

THE INSTITUTE OF CONSERVATION

Annual Report and Accounts 2012-2013

INSTITUTE OF CONSERVATION

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INSTITUTE OF CONSERVATION

CHARITY INFORMATION **FOR THE YEAR ENDED 31 March 2013**

REGISTERED COMPANY NUMBER: 05201058
REGISTERED CHARITY NUMBER (England and Wales): 1108380
REGISTERED CHARITY NUMBER (Scotland): SC039336

BOARD OF DIRECTORS: Lara Artemis
Kate Frame
Ylva Dahnsjo
Frances Halahan
Jane Henderson
Penny Jenkins
Gillian Keay
Louise Lawson
David Leigh
Carole Milner
Elizabeth Neville
Sandra Smith
Siobhan Stevenson
Heinz Juergen Vervoort (Chair)
Amber Xavier-Rowe (term ended 03/12/2012)

EXECUTIVE OFFICERS:

Chief Executive: Alison Richmond

Company Secretary: Simon Green

REGISTERED OFFICE: 1.5 Lafone House
The Leathermarket
Weston Street
London
SE1 3ER

BANKERS: CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME18 4JQ

WEBSITE: www.icon.org.uk

SOLICITORS: Mills & Reeve LLP
Fountain House
130 Fenchurch Street
London
EC3M 5DJ

AUDITORS: Mazars LLP
The Pinnacle
160 Midsummer Blvd
Milton Keynes
MK9 1FF

ACCOUNTANTS: JS2 Limited,
One Crown Square
Church Street East
Woking
GU21 6HR

INSTITUTE OF CONSERVATION

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 March 2013

The Board of Trustees presents its report and audited financial statements for the year ended 31 March 2013.

STRUCTURE GOVERNANCE AND MANAGEMENT

Governing document

The Institute of Conservation ("Icon") is registered as a Charity in England and Wales, (Number 1108380) and in Scotland (Number SC039336). The Institute of Conservation is a Company Limited by Guarantee, Number 05201058, and is governed by its Memorandum and Articles of Association.

Recruitment, appointment and induction of trustees

All Trustees are also Directors of the Limited Company. Most Trustees are elected from and by Icon's membership. Elections are held each year to fill at least one third of seats on the Board of Trustees. Trustees may co-opt up to four others, based on the skills need identified by the Board. Icon provides information on the role and conduct of charity Trustees to all members of the Board when they take office and all new Trustees are given a copy of the governing documents and are briefed on the Aims and Objectives and advised of the financial position of the Charity. New Trustees joining the Board are given an induction by the Chair before the first board meeting of the year and a social event and an awayday were arranged to encourage closer working relationships.

In 2012-13, Icon had a Board of 15 Trustees, including 4 co-opted Trustees. Committees and advisory panels were: Finance & General Purposes; Professional Standards & Development; Communications; Co-options; Nominations; Journal Editorial Panel; Conservation Register Advisory Board; Accreditation Committee; PACR Management Board; Group Chairs Advisory Panel; Chantry Library Advisory Committee. In addition, Disciplinary Panels and task and finish groups are set up from time to time.

Trustees continued to be active on Icon committees and to lead on initiatives:

- The Professional Standards and Development Committee guided the development of Icon's National Conservation Education and Skills Strategy.
- The Board started a review of the Professional Code of Ethics and Disciplinary Code to be guided by the Professional Standards and Development Committee.
- Trustees continued planning for the next Icon triennial conference which was held in April 2013.
- Trustees continued to represent Icon and UK conservation at BSI and CEN (The European Committee for Standardisation) meetings on developing conservation standards.
- The Board worked with the Chief Executive on preparing briefs for and assessing tenders for the Chantry Library Development Project and the PACR Quinquennial Review.
- Trustees advised on the re-focussing of Icon communications to members and the enhancing Icon News, the membership magazine.
- Trustees worked with the Chief Executive on the development of the fledgling National Heritage Science Forum.
- Icon is currently a nominating body for the National Trust Advisory Board and communication is enhanced by the fact that Icon's nominee is also a Trustee of Icon.

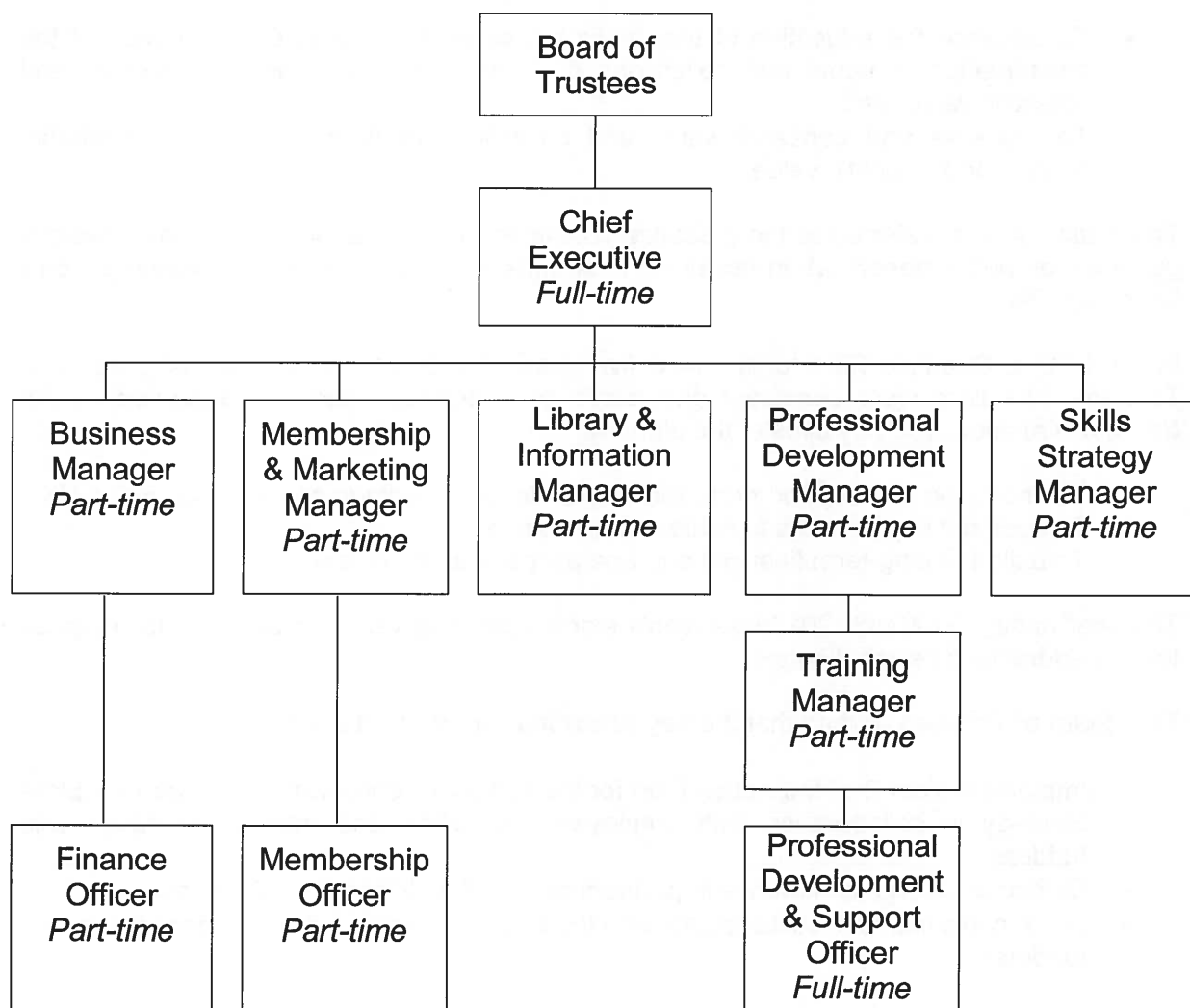
INSTITUTE OF CONSERVATION

REPORT OF THE BOARD OF TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 March 2013

The Trustees meet at least five times a year to agree and monitor the broad strategy and areas of activity for Icon.

Organisational structure

In 2010-11, the Trustees decided that the staffing structure needed to be addressed in the light of the Chief Executive's outward-facing role, and the need to relieve her of most of her day-to-day operations. Following approval of extension funding from the Heritage Lottery Fund in June 2012, further staff changes were made so that on 31 March 2013 our structure was:



In addition, Icon has four contractors providing the following services: Accountancy; Journal Editor; Accreditation Administration; Membership Magazine Editor.

INSTITUTE OF CONSERVATION

REPORT OF THE BOARD OF TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 March 2013

There are approximately 2,308 members of Icon, mainly individuals, with approximately 64 organisations. Icon has 16 volunteer-run specialist groups that provide professional development for conservators and contribute to Icon's governance and public outreach activities. Unpaid volunteers, from group committee members to intern supervisors, estimated at 460 last year, are essential to the delivery of the many areas of activity, such as Professional Accreditation of Conservator-Restorers (PACR) and Work-based Training. Icon is very grateful to all of our volunteers who so generously give of their time and expertise.

OBJECTS AND ACTIVITIES FOR PUBLIC BENEFIT

The Charitable Objects of Icon are:

- To advance the education of the public by research into and the promotion of the conservation of items and collections of items of cultural, aesthetic, historic and scientific value; and
- To preserve and conserve items and collections of items of cultural, aesthetic, historic and scientific value.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing their aims and objectives and in planning Icon's future activities.

In 2011-12, a Strategic Plan for the next five years (2012-16) was drafted with Staff and Trustees. Members were consulted and Icon's new Strategic Plan was approved by the Board of Trustees. The key aims of the plan are:

1. To champion and support professional standards of heritage conservation in the UK
2. To seek out key partners to achieve our mission
3. To build the long-term financial and operational stability of Icon

The year ending 31 March 2013 was Icon's eighth operating year and built on our progress to date addressing key challenges.

The Board of Trustees agreed that the **key priorities for 2012 – 13** were to:

- Implement Year 2 of the Action Plan for the National Conservation Education & Skills Strategy in collaboration with employers, education and training providers, and funders
- Deliver a national conference in partnership with the University of Glasgow
- Build Icon's financial sustainability with the help of members, external partners, and funders.

1. To champion and support professional standards of heritage conservation in the UK

Public Access and Understanding

Icon is committed to promoting public value and understanding of conservation of the cultural heritage to enable the general public, collectors, decision makers and those involved in the arts and cultural sectors from both private and public communities to understand, appreciate and be actively involved in promoting sustainable heritage conservation.

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REPORT OF THE BOARD OF TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 March 2013

Conservation Register: The key focus of public access and education is through the Conservation Register, its website and public information materials, as a primary source for finding, employing and commissioning conservators. The Conservation Register is the recognised source of conservation expertise and the public are referred to it by museums and heritage organisations. Printing of the series of revised “*Caring for*” leaflets was continued with four additional leaflets issued (three sponsored by Natural Sciences Collections Association, NatSCA). This year activity focused on refining the management of the Register, bringing subscription payments up to date, looking at ways of including new businesses, and implementing the marketing plan. The Register was to be seen at a number of fairs and cultural heritage events, and advertised in a range of publications and online.

Journal of the Institute of Conservation is published by Taylor & Francis/Routledge. We prepared for publication two issues of Icon’s peer-reviewed *Journal of the Institute of Conservation (JIC)*, one focused on the subject disciplines of paper and books and the other covering a range of other conservation disciplines. Taylor and Francis continue to invest in marketing and promotion of the Journal to an audience beyond conservation. The Journal Task & Finish Group is working on a sustainable future plan for the Journal for post-2015 when our contract with Taylor and Francis comes to an end. The Chief Executive worked with the Editor and Publisher to bring the Journal in line with Open Access legislation which came into effect this year.

Icon News, our bi-monthly members’ magazine, also promotes the work of Icon and our members to the wider public through printed copies and online publications. This was refocused to address interest in what the Chief Executive and individual Board members do. The improved magazine has received positive feedback.

Advocacy

Icon is committed to championing the conservation of cultural heritage wherever it is raised, at every level, both within the conservation community and outside it, in both public and private sectors, nationally and internationally. Icon advocates the role of conservation in promoting public access and understanding of cultural heritage.

National Conservation Education and Skills Strategy: Icon continued to promote the education and training of professional conservators and conservation technicians to a wide range of stakeholders through its leadership on a National Conservation Education and Skills Strategy. With grants from The Clothworkers’ Foundation and the Esmée Fairbairn Foundation, Icon’s Chief Executive, the Skills Strategy Manager and the NCESS Stakeholder Group work together to engage the sector in guiding and delivering the strategy.

Professional Standards and the Workforce: Icon continued to promote the importance of its professional qualifications, Professional Accreditation for Conservator-Restorers (PACR) and Conservation Technician Qualification (CTQ). Our research has shown that employers value Icon’s professional qualifications highly and are prepared to support their staff in achieving these qualifications.

Salary Guidelines: We continue to promote and staunchly uphold to employers salary guidelines for qualified conservators and conservation technicians. Every time we advertise new vacancies, we provide information on recommended average minimum salary levels. Where necessary, we engage in an active dialogue with employers to better understand the challenges they face. Now that we have completed our workforce research we are in a position to review and revise our salary guidelines based on current salary levels.

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REPORT OF THE BOARD OF TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 March 2013

Professional Standards, Ethics, Training and Education

Professional Standards are fundamental to ensuring that there will be an appropriately skilled and diverse workforce to conserve and make accessible the UK's rich cultural heritage.

National Conservation Education and Skills Strategy: The National Conservation Education and Skills Strategy 2012-16 was formally launched on 27 April 2012. Icon is leading on the implementation of this sectoral strategy, and, thanks to funding from The Clothworkers' Foundation and the Esmée Fairbairn Foundation, by the end of March 2013 the online "barometer of progress", a graphic representation of progress against the Aims, Objectives and Actions set out in the Strategy, showed that 37.6% of the targets had been achieved. The Strategy has been endorsed by eighteen UK heritage bodies.

Professional standards and the workforce: Icon secured funding from Arts Council England, English Heritage and the Heritage Lottery Fund to undertake a substantial Conservation Labour Market Intelligence research project to underpin the National Conservation Education and Skills Strategy. The full report was published on the Icon website in May 2013.

Conservation Technician Qualification (CTQ): Icon's work-based qualification for conservation personnel in a support role, CTQ, was launched in April 2012 with a total number of registrations for 2012/13 of 18. One has completed and two are nearing assessment. Work began on negotiating the migration of the qualification to the Qualifications Credit Framework (QCF). Currently, only qualifications that are ratified on the QCF have the potential to attract state funding to support candidates or can contribute to formal Apprenticeship Frameworks. Such qualifications can only be accredited through a formal Awarding Body; Icon has held initial discussions of our requirements with EDI, one such Awarding Body, and will seek to reach agreement with an Awarding Body during 2013 for the formalisation of the qualification's migration.

PACR Accreditation of Conservator-Restorers: Accreditation, or working towards accreditation, is now stipulated as a prerequisite for employment by most major institutions and employers. PACR is the professional practice assessment for conservation professionals wishing to gain accredited status.

The 2012/13 financial year saw 28 conservators become accredited from 45 applicants.

The 'PACR Pathway', a new Icon initiative agreed by the Board in December 2012, was launched at Icon's conference in April 2013 to encourage members to plan more long-term towards a PACR application and have regular mentor support. New membership renewals have indicated that this is very popular.

PACR clinics and introduction to PACR events took place in Chippenham, Edinburgh, Exeter, London and Manchester reaching 97 potential PACR applicants.

PACR staff, assessors and members of the Accreditation Committee received training on dyslexia at their annual review meeting to understand how to support applicants who may require reasonable adjustment to ensure fair assessments for all.

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REPORT OF THE BOARD OF TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 March 2013

Mentor training continues and there are 60 PACR mentors available to members for their CPD and support towards accreditation.

The CPD review process is now able to recall a higher percentage of accredited members for review, making it compulsory for every ACR to submit a CPD review every five years. An 'Introduction to CPD' workshop was held in Oxford.

Quinquennial Review: Every five years we undertake a review of our Accreditation assessment process to ensure that the recognised industry quality mark is fit for purpose. This year we planned for the second review and prepared tender briefs for the project.

Icon Internships: We continued to run our highly successful Icon internship programme funded by the Heritage Lottery Fund and other funders. Icon internships are made available to conservation graduates and new entrants to work alongside experienced practitioners in a variety of fields. With HLF funding and a grant from the Esmée Fairbairn Foundation, Icon has developed a work-based learning framework for managed internships that has over the last seven years delivered 104 internships. In the reporting period, 17 interns took part in the scheme, of which 8 were funded by the HLF and 9 were supported by other external funders. At the end of 2011, we were invited by the Heritage Lottery Fund to apply for extension funding and in June 2012, we were awarded the sum of £968,000 for an additional 36 internships over the next three years.

Disciplinary Review: In the reporting period, we continued the review of our disciplinary process and code of ethics. The need for such a review had been flagged up by the three disciplinary cases and one appeal that had taken place since Icon was founded in 2005. Trustees led the discussion at our AGM to gather members' views on progress and direction of travel.

Icon Chantry Library and Information Services: Throughout 2012-13, the Library & Information Services Manager has continued to develop the Library as a knowledge centre for conservation – expanding the collection, providing core library services, and initiating new projects. There is a growing recognition of the educational potential of the Library, and the role it has to play in facilitating learning amongst Icon members and the conservation community in general. However, the relatively low usage numbers and the diminishing restricted fund has prompted the Trustees to consider a proposal for a sustainable future for the library and to commission a consultant to develop a business plan for an online learning and research resource.

Membership Services and Group Activities

Membership: In spite of the economic downturn, Icon membership numbers and income are rising slightly. We know that paying membership subscriptions in difficult economic times is a choice members make, and we are very grateful to our members for their sustained support. We are pleased that UK tax-paying members can now claim their membership subscription, as with effect from 6 April 2012, Icon has been approved as a Professional Body by HMRC. We continue to research the reasons why people leave Icon through our lapsed member campaign. This gives us good information on which to base our membership strategy. Members are also happy to see us out and about at trade events.

Member Engagement and Communications: Icon's Communication Committee has steered a change programme in our communications.

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REPORT OF THE BOARD OF TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 March 2013

- The Iconnect e-newsletter has become more focussed on providing information about the wider cultural heritage sector that will be of interest to members
- Our Facebook site (not even a year old) is viewed by on average 500 people per week.
- Our Twitter followers have doubled within the last 12 months to 2,026 and our tweets from Chief Executive and Membership Manager are regularly 're-tweeted'.
- Icon had a stand at the Historic Houses Association's AGM and Trade Fair in November 2012 as well as the Listed Property Show in February 2013 and engaged with around 100 non-Icon members, some of whom have since joined.
- Icon also supported an Accredited Member's week-long exhibition in the Houses of Parliament in January 2013.

Icon remains committed to responding effectively and efficiently to the needs of the conservation community. We continue working on a membership strategy, focusing on maintaining, increasing and broadening membership. Icon publishes two issues of its highly respected journal, *the Journal of the Institute of Conservation* and six issues of its informative and up-to-date magazine *Icon News* each year. The latter has been revamped to begin with an opinion piece by the Chief Executive and includes articles about what staff and Trustees are working on. Icon offers discounts on publications with a range of publishers.

Communication:

Icon Triennial Conference: This was the year running up to our conference "Positive Futures in an Uncertain World" in partnership with the University of Glasgow and a major objective for 2012-13. We attracted over 400 delegates, 7% more than ever before. The conference was a very good communications and profile raising opportunity. We received press coverage in the Art Newspaper, both on line and in the hardcopy paper. A great deal of effort was put into making friends in cultural heritage and government departments in Scotland and this activity delivered results: the Chancellor of the University and the Cabinet Secretary for Culture and External Affairs of the Scottish Government gave keynote speeches.

Group Activities and joint Group events: Members continued to be very active in their sixteen specialist groups with numerous workshops, lectures, and publications initiated and carried out by members. As in past years groups have sponsored cross-disciplinary and partnership initiatives. Selected highlights in 2012-13 included:

- A tapestry symposium coinciding with the centenary year of the Dovecote Tapestry Studios, organised by the Icon Textile Group in September 2012 in Edinburgh. The event reflected the creative, historical, technical, conservation and/or scientific partnerships and collaborations that take place when working on a tapestry project.
- The 15th annual Plenderleith lecture, organised by the Icon Scotland Group, was presented by Mark O'Neill, Director of Research and Development, Glasgow Life.
- Icon Scotland and Icon Photographic Materials jointly organised a presentation on *Rescuing Tsunami Damaged Photographs in Japan* by Yoko Shiraiwa (held in Edinburgh).
- Icon Scotland Group also held a joint conference with Icon Archaeology Group in Glasgow which gave insight into the approach to archaeological conservation in Scotland as well as examples of public involvement in England.
- Another very popular event was the Icon Stone and Wall Paintings' Group 'Problem Stones' conference regarding the conservation of some more troublesome building stones. Held at the Tower of London (with an opportunity of a guided tour by one of

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REPORT OF THE BOARD OF TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 March 2013

Historic Royal Palaces' building surveyors), topics included: blue lias, sandstone, Purbeck marble and an overview of English Heritage's Strategic Stone Study pilot.

- The Icon Book and Paper Group further developed the Co-operative Training Register (CTR), holding a joint training event with the Archives and Record Association on the subject of stationery bindings at the Staffordshire Record Office. A course on the use of aerosol adhesives given by Dr Andrea Pataki-Hundt at the Ashmolean Museum, Oxford.
- Liverpool was host to Icon Ceramics and Glass Group conference and AGM in June 2012 offering 14 talks and guided tours of St George's Hall and the Museum of Liverpool.
- The Icon Paintings Group offered a number of lectures ranging from *Household paints 1900-1960: history, properties & use by artists* (delivered by Dr. Harriet Standeven) to a lecture by Dr Nicholas Eastaugh on the wider technical findings on *the Beltracchi corpus* including lessons from the strengths and weaknesses exposed in the field's current approaches to questions of authenticity.

2. To seek out key partners to achieve our mission

Through leadership and working in partnership, Icon will be in a position to make the most of our limited resources, advocate more effectively by expressing key messages in a unified voice, and encourage collective responsibility for the conservation of our cultural heritage. We add value to others' initiatives by contributing as a partner.

Creative & Cultural Skills: Icon has continued to build a relationship with the Creative and Cultural Skills, and is a founder member on the Cultural Heritage Advisory Board.

National Heritage Science Forum: Icon is a founding member of the National Heritage Science Forum, which will take the lead in advocacy for heritage science, and has had an active part in developing the governance for the fledgling organisation.

Job Centre Plus: The Professional Development Manager has developed partnership working with Job Centre Plus to offer training opportunities for long-term unemployed people.

Icon/CSCS Conservator Cards: The Construction Skills Certification Scheme (CSCS) is the competence card scheme for the construction industry. Icon continued to work with CSCS throughout the year to offer conservators and conservation technicians/craftspeople the opportunity to gain specific CSCS Conservator cards through Icon's existing approval routes: PACR, Conservation Register, Conservation Technician Qualification.

BSI/CEN: Icon supports a representative from the Icon Board to attend committees developing conservation standards in the UK and Europe.

Arts Council England, English Heritage and Heritage Lottery Fund provided partnership funding for our Conservation Workforce research project.

NatSCA provided partnership funding for the publication of three 'Caring for' leaflets: Zoological, Botanical and Geological Specimens. These were part of a suite of leaflets that are being commissioned and updated. 'Caring for' leaflets provide advice for the public on how to look after collections and when it is advisable to call in a professional conservator.

National Trust Icon is an Appointing Body to Council of the National Trust and one of our Trustees serves in that role.

INSTITUTE OF CONSERVATION

REPORT OF THE BOARD OF TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 March 2013

3. To build the long-term financial and operational stability of Icon

During the last year, Icon has made considerable progress in putting its departmental budgets on a full cost recovery basis wherever possible. This has led to an increase in its unrestricted funds of £76,730 in the year which is helping us make progress towards our Reserves Policy target.

We have also made good progress in improving our business systems which has led to more efficient working. In particular:

- We have moved all our central files from one ageing personal computer onto a new cloud based system which has an integral off-site backup system and which is fully backed up on two of our own PCs;
- This new system means that all staff can now access central files from any location including those who are home based and those who occasionally work at home or on the move;
- We have improved our Outlook email and calendaring system;
- We have completed plans for replacing the remaining elderly PCs and printer which were implemented early in 2013-14;
- We are now accommodating 7 staff in the office rented in the Leathermarket listed building complex that initially was planned for 4. This is at the same cost as the cramped space we rented until 2010 in an open plan office shared with other charities. (The additional staff include those who run our expanding interns programme) and
- We have improved our management accounting system and will continue to do so.

Fundraising: Icon Chief Executive Alison Richmond has led a number of bids to support the Education & Skills Action Plan. A successful application went to the Heritage Lottery Fund for an extension grant of £968,000 for 36 12-month internships over 3 years. Effort continues to seek medium-term funding for the Skills Strategy Manager's post to lead on the sector-wide Education & Skills Strategy. Other bids were submitted for skills development and skills transfer in the sector. Sponsorship was sought and secured for the Triennial Conference.

The Board of Trustees agreed that the **key priorities for 2013 – 14** were:

1. To champion and support professional standards of heritage conservation in the UK

- Implement Year 3 of the Action Plan for the National Conservation Education & Skills Strategy 2013-16
- Begin planning for Awards 2015
- Promote new salary guidelines to employers

2. To seek out key partners to achieve our mission

- Collaborate to deliver the National Conservation Education & Skills Strategy in partnership with employers, education and training providers, and funders

3. To build the long-term financial and operational stability of Icon

- Implement the membership strategy
- Begin revision of the Icon website
- Implement a governance review

INSTITUTE OF CONSERVATION

REPORT OF THE BOARD OF TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 March 2013

Financial Review and Results for the Year

The statement of financial activities on page 17 shows a net surplus in unrestricted activities after transfers of £76,730 (2012: surplus of £11,857) and a deficit on restricted activities of £20,857 (2012: deficit of £41,630). The deficit on restricted activities arose because Icon used existing restricted funds in accordance with the conditions of the donors and with the budget for the year. The surplus in unrestricted funds is welcome and is an indicator of the underlying health of the Institute.

Reserves policy

Icon retains reserves for two main reasons:

- to manage the risks to which the charity is exposed in the course of its business (including safeguarding activities funded by volatile voluntary income streams or by other sources that may be reduced or withdrawn);
- to finance future plans in line with Icon's strategic aims and vision.

The Trustees consider that in order to meet these needs, Icon should hold free reserves of no less than 6 months' unrestricted expenditure, i.e. about £285,000. Unrestricted reserves at 31st March 2013 were £207,960 (2012: £131,230) which is equivalent to 4.4 months of unrestricted expenditure. This level is moving upwards but it is below that set by the Trustees. Accordingly the Trustees continue to devote time and energy to monitoring the financial reports with the aims of:

- an unrestricted fund surplus of no less than £25,000 being generated in year ending 31st March 2014;
- unrestricted funds exceeding £232,960 (equivalent to 4.9 months of unrestricted expenditure on 31 March 2014)
- continuing the progress so as to reach the 6-months target by 31st March 2017.

The Board of Trustees will review this policy annually.

Investment Policy

The Trustees think that it is appropriate that the majority of the funds are invested in interest earning reserve accounts and that no funds are invested in either equities or bonds.

Risk Management

The Trustees have considered the major risks to which the Charity is exposed and have reviewed those risks and established systems and procedures to manage them. Icon maintains a register of strategic and operational risks. The operational risks are regularly reviewed and updated by the Finance Committee. The Board of Trustees takes the lead in considering and reviewing strategic risks and their mitigation. In addition, the Board of Trustees normally reviews the complete risk register at least once every year.

INSTITUTE OF CONSERVATION

REPORT OF THE BOARD OF TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 March 2013

Statement of Trustees' Responsibilities

Company Law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Institute at the end of the financial year and its surplus and deficit for the financial year.

In doing so, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the basis of a going concern unless it is inappropriate to presume that the company will continue in business

The Trustees are responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Each of the Trustees at the date of approval of this report confirms that:

- 1) so far as the Trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and
- 2) the Trustee has taken all the steps that s/he ought to have taken as a Trustee to make herself/himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the Companies Act 2006.

Auditors

Mazars LLP have signified their willingness to continue in office. A resolution to reappoint Mazars LLP as auditors to the Company and to authorise the Directors to fix their remuneration will be proposed at the Annual General Meeting.

This report was approved by the Board of Trustees on 25 September 2013 and signed on their behalf.



Siobhan Stevenson
Vice-Chair

INSTITUTE OF CONSERVATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF INSTITUTE OF CONSERVATION

We have audited the financial statements of The Institute of Conservation for the year ended 31st March 2013 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).

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2013 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF INSTITUTE OF CONSERVATION (CONTINUED)

Opinion on the 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 Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records 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 trustees' report.



Stephen Brown (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date **29 October 2013**

Mazars LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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STATEMENT OF FINANCIAL ACTIVITIES (incorporating the income and expenditure account) for the year ended 31 MARCH 2013

	Note	Unrestricted Funds 2013 £	Restricted Funds 2013 £	Expendable Endowment 2013 £	Total Funds 2013 £	Total Funds 2012 £
Incoming Resources						
<i>Incoming Resources from Generated Funds</i>						
<i>Voluntary Income</i>						
Donations and similar income	2	250	306,422	-	306,672	318,287
<i>Incoming Resources from Operating Activities for Generating Funds</i>						
Advertising Income		50,460	-	-	50,460	33,842
<i>Investment Income</i>						
Bank Interest		1,139	1,813	2,481	5,433	3,494
Membership Subscriptions		229,626	-	-	229,626	212,611
Conference		840	-	-	840	55,912
Group Income		53,107	-	-	53,107	66,096
Fee Income		282,679	-	-	282,679	223,120
Publications Income		27,128	-	-	27,128	28,477
Other incoming resources		<u>1,500</u>	<u>-</u>	<u>-</u>	<u>1,500</u>	<u>9,761</u>
Total Incoming Resources		<u>646,729</u>	<u>308,235</u>	<u>2,481</u>	<u>957,445</u>	<u>951,600</u>
Resources Expended						
Charitable Expenditure						
<i>Costs of Charitable Activities:</i>						
Public Access & Understanding		19,480	39,733	-	59,213	105,074
Advocacy		21,320	23,425	-	44,745	35,469
Professional Standards, Ethics, Training & Education		353,058	253,901	3,000	609,959	659,115
Membership Services		144,096	4,870	-	148,966	136,048
Governance		<u>27,033</u>	<u>12,175</u>	<u>-</u>	<u>39,208</u>	<u>44,355</u>
Total Resources Expended	5	<u>564,987</u>	<u>334,104</u>	<u>3,000</u>	<u>902,091</u>	<u>980,061</u>
Net Movement in Funds before transfers	3	81,742	(25,869)	(519)	55,354	(28,461)
Transfer of Funds		<u>(5,012)</u>	<u>5,012</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Movement in Funds after transfers		76,730	(20,857)	(519)	55,354	(28,461)
Brought Forward Funds at 1 April 2012		131,230	124,583	135,840	391,653	420,114
Carried Forward Funds at 31 March 2013		<u>207,960</u>	<u>103,726</u>	<u>135,321</u>	<u>447,007</u>	<u>391,653</u>

- The notes on pages 18 – 25 form an integral part of these financial statements. All transactions are derived from continuing activities.
- All recognised gains and losses are included in the Statement of Financial Activities.

INSTITUTE OF CONSERVATION

Company Number: 05201058

BALANCE SHEET as at 31 MARCH 2013

	Note	£	2013 £	2012 £
FIXED ASSETS				
Tangible Assets	6		11,015	11,517
CURRENT ASSETS				
Debtors	7	211,525		238,937
Cash at Bank and in Hand		373,009		307,029
		584,534		545,966
CREDITORS - Amounts				
Falling Due Within One Year	8	(138,542)		(145,830)
NET CURRENT ASSETS			445,992	400,136
CREDITORS - Amounts				
Falling Due After One Year	8		(10,000)	(20,000)
NET ASSETS	9		447,007	391,653
FUNDS				
Unrestricted Funds				
General Unrestricted Funds			207,960	131,230
Restricted Funds			103,726	124,583
Expendable Endowment			135,321	135,840
	9		447,007	391,653

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

These Financial Statements were approved by the Board of Trustees on 25 September 2013 and signed on its behalf by:-



.....
Siobhan Stevenson
Vice-Chair

The notes on pages 18 - 25 form an integral part of these financial statements.

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2013

1 ACCOUNTING POLICIES

a) Accounting Convention

The Financial Statements are prepared under the Historical Cost Convention, and in accordance with the Statement of Recommended Practice ('the SORP'), Accounting and Reporting by Charities, issued in March 2005 and applicable Accounting Standards.

b) Fund Accounting

General unrestricted funds comprise surpluses and deficits and are available for use at the discretion of the Board of Trustees in furtherance of the Charity's general charitable objectives.

Other unrestricted funds are amounts that have been put aside out of the general unrestricted funds at the discretion of the Trustees to fund specific projects for the future development of the Institute (note 10).

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

Expendable Endowment – following the receipt of the final balance of the Clare Hampson bequest the balance on the fund has been transferred into an Expendable Endowment fund where the income is restricted for use in the support of paper studies and where the capital is maintained to generate the income.

c) Incoming Resources

Incoming resources represent amounts receivable (and known at the year end) by the charity during the year from all sources including subscriptions, grants, donations and investments. All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Grant income and membership contributions are included as they are received except where they relate to future periods in which case they are deferred.

d) Resources Expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. Bursary payments are treated as fully expended when paid.

The costs of policy and advocacy, membership, conservation register, conservation awards, conference, HLF bursary scheme, PACR/PSB accreditation and assessments, publications, group activities and support costs comprise expenditure, including staff costs, which is directly attributable to these activities. Where costs, such as overheads, cannot be directly attributed they have been allocated on the percentage of time spent on each charitable activity.

Support costs comprise all services supplied centrally, identifiable as wholly or mainly in support of direct charitable purposes and include an appropriate proportion of general overheads which cannot be allocated to specific activities.

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 March 2013

Governance costs include these costs associated with meeting the constitutional and statutory requirement of the charity and include the audit fees.

e) Operating Leases

Rentals payable under operating leases are charged on a straight line basis over the terms of the lease.

f) Depreciation

Depreciation is provided on all tangible fixed assets in order to write off their cost over their expected useful lives. The rates adopted are as follows:-

Leasehold improvements	minimum lease term
Computer Equipment & database	33.33% per annum straight line
Office Equipment	25% per annum straight line

Only fixed assets with a value in excess of £500 are capitalised. Assets purchased with a value below this are expensed in the year in which they occur.

g) Defined Contribution pension scheme

The amounts charged to the statement of financial activities are pension contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2 VOLUNTARY INCOME

Voluntary income received in the year was as follows:

	Unrestricted £	Restricted £	2013 £	2012 £
Grants				
Historic Scotland	-	2,000	2,000	-
Heritage Lottery Fund	-	226,488	226,488	250,365
English Heritage	-	2,500	2,500	-
Arts Council	-	11,294	11,294	-
The Clothworkers' Foundation	-	37,500	37,500	47,500
Esmée Fairbairn Foundation	-	22,500	22,500	7,500
NADFAS	-	1,500	1,500	-
Radcliffe Trust	-	-	-	4,000
CCL, Arles (CHINDEU)	-	-	-	4,282
	-	303,782	303,782	313,647
Donations and legacies				
Legacies	-	-	-	-
Sundry Donations	250	2,640	2,890	4,640
	250	306,422	306,672	318,287

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 March 2013

3 NET MOVEMENT IN FUNDS

The Net Movement in Funds is stated after charging:-

	2013 £	2012 £
Auditors' Remuneration -current year	7,186	7,250
Depreciation	8,675	6,319
Operating Leases – rent	15,592	15,024

4 STAFF COSTS

	2013 £	2012 £
Staff Costs:		
Wages and Salaries	240,452	259,481
Social Security Costs	23,090	24,948
Pensions	7,006	10,838
	270,548	295,267

No employee received emoluments of more than £60,000 (2012: nil)

Administrative salaries have been directly allocated to projects on which time was spent.

A group stakeholder defined contribution pension plan for staff was set up with Cooperative Insurance Services in 2009. During the year payments totalling £548 (2012: £1,747) were accrued and are included within current liabilities at the year end.

Numbers of Employees at 31 March 2013: 11 (2012: 10).

The average number of employees (full time equivalents) during the year was: 7.2 (2012: 7.7).

	2013 Number	2012 Number
Public Access & Understanding	1.1	1.7
Advocacy	0.6	0.6
Professional Standards, Ethics, Training & Education	3.4	3.5
Membership Services	1.7	1.4
Governance	0.4	0.5
	7.2	7.7

BOARD OF TRUSTEES' REMUNERATION AND REIMBURSED EXPENSES

None of the Board of Trustees received remuneration for their services as Trustees during the year.

7 members (2012: 8) of the Board of Trustees received reimbursed expenses during the year. These were for travelling and amounted to £4,320 (2012: £4,040).

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 March 2013

5 ANALYSIS OF RESOURCES EXPENDED

	Public Access & Under- standing £	Advocacy £	Professional Standards, Ethics, Training & Education £	Membership Services £	Governance £	2013 Total £	2012 Total £
Direct Costs							
Grants to beneficiaries	-	-	283,450	-	-	283,450	267,515
Staff costs (note 4)	39,059	32,896	123,811	54,561	20,221	270,548	295,267
Consultants, contract staff, training, recruitment, T&S	573	2,084	105,094	15,422	1,290	124,463	112,027
Room hire	4,400	-	5,150	-	-	9,550	6,959
Print, postage, photocopying & publishing	3,482	1,266	33,502	693	1,765	40,708	46,085
Website & IT direct	1,427	-	-	8,031	-	9,458	20,976
Assessors costs	-	-	20,878	-	-	20,878	29,027
Professional fees	-	-	-	-	-	-	3,220
Audit fees	-	-	-	-	7,186	7,186	7,250
AGM	-	-	-	657	-	657	360
Event costs	243	-	3,775	47,711	855	52,584	101,744
Publication costs	-	-	-	1,041	-	1,041	1,218
Prizes and awards	-	-	3,000	-	-	3,000	1,218
Trustees expenses	-	-	-	-	2,743	2,743	3,487
Other	175	200	62	7,085	46	7,568	10,032
	49,359	36,446	578,722	135,201	34,106	833,834	905,167
Support Costs							
Other Staff costs	136	114	431	190	70	941	5,184
Premises costs	1,969	1,658	6,241	2,750	1,019	13,637	18,270
Office running costs	3,014	2,539	9,555	4,210	1,562	20,881	12,728
Professional services	4,735	3,988	15,010	6,615	2,451	32,799	38,712
	9,854	8,299	31,237	13,765	5,102	68,257	74,894
Total Resources Expended							
	59,213	44,745	609,959	148,966	39,208	902,091	980,061

Costs which have been directly attributable to a particular activity have been fully allocated to that specific charitable activity.

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 March 2013

Support costs have been allocated based on the percentage of staff time spent and calculating its direct staff cost. Support costs are then allocated in proportion to this direct cost.

6 TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Computers and Database £	Office Equipment £	Total £
At 1 April 2012	3,938	49,631	9,157	62,726
Additions	-	8,173	-	8,173
At 31 March 2013	3,938	57,804	9,157	70,899
Depreciation				
At 1 April 2012	1,696	40,356	9,157	51,209
Charge for Year	1,313	7,362	-	8,675
At 31 March 2013	3,009	47,718	9,157	59,884
Net Book Value at 31 March 2013	929	10,086	-	11,015
Net Book Value at 31 March 2012	2,242	9,275	-	11,517

All assets are used for charitable purposes.

7 DEBTORS

	2013 £	2012 £
Amounts Falling Due Within One Year		
Trade & Other Debtors	55,550	38,790
Prepayments & accrued income	155,975	200,147
	211,525	238,937

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 March 2013

8 CREDITORS

	2013 £	2012 £
Amounts Falling Due Within One Year		
Trade & Other Creditors	28,190	35,748
Accruals	20,986	11,872
Taxation & Social Security	7,666	9,264
VAT	8,718	5,295
Deferred Income	62,982	73,651
Interest Free Loan	10,000	10,000
	138,542	145,830

Deferred income relates to membership contributions received for future periods.

	2013 £	2012 £
Amounts Falling Due After One Year		
Interest Free Loan (repayable after 1 years)	10,000	20,000
	10,000	20,000

The Trustees made the decision to repay the loan in full after the year end.

9 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted £	Restricted £	Expendable Endowment £	Total £
Fixed Assets	11,015	-	-	11,015
Debtors	211,525	-	-	211,525
Cash at Bank and in Hand	133,962	103,726	135,321	373,009
Current Liabilities	(138,542)	-	-	(138,542)
Long Term Liabilities	(10,000)	-	-	(10,000)
	207,960	103,726	135,321	447,007

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 March 2013

10 FUNDS

		At 1 April 2012 £	Incoming Resources £	Resources Expended £	Transfers £	At 31 March 2013 £
Restricted Funds:						
HLF Bursary Scheme 2013	1	-	224,488	(218,925)	-	5,563
Chantry Library	2	113,803	1,813	(37,298)	5,012	83,330
Nigel Williams	3	10,780	2,640	(87)	-	13,333
Esmée Fairbairn Foundation	4	-	22,500	(22,500)	-	-
The Clothworkers' Foundation	5	-	37,500	(37,500)	-	-
Arts Council England		-	11,294	(11,294)	-	-
Other		-	8,000	(6,500)	-	1,500
Total Restricted Funds		124,583	308,235	(334,104)	5,012	103,726
Unrestricted Funds:						
General unrestricted funds		131,230	646,729	(564,987)	(5,012)	207,960
Expendable Endowment	6	135,840	2,481	(3,000)	-	135,321
Total Funds		391,653	957,445	(902,091)	-	447,007

- (1) HLF Bursary Scheme: The Heritage Lottery Fund Bursary Scheme is an internship programme to address the shortage of conservation skills across the UK and increase the number of trained conservators and conservation scientists. The opening balance was negative in anticipation of income retained until the completion of the project and received in the current year. Transfers represent the support from core unrestricted funds because the scheme is not fully funded.
- (2) Chantry Library Fund: bequest for the purpose of funding a library for paper conservation and related activities. An allocation of funds from unrestricted funds has been made to represent those costs agreed to be covered from core funds.
- (3) Nigel Williams Fund: provides a prize awarded to an individual conservation by the Ceramics and Glass Group of Icon.
- (4) Esmée Fairbairn Foundation: provides a grant to support the work of the Skills Strategy Manager to implement the National Conservation Education & Skills Strategy.
- (5) The Clothworkers' Foundation: provides a grant to support the work of the Chief Executive in leading the advocacy for conservation and conservation education.
- (6) Clare Hampson Fund: bequest set up with the intention of supporting studies in paper conservation. During the year the final income from the bequest was received and the fund balance transferred to an expendable endowment fund where the income is restricted for use in the support of paper studies and where the capital is maintained to generate the income.

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 March 2013

10 FUNDS (Continued)

Other transfers have been carried out to clear any overdrawn balances in restricted funds that are not just subject to timing differences.

11 SUBSIDIARY COMPANY

The subsidiary company Icon Business Services Limited transferred its trading activities to the Institute of Conservation (Icon) in 2009. The company has remained dormant and as such the results have not been consolidated into the accounts for Icon due to the insignificant impact. The debtors in Note 7 includes £400 (2012: £400) owed by this company. The shares in Icon Business Services Limited are held by individuals as nominees of the charity.

12 OPERATING LEASE COMMITMENTS

The amounts payable in the next year in respect of operating leases are shown below, analysed according to the expiry date of the leases.

	2013 £	2012 £
Property leases expiring		
Within one year	15,876	15,024
	15,876	15,024

13 RELATED PARTY TRANSACTIONS

Icon is contracted under its Externally Funded Placement Scheme with a number of organisations on an arm's length basis to provide internships, including their recruitment and support. These organisations include the following where Trustees of Icon hold management positions: Kate Frame - Head of Conservation and Collections Care, Historic Royal Palaces; Elizabeth Neville - Director PZ Conservation C.I.C.; and Amber Xavier-Rowe, Head of Collections Conservation at English Heritage.