

INSTITUTE OF CONSERVATION

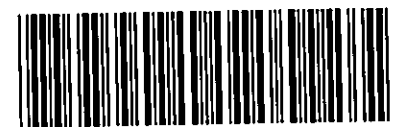
(A Company limited by Guarantee)

FINANCIAL STATEMENTS

for the year ended 31 MARCH 2009

**Principal office:
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London SE1 9BG
Telephone 020 7785 3805
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Website www.icon.org.uk**

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A45 11/11/2009 101
COMPANIES HOUSE

Charity Registration Number in England and Wales 1108380
Charity Registration Number in Scotland SC039336 (since February 2009)
Company Number 05201058

INSTITUTE OF CONSERVATION

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INSTITUTE OF CONSERVATION

CHARITY INFORMATION

REGISTERED CHARITY NUMBER (England and Wales): 1108380

REGISTERED CHARITY NUMBER (Scotland) (since February 2009): SC039336

BOARD OF DIRECTORS:

Board of Directors

Simon Cane (Chair to resignation 8/12/08)
Rose Briskman (Resigned 8/12/08)
Dr Clare Finn (from 8/12/08)
Kate Frame (from 27 November 2008)
Robert Gowing (Resigned 8/12/08)
Diane Gwilt (Chair from 8/12/08)
Jane Henderson (from 8/12/08)
Velson Horie
Geraldine Isherwood (Co-opted from 21/01/09)
John Kelly
Louise Lawson
Helen Lloyd
AnnMarie Newbigin (Resigned 8/12/08)
Heather Perry (Resigned 8/12/08)
Cathy Proudlove (from 8/12/08)
Alison Richmond
Amber Rowe (from 8/12/08)
Russel Turner
Heinz Juergen Vervoorst (from 8/12/08)
Christopher Woods
Philip Young (Honorary Treasurer) (co-opted) (Resigned 8/12/08)

EXECUTIVE OFFICERS:

Chief Executive: Jessica Wanamaker (from 15/06/09)
Operations Director: AnnMarie Newbigin (from 5/01/09)

PRINCIPAL OFFICE: 3rd Floor
1 London Bridge
LONDON
SE1 9BG

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

SOLICITORS: Thomas Eggar & Co
76 Shoe Lane
LONDON

REGISTERED OFFICE: JS2 Limited
One Crown Square
Church Street East
Woking
Surrey GU21 6HR

AUDITORS: Mazars LLP
Seacourt Tower
Westway
OXFORD
OX2 0JG

COMPANY SECRETARY: JS2 Limited
One Crown Square
Church Street East
Woking
Surrey GU21 6HR

INSTITUTE OF CONSERVATION

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 March 2009

The Board of Trustees presents its report and audited financial statements for the year ended 31 March 2009.

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.

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 one third of seats on the Board of Trustees. Elected Trustees may co-opt up to four others from outside the organisation's membership, 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. The Trustee is briefed on the Aims and Objectives and advised of the financial position of the Charity.

Organisational structure

The Trustees meet four times a year to agree the broad strategy and areas of activity for Icon. The day to day management of Icon is delegated to the Chief Executive.

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REPORT OF THE BOARD OF TRUSTEES (continued) FOR THE YEAR ENDED 31 March 2009

Introduction

The year ending 31 March 2009 is Icon's fourth operating year, and the beginning of a new 3-year planning cycle that builds on our progress to date and addresses the key challenges that are ahead

During the past year, we have strengthened our core activities in the areas of training and education, advocacy and public information, accreditation and membership. As a result, we continued with another successful year of our internships in conservation skills funded by the Heritage Lottery Fund. Demand for these internships continues to exceed our supply with more than 200 applications for 10 current places. We have also continued to support the work of the UK National Heritage Science Strategy Review as it moves into a consultation and strategic development phase. In addition, we have seen a significant increase in the number of applicants for professional accreditation; evidence of its growing importance as the "must have" qualification for the profession. Furthermore, we are pleased to see that a number of major heritage institutions such as The National Trust, now prefer to hire conservators who hold Icon accreditation or are engaged in the accreditation process. Finally we have received interest from several employers in our new Conservation Technician Qualification and participation in this process continues to expand.

The financial challenges we faced last year have been compounded by the economic downturn that has had an enormous impact on heritage organizations and charities as well as other sectors of the economy. Our members, including both those in private practice and public institutions are experiencing the serious effect of this downturn in very personal ways.

To pursue our goals of sustainability and keep on track, the Board has had to impose a significant programme of cost reduction resulting in staff redundancies and strict cost control. At the same time, the Board has had to cope with the resignation of our Chief Executive in July 2008 followed six months later by a change to the Chair of the Board of Trustees. With the support of remaining key staff, the Board has been able to realize many of its aims and witness some exceptional developments. Most notably, we are pleased to have been identified by the Clothworkers' Foundation for a pro-active grant to fund the position of a new Chief Executive and provide a platform from which we can become increasingly sustainable for Icon that occurred in the last quarter of the financial year.

Key points to highlight for 2008 - 9:

- Improved financial reporting contributed to better management of operating costs on a regular basis. This performance plus success with a number of grant bids enabled us to generate sufficient surplus to significantly reduce our previous deficit.
- We saw a 50% increase in the number of applicants for the Professional Accreditation of Conservator-Restorers (PACR) process, which demonstrates the growing recognition of the importance of achieving this qualification within the professional community of conservators and key employers in the cultural heritage sector.
- Membership income exceeded budget expectations for the year by 14% despite difficult economic times.
- In the beginning of 2009, we began working with the academic publishers, Routledge of Taylor & Francis Group to publish our journals and promote *The Journal of the Institute of Conservation* to a wider academic audience.

INSTITUTE OF CONSERVATION

REPORT OF THE BOARD OF TRUSTEES (continued) FOR THE YEAR ENDED 31 March 2009

Objectives and Activities for the 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.

Our collective cultural heritage is an irreplaceable and treasured resource. Its conservation demands the skills of many, not only professional conservators but also scientists, engineers, technicians, educators, advisors, and volunteers. Conservation of cultural heritage makes an essential contribution to the whole of society, to education, to the advancement of knowledge, to tourism and to the economy: it ensures that our shared heritage is cared for and protected for the benefit, use and enjoyment of the public today and for generations to come.

Icon is the lead voice for conservation of cultural heritage in the UK. Icon aims to be inclusive, forward-looking, outward-looking, transparent, cost-effective/efficient, responsive, empowering, flexible, independent and creative. All of its activities are approached in the spirit of these values.

Mission

Our mission is:

- **Public Education and Services:** to raise public, political and professional awareness of the importance of caring for our shared cultural heritage; to respond effectively and efficiently to the needs of public and private stakeholders, and the public at large
- **Advocacy:** to champion the conservation of cultural heritage wherever this issue is raised, at every level both within the conservation community and outside it, in both public and private sectors, nationally and internationally
- **Professional Standards, Ethics, Training and Education:** to act as a unifying force and focal point for the conservation profession in setting national standards and supporting the attainment of these standards in ethics, practice, training, education, research and workforce diversity
- **Membership Services:** to respond effectively and efficiently to the needs of the conservation community

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.

Goals

Icon's three goals for 2008 - 9 continue from our previous plan:

- Among the public, to enhance awareness and use of the Conservation Register and conservation guidelines (fulfilling our mission for Public Education and Services)
- With key stakeholders including government and national bodies, to establish Icon as the representative for all conservation issues (fulfilling our mission for Advocacy)
- Among UK conservators in professional practice, to establish Icon as their natural home (fulfilling our mission for Professional Standards and Ethics and for Membership Services)

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REPORT OF THE BOARD OF TRUSTEES (continued) FOR THE YEAR ENDED 31 March 2009

Public Access and Understanding

The Board of Trustees agreed that the priorities for 2008-2009 were to:

- Increase engagement with the public and promote greater interaction with the professional community of conservators; increase visibility and success of the Conservation Register
- Develop the Chantry Library through expanding its coverage to a wider range of areas of conservation work and expands its remit as an information centre to the professional community.
- Promote our specialist information to the public through continued distribution of our guidance leaflets and the expertise of our members.
- Seek out more opportunities for direct and indirect contact with collectors and the wider public.

Increase engagement with the public and promote greater interaction with the professional community of conservators; increase visibility and success of the Conservation Register

Icon continues to have a strong emphasis on public access and understanding in conservation as evidenced by the new Conservation Technician Qualification (CTQ), internships and our work on helping the public to obtain best value in their relationship with conservators through publishing new commissioning guidelines. With this in mind, we gained the support of English Heritage to produce new resources and best practice guidance in undertaking conservation work.

The English Heritage project seeks to encourage greater public participation in day to day conservation by removing barriers to knowledge and expertise. The aim of the work is to enable people who would not readily participate in the conservation of the historic environment to develop an understanding of, design and take part in the delivery of their own conservation projects. The resources produced as a result of this project are for public use and will be delivered in formats that maximise accessibility and will be hosted on the Conservation Register website, which already regularly receives in excess of 10,000 visitors a month and is the main point of interaction between the public and conservation resources.

Icon has excellent links with the wider heritage community. The Conservation Register is the point of referral for the enquiries received by many major heritage organisations and therefore the resources delivered by this project can be disseminated not only through Icon's own programmes, but also as a result of its links with organisations such as the Council for the Care of Churches, SPAB, the National Trust, the Collections Trust and the Museums Libraries and Archives Council.

Develop the Chantry Library through expanding its coverage to a wider range of areas of conservation work and expanding its remit as an information centre to the professional community

The lack of a full time librarian has hampered our plans to increase services of the Chantry Librarian towards the second part of the year. Thanks to a grant from the Garfield Weston Foundation of £50,000, we have now appointed a new Librarian and Information Manager who started in June 2009.

Promote our specialist information to the public through continued distribution of our guidance leaflets and the expertise of our members.

We continue to promote the use of our information leaflets and receive regular requests from leading institutions and private practitioners for additional copies. In addition, we have added to our collection and now provide 23 titles of the "care and conservation" public information leaflets on our website.

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REPORT OF THE BOARD OF TRUSTEES (continued) FOR THE YEAR ENDED 31 March 2009

Seek out more opportunities for direct and indirect contact with collectors and the wider public

We again participated in the popular family history event "Who Do You Think You Are?" in London's Olympia Exhibition Halls in May 2008, which continued to be an excellent opportunity to talk to people about the care and conservation of family photographs, records and heirlooms. Icon's stand at the exhibition was staffed by members of the Icon team and by volunteer members. During the exhibition, we distributed more than a thousand leaflets about the Conservation Register and promotional material on internships and accreditation, as well as back copies of Icon News. Towards the end of May 2008, we participated in the Museums and Heritage Show. Later in the year (October), Icon had a stand in the Trade Fair of the International Institute of Conservation Conference, where we promoted the work of our interns from the previous year.

The Board of Trustees agreed that the **priorities for 2009 – 10** are to:

- With the support of English Heritage, develop the Conservation Register to deliver new resources and commissioning guidance to the public
- Promote the Chantry Library resources and information services to the wider professional community in the cultural heritage sector
- Continue to build Icon's public profile through speaking engagements and participation in conferences and events in the cultural heritage sector and those directed to the public at large
- Develop an approach to improving our engagement with the public through a new Communications Strategy.

Advocacy

The Board of Trustees agreed that the priorities for 2008 - 9 were to:

- Advocate for the education and training needs of the conservation profession with the higher education sector and with a wide range of public stakeholders
- Support development of the UK National Heritage Science Strategy
- Continue to promote PACR and accredited members of Icon to employers
- Review and restructure the Conservation Awards
- Develop a coordinated response from the professional community of conservators to the Demos' report – "It's a Material World – Caring for the Public Realm" launched in November 2008

Advocate for the education and training needs of the conservation profession with the higher education sector and with a wide range of public stakeholders.

At the beginning of 2008, Icon organized '20:20 Vision - The Conservation Workforce of the Future' a major event at Tate Modern, which brought together conservation employers and leading conservation education providers. The purpose of this event was to reflect upon the implications for higher education of the changing needs and demands that the future conservation workforce will face. The overwhelming view of participants from this first event was that there is a need for a new and closer partnership between conservation employers (museums, galleries, libraries and archives as well as larger private sector firms) and educational institutions.

On 12 June Icon and the Textiles Conservation Centre held an invitation only follow up seminar that addressed what future there is for conservation education and research in universities in the UK and how it can best be secured. The Seminar reviewed recent research undertaken by Demos into the value of conservation to contemporary society and an analysis of the current profile of conservation education and training in the UK by Dr. David Leigh. Participants were then asked to bring forward specific proposals for how their own institution could contribute to a closer and more productive partnership between employers and universities.

Work for the development of a UK National Heritage Science Strategy

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REPORT OF THE BOARD OF TRUSTEES (continued) FOR THE YEAR ENDED 31 March 2009

Jim Tate of the Icon Science Group participates as a member of the new Steering Committee formed to direct the UK National Heritage Science Strategy. In addition, Icon continues to work with the consultant developing the overall strategy by using our website to encourage members to contribute to consultations on various issues and coordinating responses. .

Continue to promote professional accreditation to members and employers

The number of candidates for accreditation has risen steadily since Icon was created in 2005. In 2007 Tate began to promote accreditation much more actively with its staff, and the Victoria and Albert Museum published a statement in Icon News indicating that it offers financial support for candidates applying for PACR. Icon continues to encourage employers advertising jobs to indicate a preference for PACR where appropriate.

Review and Restructure the Conservation Awards

The Board has agreed to a revised structure for the Conservation Awards proposed by a small working party of Icon members. We have retained a consultant to develop a detailed project plan for the implementation of the new Awards programme in 2010.

Develop a coordinated response from the professional community of conservators to the Demos' report – "It's a Material World – Caring the Public Realm" launched in November 2008

In response to both the 20:20 Vision meeting and the release of the Demos major research on the current and future state of conservation in the UK, Icon established and led an Advocacy Task Force (ATF) comprised of leading members of the professional community of conservators from both private practice and national institutions.

The purpose of the ATF is to develop a series of key messages that circulate as a core element of our communications strategy that focuses on the vital importance of conservation to the social and economic well being of our nation to members of the cultural heritage sector and to the public.

The Board of Trustees has agreed that the priorities for 2009 - 10 are to:

- Advocacy for education and training needs for the conservation profession with the higher education sector and with a wide range of public stakeholders
- Complete the restructuring of the Conservation Awards for award delivery in 2010
- Actively participate in public consultation on cultural heritage issues, e.g. the MLA review of museum accreditation and when necessary lead on delivering a coordinated response for the professional community of conservators
- Museum Associations conference

Professional Standards, Ethics, Training and Education

The Board of Trustees agreed that the priorities for 2008 - 09 were to:

- Follow up and support Heritage Lottery Fund year 2 interns after graduating
- Set up and start year 3 of the Heritage Lottery Fund scheme with 12 placements
- Run the second phase of the pilot for the Conservation Technician Qualification
- Re-establish the Conservation Teaching Forum
- Run more externally-funded internships, utilising the Heritage Lottery Fund framework
- Complete the review of professional accreditation
- Publish new accreditation guidelines for applicants

Follow up and support Heritage Lottery Fund year 2 interns after graduating

All eleven interns successfully completed their internships in 2008. Eight of the interns went on to find employment in conservation; five with their host organisation; two went on to further conservation courses and one has begun a PhD in a conservation related topic. Over the year, Icon hosted three regional meetings for interns to network and share information.

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REPORT OF THE BOARD OF TRUSTEES (continued) FOR THE YEAR ENDED 31 March 2009

Set up and start year 3 of the Heritage Lottery Fund scheme with 12 placements

10 new interns were appointed in the summer of 2008 and started placements in September. Icon received a record 221 applications for this round and of 10 placements on offer, 6 were made available to applicants from non-conservation trained backgrounds.

Run the second phase of the pilot for the Conservation Technician Qualification

The second phase of the pilot project was started in August 2008 to run to May 2010. Ten Partner employer organizations have signed up for the new round, including three from the last round. We have had 28 candidates register for the qualification to be assessed before the end of 2009.

Continue facilitating the Conservation Teaching Forum

Icon continued to facilitate the follow up meeting of the Conservation Teaching Forum held in December 2008.

Run more externally-funded internship placements

Three externally funded placements were set up and started in the past year, building on the framework that the Heritage Lottery Fund supported Icon in developing. Two placements were funded by the Tate; one in Time-Based Media and the other in Conservation Science. The third placement was funded by Friends of the Petrie Museum in the Conservation of artefacts from Egypt and the Sudan.

Complete the comprehensive review of professional accreditation (PACR)

A new PACR guide was completed and posted to our website in October 2008. The January intake of applicants was the first group to use the revised standards. The revised Assessor Guide was also completed in the past year and posted to our Website in March 2008. Work now continues on the Accreditation Committee Guide and the update to the PACR Manual of administrative procedures.

Plans for 2009-2010:

- Develop in partnership with other stakeholders in the Cultural Heritage Sector a National Education and Skills Strategy for Conservation
- Deliver Icon's inaugural Conference in March 2010 focusing on evidence based decision making and a sustainable future for UK conservation.
- Expand the Conservation Technician Qualification
- Build strategy to sustain our work-based training programmes with key partners, such as the Museums, Libraries and Archives Commission, the Tate Museum, The Petrie Museum and other leading organisations.
- Finalise the Strategy to support newly trained / qualified conservators towards PACR over a 5-year period (PACR Pathway)

Membership Services and Group Activities

The Icon Board of Trustees agreed that the priorities for 2008 - 09 would be to:

- Begin work on new commissioning guidelines
- Promote salary guidelines with more external stakeholders
- Establish a Communications Committee and Communications Strategy
- Continue to encourage Group Activities and when possible joint Group events

Begin work on new commissioning guidelines

Work on developing new commissioning guidelines has been deferred to 2009 -10 as part of the major capacity building project supported by English Heritage previously described under the section of Public Access and Understanding. Guidelines will be circulated for comments and once finalised used in connection with Icon's updated Conservation Register.

Promote salary guidelines with more external stakeholders

INSTITUTE OF CONSERVATION

REPORT OF THE BOARD OF TRUSTEES (continued) FOR THE YEAR ENDED 31 March 2009

We continue to promote salary guidelines and uphold our benchmark pay levels with prospective employers. Every time we advertise new vacancies, we provide information on recommended average salary levels. Where necessary, we engage in an active dialogue with employers to better understand the challenges they face.

Establish a Communications Committee and Communications Strategy

The Board established a Communications sub-committee in the third quarter of the year to investigate ways to improve our communications with members and groups within a broader communications strategy.

Continue to encourage Group Activities and joint Group events

Icon's 16 specialist groups have kept up their customary high level of meetings, visits, seminars and other activities for the membership over the past year. The sheer number of these makes it impossible to mention more than a few in this Annual Review.

- The Stone and Wall painting Groups held a one day conference in October 2008 on issues affecting the care and conservation of cemeteries, graveyards in respect to memorials and monuments, which attracted attention on the BBC website.
- In April 2008, the Ethnography Group organised a two day workshop to study the conservation of feathers held at the Pitt Rivers Museum in Oxford.
- The Stained Glass Group held a conference also in October 2008 that addressed issues presented by conservation techniques used in the past in order to establish best practices in the field of stained glass conservation.

Plans for 2009-10

- Develop a strategy to increase our membership base
- Begin work on new commissioning guidelines
- Develop and implement communications strategy
- Promote salary guidelines with more external stakeholders
- Improve governance of the Groups through increased guidance and greater dialogue

INSTITUTE OF CONSERVATION

REPORT OF THE BOARD OF TRUSTEES (continued) FOR THE YEAR ENDED 31 March 2009

Financial Review and Results for the Year

The statement of financial activities on page 13 shows a net surplus on unrestricted activities (after transfers) of £111,132 and a surplus on restricted activities (after transfers) of £24,829.

Reserves policy

Icon retains reserves for two main reasons

- a) 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);
- b) 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 between 3 and 6 months unrestricted expenditure. Current unrestricted reserves are £180,609 and within that free reserves (being unrestricted funds less designated funds) were (£6,685) compared to (£98,949) at 31 March 2008. This is below the level deemed necessary by the Trustees. Accordingly the Trustees have devoted considerable work to preparing and challenging a three year business plan. The objectives of this plan are to:

- a) ensure there is an unrestricted fund surplus generated for 2009-10.
- b) ensure that by March 2010 there is surplus on free reserves
- c) continue the progress in 2010-11.

Investment Policy

The trustees deem it appropriate that the majority of the funds are invested in a high yield account 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 reviewed and updated regularly by the Finance Committee. The Board of Trustees takes the lead on considering and reviewing strategic risks and their mitigation. In addition the Board of Trustees reviews the complete risk register at least once every year.

Disclosure of Information to Auditors

So far as the trustees are aware,

- there is no relevant audit information of which the Charity's auditors are unaware, and
- they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INSTITUTE OF CONSERVATION

REPORT OF THE BOARD OF TRUSTEES (continued)
FOR THE YEAR ENDED 31 March 2009

Auditors

In accordance with section 385 of the Companies Act 1985 a resolution proposing the reappointment of the auditors will be put to the Annual General Meeting.

Statement of Board of Trustees' Responsibility

The trustees are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Trust law requires the Board of Trustees to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the surplus or deficit of the Charity for that period. In preparing those Financial Statements the Board of 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 and statements of recommended practice 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 Charity will continue in business.

The Board of Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the Financial Statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The maintenance and integrity of the Institute of Conservation web site is the responsibility of the Board of Trustees. The work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the Financial Statements since they were initially presented on the web site.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005).

This report was approved by the Board of Trustees on 16th Sept 2009 and signed on their behalf.



Chairman

INSTITUTE OF CONSERVATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INSTITUTE OF CONSERVATION

We have audited the financial statements of Institute of Conservation for the year ended 31 March 2009 which comprise the Statement of Financial Activities, the Balance Sheet and related notes. These financial statements have been prepared under accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the trustees, who are also the directors of Institute of Conservation for the purposes of company law are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of state of the charitable company's affairs as at 31 March 2009 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.

Mazars LLP

Mazars LLP

Chartered Accountants
and Registered Auditors
Seacourt Tower
West Way
Oxford, OX2 0JG

Dated 9 November 2009

INSTITUTE OF CONSERVATION

**STATEMENT OF FINANCIAL ACTIVITIES
(incorporating the income and expenditure account)
for the year ended
31 MARCH 2009**

	Note	Unrestricted Funds 2009 £	Restricted Funds 2009 £	Total Funds 2009 £	Total Funds 2008 £
Incoming Resources					
<i>Incoming Resources from Generated Funds</i>					
<i>Voluntary Income</i>					
Donations and similar income	2	1,005	320,519	321,524	320,964
<i>Incoming Resources from Operating Activities for Generating Funds</i>					
Advertising Income		39,919	-	39,919	41,750
<i>Investment Income</i>					
Bank Interest		10,201	6,626	16,827	22,946
<i>Incoming Resources from Charitable Activities</i>					
Membership Subscriptions		263,535	-	263,535	225,447
Group Income		49,077	-	49,077	74,043
Fee Income		108,242	-	108,242	70,872
Publications Income		30,684	-	30,684	2,145
<i>Other incoming resources</i>		<u>7,502</u>	<u>-</u>	<u>7,502</u>	<u>1,327</u>
Total Incoming Resources		<u>510,165</u>	<u>327,145</u>	<u>837,310</u>	<u>759,494</u>
Resources Expended					
Charitable Expenditure					
<i>Costs of Charitable Activities:</i>					
Public Access & Understanding		16,804	33,327	50,131	164,104
Advocacy		32,147	202	32,349	52,359
Professional Standards, Ethics, Training & Education		186,285	294,363	480,648	568,179
Membership Services		94,668	631	95,299	180,099
Governance		<u>42,611</u>	<u>311</u>	<u>42,922</u>	<u>43,287</u>
Total Resources Expended	5	<u>372,515</u>	<u>328,834</u>	<u>701,349</u>	<u>1,008,028</u>
Net Movement in Funds before transfers	3	137,650	(1,689)	135,961	(248,534)
Transfer of Funds		<u>(26,518)</u>	<u>26,518</u>	<u>-</u>	<u>-</u>
Net Movement in Funds after transfers		111,132	24,829	135,961	(248,534)
Brought Forward Funds at 1 April 2008		<u>69,477</u>	<u>251,823</u>	<u>321,300</u>	<u>569,834</u>
Carried Forward Funds at 31 March 2009		<u>180,609</u>	<u>276,652</u>	<u>457,261</u>	<u>321,300</u>

- The notes on pages 17 to 24 form part of the accounts.
- All transactions are derived from continuing activities
- All recognised gains and losses are included in the Statement of Financial Activities.

INSTITUTE OF CONSERVATION

**BALANCE SHEET
as at 31 MARCH 2009**

	Note	2009 £	2008 £
FIXED ASSETS			
Tangible Assets	6	4,709	10,938
CURRENT ASSETS			
Debtors	7	70,520	107,482
Cash at Bank and in Hand		486,694	313,546
		<hr/> 564,464	<hr/> 421,028
CREDITORS - Amounts Falling Due Within One Year	8	<hr/> (64,662)	<hr/> (110,666)
NET CURRENT ASSETS		<hr/> 492,552	<hr/> 310,362
CREDITORS - Amounts Falling Due After One Year	8	(40,000)	-
NET ASSETS	9	<hr/> 457,261	<hr/> 321,300
FUNDS			
Restricted Funds		276,652	251,823
Unrestricted Funds			
General Unrestricted Funds		(6,685)	(98,949)
Designated Funds		187,294	168,426
		<hr/> 180,609	<hr/> 69,477
	9	<hr/> 457,261	<hr/> 321,300

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These Financial Statements were approved by the Board of Trustees on 16th Sept 2009 and signed on its behalf by:-

Denise Gwillt

Chair

GM16/2/MSD

Treasurer

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2009

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 Association (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.

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. Income that has been received in advance for the Conservation Awards has been deferred to allow matching against the expenditure incurred.

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.

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.

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.

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 March 2009

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:-

Office Equipment	25% per annum straight line
Computer Equipment	33.33% per annum straight line

Only fixed assets with a value in excess of £100 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 £	2009 £	2008 £
Grants				
The Museums, Libraries & Archives Council	-	14,750	14,750	5,000
Esmee Fairbairn	-	19,595	19,595	19,585
Pilgrim Trust	-	-	-	14,000
Heritage Lottery Fund	-	225,927	225,927	216,466
The Clothworkers' Foundation	-	10,000	10,000	-
Garfield Weston	-	50,000	50,000	-
Donations				
Sir Paul McCartney	-	-	-	50,000
Sundry Donations incl Gift Aid	1,005	247	1,252	15,913
	1,005	320,519	321,524	320,964

3 NET MOVEMENT IN FUNDS

The Net Movement in Funds is stated after charging:-

	2009 £	2008 £
Auditors' Remuneration -current year	7,800	8,000
Auditors' Remuneration -prior year	-	5,952
Depreciation	6,229	7,927
Operating Leases – rent	18,645	23,244
	18,674	45,123

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 March 2009

4 STAFF COSTS

	2009	2008
	£	£
Staff Costs:		
Wages and Salaries	161,756	233,660
Social Security Costs	18,038	24,519
Other Staff Costs	12,906	4,189
	<hr/>	<hr/>
	192,700	262,368
	<hr/>	<hr/>

No employee received emoluments of more than £50,000.

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 2008. During the year payments totalling £4,189 were accrued and are included within current liabilities at the year end.

Staff costs are net of £10,864 received in relation to the secondment of one member of staff.

Numbers of Employees at 31 March 2009: 6 (2008: 6)

The average number of employees during the year was: 6.0 (2008: 7.6)

	2009	2008
	Number	Number
Full Time	5.0	6
Part Time	1.0	1.6
Full time equivalents:		
Public Access & Understanding	1.3	1.9
Advocacy	0.8	0.8
Professional Standards, Ethics, Training & Education	2.1	3.1
Membership Services	1.4	1.4
Governance	0.4	0.4
	<hr/>	<hr/>
	6.0	7.6
	<hr/>	<hr/>

BOARD OF TRUSTEES' REMUNERATION AND REIMBURSED EXPENSES

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

15 members (2008: 17) of the Board of Trustees received reimbursed expenses during the year. These were for traveling and amounted to £5,084 (2008: £4,948). Trustees' indemnity insurance was not purchased during the year.

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 March 2009

5 ANALYSIS OF RESOURCES EXPENDED

	Membership Services	Professional Standards, Ethics, Training & Education	Advocacy	Governance	Public Access & Understand -ing	2009 Total	2008 Total
	£	£	£	£	£	£	£
Direct Costs							
Grants to beneficiaries	-	202,673	-	-	-	202,673	199,725
Staff costs	35,961	88,818	23,953	23,574	20,394	192,700	262,368
Consultants/other staff costs	7,175	69,065	4,000	190	1,642	82,072	79,705
Room hire	-	-	-	-	4,410	4,410	3,796
Print, postage, photocopying & publishing	7,015	61,102	-	-	1,024	69,141	120,790
Assessors costs	-	18,288	-	-	-	18,288	15,099
Audit fees	-	-	-	8,124	-	8,124	13,952
AGM	-	-	-	-	-	-	739
Event costs	27,544	3,584	-	-	612	31,740	108,093
Prizes & Awards	500	-	-	-	-	500	53,235
Trustees expenses	-	-	-	4,257	-	4,257	5,716
Other	3,367	1,109	-	-	1,352	5,828	8,613
	<u>81,562</u>	<u>444,639</u>	<u>27,953</u>	<u>36,145</u>	<u>29,434</u>	<u>619,733</u>	<u>871,831</u>
Support Costs							
Other Staff costs	1,857	4,869	594	916	2,798	11,034	20,785
Premises costs	2,398	6,285	767	1,183	3,612	14,245	25,656
Office running costs	3,276	8,588	1,048	1,616	4,936	19,464	39,309
Professional services	6,206	16,267	1,987	3,062	9,351	36,873	50,447
	<u>13,737</u>	<u>36,009</u>	<u>4,396</u>	<u>6,777</u>	<u>20,697</u>	<u>81,616</u>	<u>136,197</u>
Total Resources Expended	<u>95,299</u>	<u>480,648</u>	<u>32,349</u>	<u>42,922</u>	<u>50,131</u>	<u>701,349</u>	1,008,028

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

Support costs have been allocated based on the percentage of time spent on each charitable activity.

The analysis of cost categories has been amended in 2009 to reflect the simplified nominal coding structure employed. As a result the 2008 totals above have been amended to reflect these simplifications. The major amendments to the 2008 analysis are the merger of professional fees for consultants with other staff costs and the merger of publishing costs into print, postage and photocopying.

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 March 2009

6 TANGIBLE FIXED ASSETS

	Computer Equipment	Database	Office Equipment	Fixture, Fittings & Equipment Total
Cost	£	£	£	£
At 1 April 2008	25,850	8,764	9,157	43,771
Additions	-	-	-	-
At 31 March 2009	25,850	8,764	9,157	43,771
Depreciation				
At 1 April 2008	22,125	1,551	9,157	39,062
Charge for Year	3,308	2,921	-	6,229
At 31 March 2009	25,433	4,472	9,157	39,062
Net Book Value at 31 March 2009	417	4,292	-	4,709
Net Book Value at 31 March 2008	3,725	7,213	-	10,938

All assets are used for charitable purposes.

7 DEBTORS

	2009 £	2008 £
Amounts Falling Due Within One Year		
Trade & Other Debtors	66,117	96,989
Prepayments	4,403	10,493
	70,520	107,482

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 March 2009

8 CREDITORS

	2009	2008
	£	£
Amounts Falling Due Within One Year		
Trade & Other Creditors	33,451	21,306
Accruals	8,274	12,189
Taxation & Social Security	5,067	6,967
VAT	8,618	9,142
Deferred Income – Other	-	28,820
Deferred Income – Membership	9,252	32,242
	<hr/>	<hr/>
	64,662	110,666
	<hr/>	<hr/>

Deferred income relates to membership contributions received for future.

	2009	2008
	£	£
Amounts Falling Due After One Year		
Interest Free Loan (repayable after 2 years)	40,000	-
	<hr/>	<hr/>
	40,000	-
	<hr/>	<hr/>

The interest free loan was provided by a trustee during the period.

9 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Restricted	Total
	£	£	£
Fixed Assets	4,709	-	4,709
Debtors	70,520	-	70,520
Cash at Bank and in Hand	210,042	276,652	486,694
Current Liabilities	(64,662)	-	(64,662)
Long Term Liabilities	(40,000)	-	(40,000)
	<hr/>	<hr/>	<hr/>
	180,609	276,652	464,510
	<hr/>	<hr/>	<hr/>

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 March 2009

10 FUNDS

		At 1 April 2008 £	Incoming Resources £	Resources Expended £	Transfers £	At 31 March 2009 £
Restricted Funds:						
Conservation Awards	(1)	25,025	6,599	(2,988)	-	28,636
HLF Bursary Scheme 2009	(2)	(19,161)	254,522	(292,708)	26,518	(30,829)
Chantry Library	(3)	239,711	56,024	(29,388)	-	266,347
Leonardo Project	(4)	6,248	-	-	-	6,248
Clothworkers	(5)	-	10,000	(3,750)	-	6,250
Total Restricted Funds		251,823	327,145	(328,834)	26,518	276,652
Unrestricted Funds:						
General unrestricted funds		(98,949)	455,917	(318,538)	(45,115)	(6,685)
Total General Funds		(98,949)	455,917	(318,538)	(45,115)	(6,685)
Designated Funds:						
Groups		78,328	49,079	(53,934)	18,597	92,070
Hampson Bequest	(6)	90,098	5,169	(43)	-	95,224
Total Designated Funds		168,426	54,248	(53,977)	18,597	187,294
Total Unrestricted Funds carried forward		69,477	510,165	(372,515)	(26,518)	180,609
Total Funds		321,300	837,310	(701,349)	-	457,261

- (1) Conservation Awards: bi-annual award ceremony recognizing the work in various fields of conservation supported by Sir Paul McCartney and managed through support from the Museums, Libraries and Archives Council (MLA), English Heritage and the National Preservation Society.
- (2) 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 closing balance is negative in anticipation of future income retained until the completion of the project. Transfers represent the support from core unrestricted funds because the scheme is not fully funded.
- (3) Chantry Library Fund: bequest for the purpose of funding a library for paper conservation and related activities.
- (4) Leonardo Project: EU funding for a project to produce a teaching tool for paper conservation.
- (5) The Clothworkers' Foundation: Funding for the position of Chief Executive over a three-year period including recruitment costs.
- (6) Clare Hampson Fund: bequest set up with the intention of supporting studies in paper conservation.

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 March 2009

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 2008. 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 £-(2008: £-) owed by this company.

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.

	2009 £	2008 £
Property leases expiring		
Within one year	12,610	-
Within two to five years	-	19,800
	<hr/>	<hr/>
	12,610	19,800
	<hr/>	<hr/>