable activities</b>					
Subscriptions	4	164,768	—	164,768	156,281
Sale of publications and advertising revenue	5	7,619	—	7,619	7,018
Congress income		92,612	—	92,612	—
<b>Other incoming resources</b>		39,635	—	39,635	3,684
<b>TOTAL INCOMING RESOURCES</b>		<u>315,073</u>	<u>47,565</u>	<u>362,638</u>	<u>180,954</u>
<b>RESOURCES EXPENDED</b>					
<b>Charitable expenditure</b>	2	293,064	51,044	344,108	203,355
Earthscan termination payment	2	216,683	—	216,683	—
<b>Governance costs</b>	2	3,400	—	3,400	3,300
<b>TOTAL RESOURCES EXPENDED</b>		<u>513,147</u>	<u>51,044</u>	<u>564,191</u>	<u>206,655</u>
<b>NET (OUTGOING) RESOURCES FOR THE YEAR</b>					
		(198,074)	(3,479)	(201,553)	(25,701)
Realised net gains on investment assets	7	17,375	—	17,375	1,242
<b>NET (EXPENDITURE) FOR THE YEAR</b>		<u>(180,699)</u>	<u>(3,479)</u>	<u>(184,178)</u>	<u>(24,459)</u>
Unrealised net gains on investment assets	7	12,612	—	12,612	4,650
<b>NET MOVEMENT IN FUNDS</b>		<u>(168,087)</u>	<u>(3,479)</u>	<u>(171,566)</u>	<u>(19,809)</u>
Funds brought forward		<u>333,440</u>	<u>41,411</u>	<u>374,851</u>	<u>394,660</u>
<b>FUNDS BALANCES CARRIED FORWARD AT 30TH JUNE 2011</b>	13	<u>165,353</u>	<u>37,932</u>	<u>203,285</u>	<u>374,851</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 2011**

	Note	£	2011 £	2010 £
<b>FIXED ASSETS</b>				
Tangible assets	6		1,220	2,432
Investments	7		362,821	382,091
			<u>364,041</u>	<u>384,523</u>
<b>CURRENT ASSETS</b>				
Stocks of goods for re-sale		19,719		19,779
Debtors	8	166,616		59,066
Cash at bank and in hand		73,180		92,012
			259,515	170,857
<b>Creditors: Amounts falling due within one year</b>	9		<u>376,935</u>	<u>180,529</u>
<b>NET CURRENT (LIABILITIES)</b>			(117,420)	(9,672)
<b>Total assets less current liabilities</b>			246,621	374,851
<b>Creditors: Amounts falling due after one year</b>	9		43,336	—
<b>NET ASSETS</b>			<u>203,285</u>	<u>374,851</u>
<b>FUNDS</b>				
Restricted	11		37,932	41,411
Unrestricted (including a revaluation reserve of £6,066 (2010: £13,721))	12		165,353	333,440
			<u>203,285</u>	<u>374,851</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 2012 and signed on their behalf by:

*V Horie Treasurer*

## NOTES TO THE FINANCIAL STATEMENTS AT 30TH JUNE 2011

### 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

	2011		Governance costs	Total	2010		
	Charitable expenditure				£	£	Total
	Unrestricted £	Restricted £					
<i>Studies in Conservation</i>	23,145	—	—	23,145	33,273		
<i>Reviews in Conservation</i>	423	—	—	423	5,504		
<i>News in Conservation</i>	31,172	—	—	31,172	34,485		
Website	2,920	—	—	2,920	5,834		
Accountancy	1,800	—	—	1,800	675		
Audit	—	—	3,400	3,400	3,300		
Investment management fees	669	—	—	669	641		
General expenses	2,015	—	—	2,015	480		
Maintenance	64	—	—	64	382		
Depreciation	1,817	—	—	1,817	1,969		
Bank charges	5,941	—	—	5,941	5,403		
Irrecoverable VAT	5,747	—	—	5,747	7,172		
Postage and telephone	939	—	—	939	1,009		
Printing and stationery	5,633	—	—	5,633	5,433		
Rent, rates, light, heat and insurance	26,769	—	—	26,769	26,942		
Staff costs	66,269	—	—	66,269	66,747		
Travel and meeting costs	2,823	—	—	2,823	1,638		
Awards	—	4,378	—	4,378	1,272		
	<u>178,146</u>	<u>4,378</u>	<u>3,400</u>	<u>185,924</u>	<u>202,159</u>		
Cost of publication sales (Note 5)	4,714	—	—	4,714	4,496		
	<u>182,860</u>	<u>4,378</u>	<u>3,400</u>	<u>190,638</u>	<u>206,655</u>		
Grants	—	46,666	—	46,666	—		
Congress expenditure (Istanbul)	110,204	—	—	110,204	—		
Earthscan termination payment	216,683	—	—	216,683	—		
	<u>509,747</u>	<u>51,044</u>	<u>3,400</u>	<u>564,191</u>	<u>206,655</u>		

<b>3 STAFF COSTS</b>		2011	2010
		£	£
Wages and salaries		59,967	60,612
Social security costs		6,302	6,135
		<u>66,269</u>	<u>66,747</u>

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

Expenses were reimbursed to two (2010: two) council members in the year amounting to £2,374 (2010: £779).

No remuneration was paid to council members during the year (2010: £nil).

The average number of staff during the year was:		2011	2010
Office administration		<u>2</u>	<u>2</u>

<b>4 SUBSCRIPTIONS</b>	2011	2010	2011	2010
	Number	Number	£	£
Students	155	138	2,964	2,614
Individual Members	1,165	1,295	58,533	62,675
Fellows	322	298	24,138	21,085
Institutional Members	438	427	79,133	69,907
	<u>2,080</u>	<u>2,158</u>	<u>164,768</u>	<u>156,281</u>

**5 SALE OF PUBLICATIONS AND ADVERTISING**

	Sales	2011	Sales	2010
	£	Cost	£	Cost
<b>Publications</b>		£		£
<i>Studies in Conservation</i>	1,412	—	720	—
<i>Reviews in Conservation</i>	841	—	945	—
<i>Conservation of Stone and Wall Paintings</i>	—	—	13	—
<i>Conservation of Far Eastern Art</i>	207	—	63	—
<i>Conservation of the Iberian and Latin American Cultural Heritage</i>	196	—	75	—
<i>Preventive Conservation</i>	400	—	251	—
<i>Archaeological Conservation and its Consequences</i>	283	—	185	—
<i>Painting Techniques</i>	303	—	228	—
<i>Tradition and Innovation</i>	215	—	263	—
<i>Works of Art on Paper, Books, Documents and Photographs</i>	358	—	235	—
<i>Modern Art, New Museums</i>	437	—	297	—
<i>The Object in Context – Books</i>	597	—	448	—
<i>The Object in Context – CDs</i>	40	—	—	—
<i>Conservation and Access</i>	719	—	990	—
<i>Conservation and the Eastern Mediterranean</i>	803	—	—	—
Postage and packing	—	4,714	—	4,496
	<u>6,811</u>	<u>4,714</u>	<u>4,713</u>	<u>4,496</u>
<b>Advertising</b>				
<i>Studies in Conservation</i>	—	—	1,080	—
<i>News in Conservation</i>	375	—	450	—
Website	433	—	775	—
<i>Reviews in Conservation</i>	—	—	—	—
	<u>7,619</u>	<u>4,714</u>	<u>7,018</u>	<u>4,496</u>
Cost of sales (Note 2)	4,714		4,496	
Net incoming resources	<u>2,905</u>		<u>2,522</u>	

**6 TANGIBLE FIXED ASSETS**

		Office
		Equipment
		£
Cost		
At 1st July 2010		16,702
Additions		605
At 30th June 2011		<u>17,307</u>
Depreciation		
At 1st July 2010		14,270
Provided during the year		1,817
At 30th June 2011		<u>16,087</u>
Net book value		
At 30th June 2011		<u>1,220</u>
At 30th June 2010		<u>2,432</u>

7 INVESTMENTS	2011	2010
	£	£
<b>Quoted investments</b>		
Market value at 1st July 2010	189,858	182,707
Additions	59,320	51,211
Disposals	(145,941)	(49,952)
Net realised gains/(losses)	17,375	1,242
Net unrealised gains/(losses)	12,612	4,650
<b>Market value as at 30th June 2011</b>	<u>133,224</u>	<u>189,858</u>
Historical cost at 30th June 2011	<u>127,158</u>	<u>176,137</u>
	£	£
<b>Common deposit and investment funds</b>		
At 1st July 2010	192,233	201,055
Net movement in year	37,364	(8,822)
<b>At 30th June 2011</b>	<u>229,597</u>	<u>192,233</u>
<b>Total at 30th June 2011</b>	<u>362,821</u>	<u>382,091</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:

		£	£
1,400	GlaxoSmithKline 25p ordinary shares	18,676	—
6,000	BP 25c ordinary shares	—	19,134
2,000	Franklin Templeton Global Bond Fund	20,900	19,300
		<u>39,576</u>	<u>38,434</u>

8 DEBTORS	2011	2010
	£	£
Trade debtors	50,326	44,831
Other debtors	108,005	37
Prepayments and accrued income	8,285	14,198
	<u>166,616</u>	<u>59,066</u>

9 CREDITORS: Amounts falling due within one year	2011	2010
	£	£
Other creditors	41,305	8,976
Subscriptions in advance	91,176	87,012
Deferred income	21,668	75,120
Accruals	222,786	9,421
	<u>376,935</u>	<u>180,529</u>

**CREDITORS: Amounts falling due after one year**

	2011	2010
	£	£
Deferred income	43,336	—

**Deferred income**

	2011	2010
	£	£
At 1st July 2010	75,120	—
Amount released to incoming resources	(75,120)	—
Amount deferred in the year	65,004	75,120
<b>At 30th June 2011</b>	<u>65,004</u>	<u>75,120</u>

Deferred income in the year comprises income royalties received in advance.

## 10 OPERATING LEASES

At 30th June 2011, the company had commitments for payments in the following year under non-cancellable operating leases as set out below:

	2011	2010
	£	£
Land and buildings	12,240	20,000

**11 RESTRICTED FUNDS**

	Getty Fund	IIC Keck Award Fund	Professional Development Fund	Total
	£	£	£	£
Incoming resources	46,666	178	721	47,565
Expenditure	46,666	1,000	3,378	51,044
Net (outgoing)/incoming resources	—	(822)	(2,657)	(3,479)
Balance brought forward	—	30,489	10,922	41,411
Balance carried forward	—	29,667	8,265	37,932

**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	221,997	92,612	464	315,073
Resources expended	402,943	110,204	—	513,147
Net incoming/(outgoing) resources	(180,946)	(17,592)	464	(198,074)
Balance brought forward	191,476	80,000	61,964	333,440
Transfer — funds generated by Congress	(17,592)	17,592	—	—
<b>Net gains on investment assets</b>				
Realised	17,375	—	—	17,375
Unrealised	12,612	—	—	12,612
<b>Balance carried forward</b>	<b>22,925</b>	<b>80,000</b>	<b>62,428</b>	<b>165,353</b>

**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 £	Long term liabilities £	Total
<b>Restricted funds</b>					
IIC Keck Award Fund	—	28,965	702	—	29,667
Professional Development Fund	—	—	8,265	—	8,265
<b>Unrestricted funds</b>	1,220	333,856	(126,387)	(43,336)	165,353
	1,220	362,821	(117,420)	(43,336)	203,285

**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.