



The International Institute for Conservation of Historic and Artistic Works

REPORTS AND FINANCIAL STATEMENTS

Year ending 30th June 2012

COUNCIL REPORT

The Council have pleasure in submitting their report and audited financial statements of the Institute for the year ended 30th June 2012.

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>	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, Amber Kerr-Allison†, Shing-wai Chan‡

*Retired at the Annual General Meeting of 18th January 2012

† Elected at the Annual General Meeting of 18th January 2012

†† Re-elected at the Annual General Meeting of 18th January 2012

‡ co-opted at the Council Meeting of 3rd & 4th May 2012

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

3 Birdcage Walk	<i>Solicitors</i>
London	Slaughter and May
SW1H 9JJ	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 eight Council members and a maximum of 21 (up to 12 people in addition to the titled honorary posts of President, either three or four Vice-Presidents, the Secretary-General, the Treasurer and the Director of Publications and the Director of Communications of the Institute). For the purposes of company law, the Council members are 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; Communications; 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 Sharon Cather, the Editorial Committee under the leadership of Joyce Townsend, Director of Publications and the Congress Organising

Committee in Vienna chaired by Gabriela Krist; all of these committees will be dissolved after the year end once their work has been achieved. No further sub-committees were formed this year and they will only be established as and when required. 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. The Executive Secretary is appointed to manage the day-to-day operations of the Institute.

Objectives and Activities

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

Policy of the Institute

The International Institute for Conservation of Historic and Artistic Works advances knowledge, practice and standards for the conservation of historic and artistic works through its publications, conferences and web-site with its linked social networking systems. It promotes professional excellence and public awareness through its awards and scholarships.

Achievements and Performance

Review of Operations for the Year

This financial year has been marked by several interesting events: the first IIC Student and Emerging Conservator meeting; the construction of the new IIC website; the holding of a meeting to discuss the availability of student theses and how IIC may assist in making them available electronically; and, not least, a move to new premises. Before discussing these, however, some internal Council matters should be mentioned. At the AGM in January 2012, David Saunders, David Watkinson, Michael von der Goltz and Hans-Christoph von Imhoff stood down from the Council; all had come to the end of their terms of office and were not standing again, either because, after two three-year terms, they were ineligible or because the pressures of their work were too great. We are extremely grateful to them and would like to thank them for their long and generous involvement with the work of IIC. It should be recorded here that members of Council, like all those who volunteer their services to IIC, make a very large contribution to the work of IIC and thus to the position and wellbeing of conservators worldwide.

As a result of a change to the Articles of Association, it is now possible for Council to include up to three members who are not IIC Fellows and, as a result of this, it is a pleasure to welcome Amber Kerr-Allison as a new member of Council. In addition, Shing-wai Chan was co-opted onto Council during the year and is standing for election at the AGM in January 2013.

Electronic communication with members has become an increasingly important method of two-way communication. In recent years, the IIC Articles of Association have been modified to permit the use of e-mail and web-based formats. Because of the improved interaction, not to mention saving natural resources, we urge members to opt for electronic communication. The Institute will, of course, continue to provide paper copies to those people who have requested that form of communication.

The award of IIC Fellowship is an internationally recognised recognition of professional achievement in the field of conservation. IIC would like to welcome Tatjana Bayerova, James Black, Ruth Keller, Kathrin Kinseher, Fiona Macalister, Iris Schaefer and Lisa Shekede, elected as new Fellows of IIC during the year. We look forward to members putting themselves or other suitable candidates forward for election as Fellows, in order to acknowledge the efforts of conservators across the world working in many disciplines.

After a long residence in Buckingham Street, IIC has moved to an office within the premises of the Institute of Mechanical Engineers, where several other charities are also renting accommodation. This is both cheaper and more congenial than the previous offices in Buckingham Street. We are most grateful to David Compton Taylor and Frances Halahan for their invaluable help during the move.

To turn to the first of the more significant events of the past year: following an enthusiastic student meeting during the 2010 IIC Congress in Istanbul, the first IIC Student and Emerging Conservator Conference, arranged jointly with University College London, was held at the Institute of Archaeology, University College London in September 2011. It is important to note that this event, entitled *Conservation: Futures and Responsibilities*, was conceived by a student, Adam Klupś, and was largely organised by students: Adam Klupś, Kathleen Froyen and Marie Louise Liwanag, of University College London, and Francesca Lemass and Liz Ralph, of Camberwell College of Arts. Rather than the more familiar student conferences, at which students present projects they have carried out, its aim was to introduce students to all aspects of conservation employment in practice. The significance of this event lies in the fact that the health of the conservation profession, and of IIC, depends on the enthusiasm and dedication of those who are at present students or newly qualified conservators; from the evidence of this event and the interest it generated, the future of the profession is in good hands. Through the good offices of Professor Elizabeth Pye and her colleagues, of University College London, the event was webcast, allowing participants from all over the world to take part on line. We are extremely grateful to Professor Pye, and also to Libby Sheldon, of the History of Art Department, University College London, to all those who took part in the discussion sessions; and to the Samuel H. Kress Foundation, Maney Publishing, Willard

Conservation Equipment Engineers and Rotaset Printers for their generous support of the event. The proceedings will be made available on the IIC website.

Thanks to a generous grant from the Getty Foundation, construction of a new, more stable and more efficient website has been carried out in partnership with the University of the Arts, London (UAL). The work was designed and carried out by Athanasios Velios, also one of IIC's two volunteer webmasters, using open source software and this has produced a far more robust and flexible site that will in the future allow the introduction of web-based events, the development of discussion pages and other features. This new site is enabling IIC to improve its external and internal communications and thus serve members and the wider conservation community more effectively and more creatively. The website continuously improves as more features are added. A new system often has short term difficulties and we thank IIC members for their patience while these improvements are introduced, largely by volunteer effort.

A new graphic design for the site will build upon the foundations laid this year. The aim is to contract out the design process and introduce it during the coming financial year. Electronic communication has become the principal means by which IIC carries out its work and the website has become an essential tool. An ever-growing stream of information on the work of IIC is carried through social media – Facebook and Twitter, coordinated by Amber Kerr-Allison, to whom we express our thanks. We are thus ever more dependent on the good offices of our volunteer webmasters, Athanasios Velios and Eike Friedrich; we are extremely grateful to them and thank them for their tireless work behind the scenes. It is also clear that a coherent strategy is needed to use the potential of electronic communication effectively. To this end Council decided that it would be necessary to have a Director of Communications, to look after communication in the same way as the Director of Publications looks after printed publications and to coordinate the work of those working on or with the website. Earlier in the year, a call for applications for this post was put out and it is confidently expected that a suitable candidate will be found.

The Getty Foundation were also most generous in providing a grant towards a two-day seminar to discuss the feasibility of providing access to conservation student theses through the IIC website. This was organised with Athanasios Velios of the University of the Arts, London and held at the UAL Chelsea College of Art campus in April 2012. The meeting was attended in person by representatives from the Hornemann Institute, Hildesheim, (Hochschule für angewandte Wissenschaft und Kunst / HAWK); INCCA (the International Network for the Conservation of Contemporary Art), Amsterdam; the Hungarian National Museum, Budapest; the Department of Archaeology and Conservation, Cardiff University; the University of Applied Arts, Vienna; the University of London Computer Centre Digital Archives and Repositories; the UAL Repository and the Conservation Collection of the UAL Library. Attendees on line included representatives from EThOS, the British Library, London and the Department of Art Conservation, University of Delaware. Before the meeting, an on-line survey was e-mailed to conservation training courses worldwide, asking for details on the number and format of the student reports held; whether or not these could be searched on-line; and how questions of copyright were handled. The results from this survey were used to inform the discussion. The meeting was productive and very successful; those attending were able to discuss methods of data handling and problems faced by all, such as copyright and thesis quality control. It was agreed that IIC could indeed have a role in making student theses, at least those at PhD level, available to the wider conservation profession in a more focussed manner; it was also suggested that the survey be repeated, this time also requesting responses from students. Summaries of the proceedings and of the presentations will be made available on the IIC website.

Preparations for the 24th IIC Congress, *The Decorative: Conservation and the Applied Arts*, held at the new campus of the University of Vienna, 10–14 September 2012, continued throughout the year. As well as organising the venue and its facilities, the Organising Committee, under the chairmanship of Gabriela Krist of the University of Applied Arts Vienna (and an IIC Vice-President) and ably assisted by Maria Gruber, of the same institution, and Christa Hofmann, of the Austrian National Library, have put together a varied and entertaining social programme, including receptions at the Kunsthistorisches Museum and MAK (Österreichisches Museum für angewandte Kunst) and the Congress Dinner, to be held in the Vienna Town Hall. A well-stocked and varied trade fair, open throughout the Congress, has been planned by Roman Tronner. Visits to a wide range of conservation projects and studios have also been organised to take place before a visit to the Abbey of Klosterneuburg for the next event in the series *Dialogues for the New Century*, on challenges in the conservation of contemporary decorative and applied arts. Gabriela Krist was anxious to ensure participation by conservators from nearby Central European countries and thus representatives from Hungary – Márta Kissné Bendefy, Slovakia – Katarina Kosová, and the Czech Republic – Petr Justa – were present on the organising committee. Although the congress itself falls outside the administrative and financial year under discussion, we would like to express our deepest thanks to Gabriela Krist and to all her colleagues for the superb and efficient organisation and the wonderful social programme.

The Technical Committee, under the chairmanship of Sharon Cather of the Courtauld Institute (and also an IIC Vice-President), had the difficult task of choosing 40 papers from the 220 or so abstracts submitted and a similar number of posters from the poster abstracts. Here too, it was hoped that abstracts would be received from Central European countries, but while it is pleasing to note that the papers to be presented and published include contributions from the Czech Republic, Hungary and Romania, there were not that many submissions from which to choose. The number of countries represented among poster authors is greater: 39 posters from 22 different countries. We would like to express our sincere thanks to Sharon Cather and the members of the Technical Committee for their work on this time-consuming task. Following the successful introduction of student posters at the 2010 Istanbul Congress, an international student poster committee, chaired by Amber Kerr-Allison of the Smithsonian American Art Museum, was also formed to select 20 student posters from a separate submission procedure. We are very grateful to Amber and her colleagues for their work selecting the posters and helping the successful students to produce the final works.

The Editorial Committee, under the chairmanship of Joyce Townsend, IIC Director of Publications, has been responsible for editing the papers and poster summaries; Joyce

also edited the student posters. We would like to thank them, and above all Joyce, for their patient and thorough work on the preparation of these Congress preprints. Unlike the earlier congress volumes, it was agreed with Maney, IIC's publisher, that the Vienna congress volume will appear as a supplement to *Studies in Conservation (SiC)*, which is included in the standard citation indices. These papers will thus be available permanently online to a much wider audience. This method of publication will provide benefits to these authors and attract future authors from other fields of study.

The traditional format used for *Studies in Conservation (SiC)* had become expensive to produce; thus IIC's publishing partner, Maney Publishing, changed the format to A4 for volume 57, the first issue of which was mailed out early in 2012. The journal also has uniform font size, which complies with best publishing practice for readers who may have visual impairments. Other improvements include full colour printing throughout, a more widely accepted format for citing references than IIC's traditional style, online submission of manuscripts and a more efficient production method using Editorial Manager (used by many other academic journals), as well as better citation and electronic access to current issues. All of these will apply also to the Vienna congress supplement. Fast-track papers, which can now be cited as a DOI (digital object identifier) before the printed version appears and is mailed to members, have been introduced. The upgrades to the IIC website have made access to on-line *Studies in Conservation (SiC)* a simple process for IIC members, who now receive free access through IngentaConnect to online *Studies*, to all past issues of *Reviews in Conservation* and to the three most recent congress preprints, as well as access through the IIC website to the same publications. Digital access on a par with other scientific journals is a significant advantage to authors; submissions of papers are increased as a result and ultimately publication in *Studies* becomes more prestigious. IIC's dedicated volunteer editors and reviewers are mostly full-time conservation professionals. Chandra Reedy, editor-in-chief, has ably managed the process of change to Maney production. Shing-wai Chan was welcomed as a new editor and Marika Spring is thanked most warmly for many years service to IIC in the editing of review papers. We would also like to offer grateful thanks to continuing editors and to Vienna congress editors, and to the long-serving and at times hastily-recruited new translators of abstracts for the 2011 volume of *Studies*. The changes of publisher and due dates made their work highly pressured and it was ultimately decided to cease abstract translations in *Studies*.

It had been decided early in 2011 to make *News in Conservation (NiC)* available in digital format, downloadable as a PDF file from the IIC website, and it was re-designed in landscape A4 format for easier reading online. The last issue printed in this format was that of June 2012. The response of members has been positive: indeed, there have been requests for an iPhone-format as well. *News in Conservation (NiC)* has also been re-located to the public side of the IIC web page so is available to anyone, not only members, thus it can be used to raise awareness of IIC. *News* is continuing to evolve under its new editor, Barbara Borghese. Lucy Wrapson, predecessor to the previous editor, Vicki Humphries, kindly agreed to edit the August 2011 issue during the changeover between permanent editors.

The Opportunities Fund, supported by contributions from IIC members through the World Membership scheme, is at present supporting eleven institutions as well as several individual members. The most recent beneficiaries are the Universidad Externado de Colombia, the Museo de Arte de Lima (Peru), the Academy of Fine Arts, Sarajevo (Bosnia), the Vietnam National Museum and the Escuela de Conservación y Restauración de Occidente (Mexico).

The most recent event in the series *Dialogues for the New Century* took place at the IIC AGM in January 2012. This was held at the Centre for Sustainable Heritage, the Bartlett School of Graduate Studies, University College London, and we would like to thank Professor May Cassar not only for making these facilities available, but also for arranging and contributing towards the web streaming of the Dialogue. This was a discussion between the journalist Andrew Curry and the archaeologist Wouter Gheyle entitled *Rising Tide/ Melting Ice: The Preservation of World Archaeological Heritage in a Time of Climate Change*. The discussion was moderated by May Cassar. This series, devised by IIC's current President Jerry Podany, has been outstandingly successful and we very much hope that it will continue after Jerry stands down as President at the 2013 AGM. We also have to thank Jerry for the continuing success of the *Lingua* project, whereby Dialogue transcripts have been translated into a number of other languages, all downloadable from the IIC website.

This has been a physically and mentally demanding year, above all for IIC's Executive Secretary Graham Voce. We would like to thank him and the Membership secretary Valerie Compton Taylor, for their tireless work on behalf of IIC, and also David Compton Taylor for help with administration of copyright reassignment, as well as during the office move. We would also like to thank Debby Byzantine, whose help as a volunteer with routine office administration over the last few months has been invaluable, and, indeed, all those who volunteer for IIC.

Public benefit

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

Treasurer's report

After a year of considerable internal change, IIC is adjusting to its new circumstances, while responding to a rapidly changing external environment. IIC has traditionally had a limited number of core activities: publications, congresses and membership services. As external competition in these areas increases and the interactivity of social networks explodes, IIC must re-assess its activities and their financial implications. The involvement of all members in developing IIC will be necessary.

Although it had been planned that the handover of publisher for *Studies in Conservation (SiC)* from Taylor and Francis to Maney would take place in January 2012 at the beginning of volume 57 of *SiC*, the handover took place after issue 2 of volume 56 in July 2011. To ease the process, the previous layout and financial arrangements were carried over to Maney with a short term contract for the remaining two issues. The previously agreed contract for subsequent volumes was then started for volume 57. The payments to Taylor and Francis and from Maney were made and are reflected in the accounts. The royalty payments are due to be paid by Maney to IIC for *Studies*, though the first few years'

payments will be used to pay the loan that Maney provided to help IIC with the termination payment. *Studies* is now sufficiently flexible to publish high quality papers from conferences, both those organised by IIC and others. Because of these repayments and the publishing accounting cycle having moved from quarterly to annual, it will be a few years until easy comparison of publishing activities can be made between financial years.

From July 2011, *News in Conservation (NiC)* was published electronically and made freely available to the heritage community on IIC's website. This has two main aims: to make the information available to all those interested in conservation; and to save the cost (financial and environmental) and inflexibility of posting paper around the world. As a transitional measure, *NiC* was continued in a PDF format that could be printed out. The resultant design and editorial costs provided a significant saving, which will increase in future years as new ways of interacting with the conservation community are developed. Surpluses from past congresses built up the reserves which were essential for dealing with the publication termination payment. It now appears unlikely that future congresses will provide a significant income stream to fund IIC's activities. Many other competing conferences take place each year, so IIC needs to reconsider the purpose and format of its congresses. It is to be hoped that the world-wide financial crisis will ease so enabling conservators to come together and develop the field.

A considerable proportion of our investments were sold at the end of the previous financial years; that and the reduction of interest rates on cash holdings have reduced the return from this capital. The named funds, such as Brommelle and Keck, have been held as cash, which now do not produce sufficient income to pay the expected grants. Some of these funds are being moved to investments that are likely to produce more income and possibly capital increase.

The membership, and thus the income therefrom, of IIC has been declining steadily. It would be helpful if existing members encouraged their colleagues to join and contribute to IIC's international efforts in conservation. Equally, IIC needs to provide people with those services (however defined) that encourage them to join and retain their membership. Externally raised project funding is becoming an important contribution to the activities and resourcing of IIC. The Opportunities Fund is making a real difference to conservation around the world, funded by donations through the World Membership scheme. IIC has benefited from two grants from the Getty Foundation for reconfiguring our website and for supporting our initiative to provide a portal to the many valuable student theses around the world. It is likely that much of the expansion of IIC's activities in the future will come from such project funding.

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 core expenditure (approximately £230,000) to enable the charity to continue productive operations in the event of a shortfall in funding or exceptional financial demand. Included in this reserve is a congress reserve of approximately £80,000 to buffer the wide variations in cashflow arising from the biennial congresses.

Plans for the Future

Following the excellent work of the Vienna congress organising committee and considering the quality and variety of the papers to be printed, we look forward to a

INDEPENDENT AUDITOR'S 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 2012 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 auditor

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-

successful congress in Vienna.

The Vienna congress will include a student meeting, carrying forward the success of the meeting in London 2011, and it is hoped that a major student meeting will be held in 2013, between the congress years.

The development of the IIC website will continue. It has become clear that members sometimes find it difficult to use because, although the structure has been reconstructed, the appearance and graphics of the site have yet to be designed. As mentioned above, this is in hand. It is also intended to improve the facilities available on the website, to include, for example, a forum for members' discussions and other additional features.

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*

8 November 2012

**STATEMENT OF FINANCIAL ACTIVITIES (including INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30TH JUNE 2012**

	Note	Unrestricted £	Restricted £	2012 £	2011 £
INCOMING RESOURCES					
Incoming resources from generating funds					
<i>Voluntary income:</i>					
Donations and grants		20	94,860	94,880	47,387
<i>Investment income (all UK):</i>					
Listed investments		4,932	–	4,932	9,122
Interest receivable		900	297	1,197	1,495
Incoming resources from charitable activities					
Subscriptions	4	171,583	–	171,583	164,768
Sale of publications and advertising revenue	5	8,564	–	8,564	7,619
Congress income		–	–	–	92,612
Other incoming resources		29,861	–	29,861	39,635
TOTAL INCOMING RESOURCES		<u>215,860</u>	<u>95,157</u>	<u>311,017</u>	<u>362,638</u>
RESOURCES EXPENDED					
Charitable expenditure	2	186,321	26,902	213,223	344,108
Earthscan termination payment	2	–	–	–	216,683
Governance costs	2	3,570	–	3,570	3,400
TOTAL RESOURCES EXPENDED		<u>189,891</u>	<u>26,902</u>	<u>216,793</u>	<u>564,191</u>
NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR		25,969	68,255	94,224	(201,553)
Realised net gains/(losses) on investment assets	7	450	–	450	17,375
NET (EXPENDITURE)/INCOME FOR THE YEAR		<u>26,419</u>	<u>68,255</u>	<u>94,674</u>	<u>(184,178)</u>
Unrealised net gains/(losses) on investment assets	7	(4,039)	–	(4,039)	12,612
NET MOVEMENT IN FUNDS		<u>22,380</u>	<u>68,255</u>	<u>90,635</u>	<u>(171,566)</u>
Funds brought forward		<u>165,353</u>	<u>37,932</u>	<u>203,285</u>	<u>374,851</u>
FUND BALANCES CARRIED FORWARD AT 30TH JUNE 2012	13	<u>187,733</u>	<u>106,187</u>	<u>293,920</u>	<u>203,285</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 2012

	Note	£	2012 £	2011 £
FIXED ASSETS				
Tangible assets	6		842	1,220
Investments	7		242,511	362,821
			<u>243,353</u>	<u>364,041</u>
CURRENT ASSETS				
Stocks of goods for re-sale		–		19,719
Debtors	8	63,253		166,616
Cash at bank and in hand		175,763		73,180
			<u>239,016</u>	<u>259,515</u>
Creditors: Amounts falling due within one year	9	(166,781)		(376,935)
NET CURRENT (LIABILITIES)/ASSETS			72,235	(117,420)
Total assets less current liabilities			<u>315,588</u>	<u>246,621</u>
Creditors: Amounts falling due after one year	9		(21,668)	(43,336)
NET ASSETS			<u>293,920</u>	<u>203,285</u>
FUNDS				
Restricted	11		106,187	37,932
Unrestricted (including a revaluation reserve of £Nil (2011: £6,066))	12		187,733	165,353
			<u>293,920</u>	<u>203,285</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 8 November and signed on their behalf by:
Charles Velson Horie Treasurer

NOTES TO THE FINANCIAL STATEMENTS AT 30TH JUNE 2012

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 2011 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

Website – 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

	2012			2011	
	Charitable Expenditure Unrestricted £	Restricted	Governance costs £	Total £	Total £
<i>Studies in Conservation</i>	11,507	–	–	11,507	23,145
<i>Reviews in Conservation</i>	–	–	–	–	423
<i>News in Conservation</i>	25,749	–	–	25,749	31,172
Website	3,788	22,841	–	26,629	2,920
Accountancy	1,950	–	–	1,950	1,800
Audit	–	–	3,570	3,570	3,400
Investment management fees	298	–	–	298	669
General expenses	68	–	–	68	2,015
Maintenance	113	–	–	113	64
Depreciation	1,199	–	–	1,199	1,817
Bank charges	5,264	–	–	5,264	5,941
Irrecoverable VAT	5,555	–	–	5,555	5,747
Postage and telephone	2,211	–	–	2,211	939
Printing and stationery	6,201	–	–	6,201	5,633
Rent, rates, light, heat and insurance	19,710	–	–	19,710	26,769
Relocation of office costs	8,714	–	–	8,714	–
Write off stock	19,655	–	–	19,655	–
Staff costs	67,780	–	–	67,780	66,269
Travel and meeting costs	2,362	–	–	2,362	2,823
Awards	–	1,784	–	1,784	4,378
	<u>182,124</u>	<u>24,625</u>	<u>3,570</u>	<u>210,319</u>	<u>185,924</u>
Cost of publication sales (Note 5)	4,197	–	–	4,197	4,714
	<u>186,321</u>	<u>24,625</u>	<u>3,570</u>	<u>214,516</u>	<u>190,638</u>
Grants	–	2,277	–	2,277	46,666
Congress expenditure (Istanbul)	–	–	–	–	110,204
Earthscan termination payment	–	–	–	–	216,683
	<u>186,321</u>	<u>26,902</u>	<u>3,570</u>	<u>216,793</u>	<u>564,191</u>

3 STAFF COSTS

	2012 £	2011 £
Wages and salaries	61,294	59,967
Social security costs	6,486	6,302
	<u>67,780</u>	<u>66,269</u>

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

Expenses were reimbursed to one (2011: two) council members in the year amounting to £1,100 (2011: £2,374). No remuneration was paid to council members during the year (2011: £nil).

	2012	2011
The average number of staff during the year was:		
Office administration	<u>2</u>	<u>2</u>

4 SUBSCRIPTIONS

	2012 Number	2011 Number	2012 £	2011 £
Students	173	155	3,460	2,964
Individual Members	1,064	1,165	58,579	58,533
Fellows	289	322	23,214	24,138
Institutional Members	422	438	86,330	79,133
	<u>1,948</u>	<u>2,080</u>	<u>171,583</u>	<u>164,768</u>

5 SALE OF PUBLICATIONS AND ADVERTISING

	Sales £	2012 Cost £	Sales £	2011 Cost £
Publications				
<i>Studies in Conservation</i>	-	-	1,412	-
<i>Reviews in Conservation</i>	-	-	841	-
<i>Conservation of Stone and Wall Paintings</i>	-	-	-	-
<i>Conservation of Far Eastern Art</i>	-	-	207	-
<i>Conservation of the Iberian and Latin American Cultural Heritage</i>	12	-	-	-
<i>Preventive Conservation</i>	-	-	196	-
<i>Preventive Conservation</i>	12	-	400	-
<i>Archaeological Conservation and Its Consequences</i>	33	-	-	-
<i>Painting Techniques</i>	70	-	283	-
<i>Painting Techniques</i>	12	-	303	-
<i>Tradition and Innovation</i>	33	-	215	-
<i>Works of Art on Paper, Books, Documents and Photographs</i>	69	-	358	-
<i>Modern Art, New Museums</i>	32	-	437	-
<i>The Object in Context - Books</i>	50	-	597	-
<i>The Object in Context - CDs</i>	-	-	40	-
<i>Conservation and Access</i>	90	-	719	-
<i>Conservation and the Eastern Mediterranean</i>	300	-	803	-
<i>Postage and packing</i>	-	4,197	-	4,714
	<u>713</u>	<u>4,197</u>	<u>6,811</u>	<u>4,714</u>
Advertising				
<i>Studies in Conservation</i>	4,490	-	-	-
<i>News in Conservation</i>	2,528	-	375	-
<i>Website</i>	833	-	433	-
<i>Reviews in Conservation</i>	-	-	-	-
	<u>8,564</u>	<u>4,197</u>	<u>7,619</u>	<u>4,714</u>
Cost of sales	<u>4,197</u>		<u>4,714</u>	
Net incoming resources	<u>4,367</u>		<u>2,905</u>	

6 TANGIBLE FIXED ASSETS

	Office Equipment £
Cost	
At 1st July 2011	17,307
Additions	960
Disposals	(9,729)
At 30th June 2012	<u>8,538</u>
Depreciation	
At 1st July 2011	16,087
Provided during the year	1,199
Released on disposal	(9,590)
At 30th June 2012	<u>7,696</u>
Net book value	
At 30th June 2012	<u>842</u>
At 30th June 2011	<u>1,220</u>

7 INVESTMENTS

	2012 £	2011 £
Quoted investments		
Market value at 1st July 2011	133,224	189,858
Additions	4,517	59,320
Disposals	(30,590)	(145,941)
Net realised gains/(losses)	450	17,375
Net unrealised gains/(losses)	(4,039)	12,612
Market value as at 30th June 2012	<u>103,562</u>	<u>133,224</u>
Historical cost at 30th June 2012	<u>106,277</u>	<u>127,158</u>
Common deposit and investment funds		
At 1st July 2011	229,597	192,233
Net movement in year	(90,648)	37,364
At 30th June 2012	<u>138,949</u>	<u>229,597</u>
Total at 30th June 2012	<u>242,511</u>	<u>362,821</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 in the current year:

			£	£
1,400	GlaxoSmithKline 25p ordinary shares	20,258	18,676	
2,000	Franklin Templeton Global Bond Fund	19,760	20,900	
			<u>40,018</u>	<u>39,576</u>

8 DEBTORS

	2012 £	2011 £
Trade debtors	57,801	50,326
Other debtors	–	108,005
Prepayments and accrued income	5,452	8,285
	<u>63,253</u>	<u>166,616</u>

9 CREDITORS: Amounts falling due within one year

	2012 £	2011 £
Other creditors	10,271	41,305
Subscriptions in advance	103,987	91,176
Deferred income	48,785	21,668
Accruals	3,738	222,786
	<u>166,781</u>	<u>376,935</u>

CREDITORS: Amounts falling due within one year

	2012 £	2011 £
Deferred income	<u>21,668</u>	<u>43,336</u>
Deferred income		
	2012 £	2011 £
At 1st July 2011	65,004	75,120
Amount released to incoming resources	(21,668)	(75,120)
Amount deferred in the year	–	65,004
At 30th June 2012	<u>43,336</u>	<u>65,004</u>

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

10 OPERATING LEASES

At 30th June 2012, the company had commitments for payments in the following year under non-cancellable operating leases as set out below:

	2012 £	2011 £
Land and buildings	<u>12,240</u>	<u>12,240</u>

11 RESTRICTED FUNDS

	Getty Fund	IIC Keck Award Fund	Opportunities Fund	Total
	£	£	£	£
Incoming resources	94,663	254	240	95,157
Expenditure	(25,118)	–	(1,784)	(26,902)
Net (outgoing)/incoming resources	<u>69,545</u>	<u>254</u>	<u>(1,544)</u>	<u>68,255</u>
Balance brought forward	–	<u>29,667</u>	<u>8,265</u>	<u>37,932</u>
Balance carried forward	<u>69,545</u>	<u>29,921</u>	<u>6,721</u>	<u>106,187</u>

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.

Opportunities Fund

This fund was created in 2003 as the Member Sponsorship Fund, renamed in 2005 as the Professional Development Fund and renamed in 2010 as the Opportunities Fund. The funds were, and continue to be, given to contribute towards the membership fees of all classes of members from less well-off countries.

Getty Fund

The Getty Foundation granted IIC £94,600 during the year. Of this £46,600 is for the Vienna Congress to be held in October 2012; £28,000 for a new website and £20,000 to develop a student theses database. During the year, £22,841 was spent on the website and £2,277 was spent on a conference to discuss student theses databases.

12 UNRESTRICTED FUNDS

	Designated funds			Total
	General Fund	Congress Fund	Brommelle Memorial Fund	£
	£	£	£	£
Incoming resources	215,244	–	616	215,860
Resources expended	(189,891)	–	–	(189,891)
Net incoming/(outgoing) resources	<u>25,353</u>	<u>–</u>	<u>616</u>	<u>25,969</u>
Balance brought forward	22,925	80,000	62,428	165,353
Transfer – funds generated by Congress	–	–	–	–
Net gains on investment assets				
Realised	450	–	–	450
Unrealised	(4,039)	–	–	(4,039)
Balance carried forward	<u>44,689</u>	<u>80,000</u>	<u>63,044</u>	<u>187,733</u>

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
	£	£	£	£	£
Restricted funds					
IIC Keck Award Fund	–	29,198	723	–	29,921
Opportunities Fund	–	–	6,721	–	6,721
Getty Fund	–	–	69,545	–	69,545
Unrestricted funds	<u>842</u>	<u>213,313</u>	<u>(4,754)</u>	<u>(21,668)</u>	<u>187,733</u>
	<u>842</u>	<u>242,511</u>	<u>72,235</u>	<u>(21,668)</u>	<u>293,920</u>

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.