



THE INSTITUTE OF CONSERVATION

**Annual Report and Accounts
For The Year Ended 31 March 2017**

INSTITUTE OF CONSERVATION
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31st March 2017

	Page
Charity Information	2
Executive Summary	3
Report of the Board of Trustees	4 – 18
Report of the Independent Auditors	19 – 20
Statement of Financial Activities	21
Balance Sheet	22
Statement of Cash Flows	23
Notes of the Financial Statements	24 – 35

INSTITUTE OF CONSERVATION

CHARITY INFORMATION

for the year ended 31st March 2017

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

BOARD OF DIRECTORS: Penny Bendall
Jonathan Betts (elected 07.12.2016)
Iain Boyd
Sarah Cove
Nigel Dacre (term ended 07.12.2016)
Ylva Dahnsjo (term ended 07.12.2016)
Megan de Silva
Lorraine Finch (elected 07.12.2016)
Frances Graupner (co-opted 07.12.2016)
Rebecca Hellen
Melanie Houston (elected 07.12.2016)
David Howell
Ruth Howlett (elected 07.12.2016)
Charlotte Lester (term ended 07.12.2016)
Peter Martindale
Caroline Peach
Pierrette Squires (term ended 07.12.2016)
Siobhan Stevenson (Chair)
Deborah Walton (elected 07.12.2016)
Adam Webster (term ended 07.12.2016)
Jennifer Williamson

EXECUTIVE OFFICERS: Chief Executive: Alison Richmond
Company Secretary: Simon Green

REGISTERED OFFICE: Unit 3.G.2
The Leathermarket
Weston Street
London SE1 3ER
WEBSITE: www.icon.org.uk

BANKERS: Unity Trust Bank plc
Nine Brindleyplace
Birmingham
B1 2HB

SOLICITORS: Mills & Reeve LLP
Fountain House
130 Fenchurch Street
London EC3M 5DJ
AUDITORS: haysmacintyre
26 Red Lion Square
London WC1R 4AG

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 31st March 2016

The Board of Trustees presents its report and audited financial statements for the year ended 31st March 2017.

EXECUTIVE SUMMARY

This year has seen the development of Icon's next five-year Strategy, a significant increase in advocacy activity, recognition of Icon's authoritative voice, and a building up of Icon's capacity to fundraise.

Icon's five-year strategy 2017-2021

Icon Trustees and members worked together in three task groups focussing on three strategic themes: Supporting professional members; Raising the public and policy profile of Icon; Widening the supporter base of Icon. Their reports fed into the facilitated strategic planning day that was supported by the Giving to Heritage Fund. The draft Strategy document was sent to members and stakeholders inviting comments. The consultation along with the membership survey of 2015 guided the priorities with advocacy coming out on top. Trustees expect to sign off the final draft over the Summer of 2017. The draft Strategy has already informed business planning and a fundraising strategy. Accordingly, an application to The Clothworkers' Foundation to fund the post of a Policy Advisor was made with the positive outcome announced in the next reporting year.

Advocacy activity

Icon has been able to respond to more consultations and to engage with these in more depth than ever before. This is largely due to the support of volunteers, both members and Trustees. Volunteers spring into action often at short notice and add a great deal of value to what staff members alone can provide. Icon's Special Interest Groups help Icon answer relevant consultations with authority. The Trustees are very grateful to all of our volunteers. While this activity continues to be mainly responsive rather than pro-active, we were pleased to have been able to draft our own timely statement on Brexit. The Policy Advisor funded by the Clothworkers' Foundation will help us to make a step-change in terms of pro-active engagement with issues across the heritage sector.

Authoritative voice

This year also saw an increase in the number of forums that have invited Icon to participate. This has culminated in an invitation from The British Council to the Chief Executive to take part in a high-level cultural exchange tour of China funded by the UK Government's Prosperity Fund. Icon was unique amongst the five UK delegates in being a professional body and covering all aspects of cultural heritage conservation including objects. The tour therefore offered the opportunity to advocate to heritage professionals from the UK as well as in China. A new website launched by the British Council in June 2017 features a guest blog by the Icon Chief Executive.

Building capacity to fundraise

Icon began to work on this in 2015 with executive coaching to develop the fundraising skills of the Chief Executive paid for with a match funded grant of £2,000 from The Heritage Alliance Giving to Heritage Fund. It became clear that Icon needed a fundraising strategy and that this needed to be aligned with Icon's own strategy. Further funding of £2,000 was granted to support this process and to meet costs of developing a strategy and fundraising plan, covering the costs of a Trustees' Planning Day and a Fundraising Training Day. These were attended by Trustees and Senior Staff. Icon is now in the process of drafting a fundraising strategy and a case for support. <http://www.theheritagealliance.org.uk/gth/>.

INSTITUTE OF CONSERVATION

REPORT OF THE BOARD OF TRUSTEES (CONTINUED)

for the year ended 31st March 2017

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 Articles & Memorandum of Association which were approved and adopted by the members at the Annual General Meeting on 1st December 2014. The Trustees have delegated day-to-day running of the charity to the Chief Executive.

Recruitment, appointment, induction and training of Trustees

All Trustees are also Directors of the Limited Company. The Trustees are volunteers and receive no remuneration apart from travel and subsistence expenses associated with their work for Icon. Most Trustees are elected from and by Icon's membership, serving a term of three years. The Trustees may co-opt up to four other Trustees, based on the skills need identified by the Board. The current Chair of Icon was co-opted onto the Board in December 2015.

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. Trustees 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 Business Manager on accounting and financial matters. Last year, five Trustees attended a Fundraising Training Day the cost of which was match-funded by Giving to Heritage.

In 2016-17, Icon had a Board of 16 Trustees, including 4 co-opted Trustees. The Trustees met six times in the year including two days to review and plan strategy. Committees and advisory panels chaired by Trustees and with Trustee representatives are: Finance; Professional Standards & Development and Nominations. In addition, task groups are set up from time to time. In 2016-17, task groups worked on Conservators' Salaries, the Conservation Register and the Governance Review.

Three Trustees sat on the Professional Standards and Development Committee (PSD) which has oversight of all of Icon's professional development activities. PSD continued to guide the implementation of Icon's National Conservation Education and Skills Strategy 2012-16.

Three Trustees sat on the Finance Committee which receives quarterly Management Accounts and oversees the preparation of the Trustees' Annual Report, budget setting, the appointment of the auditors and major project expenditure.

There were three formal complaints received by Icon during the year. These were dealt with in line with Icon's new Complaints Procedure which was adopted by the Board in June 2016. Restrictive measures were applied to one member as a result of a complaint which was upheld.

The Trustees approved new Terms of Reference for the Board, three Committees and a number of panels and task and finish groups. As a result of these new terms, the number of Trustees appointed to each of the Finance Committee and the Professional Standards and Development Committee were increased from three to four to take effect in 2017-2018.

Trustees participated in drafting Icon responses to a number of consultations this year.

INSTITUTE OF CONSERVATION

REPORT OF THE BOARD OF TRUSTEES (CONTINUED)

for the year ended 31st March 2017

The three Strategic Task and Finish Groups, each chaired by a Trustee, met during the reporting period: Strengthening support for professional conservators; Raising the public and policy profile of Icon; Widening membership through a supporter category. The groups reported in June 2016 and their reports informed the developing Strategy 2017-2021.

Icon consulted its members and a wide range of stakeholders on the first draft of the Icon Strategy 2017-2021 in March 2017. A large number of responses were received and taken into account in the final draft which was signed off in Summer 2017.

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 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 2017 was Icon's 12th operating year and built on our progress to date addressing key challenges.

The Board of Trustees agreed that the **key priorities for 2016 – 17** were:

1. Plan and deliver Icon's third triennial conference
2. Continue to collaborate to deliver the National Conservation Education & Skills Strategy in partnership with employers, education and training providers, and funders to implement Year 5 of the Action Plan for the National Conservation Education & Skills Strategy 2012-16
3. Continue to build Icon's unrestricted reserves in accordance with the Trustees' Reserves Policy

In addition, Trustees continued to develop Icon's next five-year strategy 2017-2021.

INSTITUTE OF CONSERVATION

REPORT OF THE BOARD OF TRUSTEES (CONTINUED)

for the year ended 31st March 2017

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.

Icon website: Icon's new website celebrated its first anniversary in August 2016 with new development initiatives, and a diverse programme of original content that attained substantial influence along social media networks.

Icon's Digital Content Officer published a variety of original articles, promoted on social media such as Twitter and Facebook, and many of these were notable viral successes. During the year 'listicles', or articles featuring a list, won plaudits across the platforms. Of interest were pieces written by Icon members that in turn engaged online audiences; the most successful of these were '[So you want to be a conservator – 10 traits you need to succeed](#)', and '[Things I wish I knew in my first year as a conservator](#)'. An original article on the Icon website also sparked considerable online debate, asking '[Can objects die, and if so who decides?](#)'. This also [inspired a follow-up submission for the website](#) from an Icon member.

New initiatives were trialled later in the year, and the [first-ever podcast of an Icon lecture](#) earned strong click-through figures and opened doors to greater inclusivity and engagement from members all over the country, regardless of their ability to attend the London session in person.

Conservation Register: The key focus of public access and education is Icon's Conservation Register, a website designed to be the primary source for finding and commissioning professional conservators. The resource earns substantial public referrals from most museums and heritage organisations, and Icon engages stakeholders in its strategic development through Conservation Register Advisory Board – although the Board did not meet during the reporting period.

The Register was the subject of a considerable marketing initiative during the reporting period. A new leaflet, *Quality Assured Conservators*, was distributed in the delegate bags of 1,500 delegates attending the 2016 Museums Association Conference in Manchester. The leaflet was also distributed to delegates attending the Association of Independent Museums Conference in Edinburgh. A full-page print advert also appeared in the programme for the Listed Property Show at Kensington Olympia in London, and the Historic Houses Parks and Gardens event. Unfortunately, due to the design of the back-end interface, it is not possible to determine if these efforts increased website hits.

During the reporting period, Icon's Board of Trustees decided that the time had come to critically assess the Register to ensure it was still meeting its core aims, with options ranging from no action to a full redevelopment of the resource from the ground up. A Task and Finish Group was appointed, led by an Icon Trustee and including two ACRs listed on the Register, another Icon Trustee, an Icon member on the PACR Pathway, a commissioning body representative, a member of the public, and a member of Icon's Senior Management Team. In the reporting period, the Group conducted research and prepared a consultation to test perception, with plans to complete this work and submit a final report to the Board of Trustees in the next financial year.

INSTITUTE OF CONSERVATION

REPORT OF THE BOARD OF TRUSTEES (CONTINUED)

for the year ended 31st March 2017

Journal of the Institute of Conservation is a highly regarded academic publication. The Editor prepared for publication two issues of Icon's peer-reviewed Journal. A new Publishing Agreement with Taylor & Francis with improved financial terms means that from February 2017 all issues were published in full colour and the number of issues per year was increased from two to three with 50% more content across all disciplines. This will include a larger issue to celebrate the 40th Anniversary of the Journal and its predecessor. New international members have been welcomed to the Editorial Panel. The Journal has also generated some income from advertising fees.

Social media. With a dedicated member of staff tending to Icon's website and social media presence, Icon's social media following has continued to increase.

- Twitter followers increased from 5,894 to 6,791
- Facebook 'Likes' increased from 4,538 to 8,046

Icon members in the news

Members attained substantial press coverage for their projects during the study period, discussing conservation in a variety of national and local publications. Some examples included in June Icon member Zenzie Tinker ACR [shared insights into the conservation of funeral effigies at Westminster Abbey](#) with *The Guardian*, in a piece written by Maev Kennedy. The next month, Icon member Eleanor Scofield was [prominently featured](#) in the same paper discussing results of long-running conservation treatments to stabilise the *Mary Rose* at Portsmouth. In March 2017, Alice Tavares da Silva attained national press coverage when she rediscovered a missing Magritte painting underneath a later work during conservation treatment; the story was [covered in the Guardian](#) and [on the BBC website](#).

Meanwhile, Icon member Lorraine Finch ACR [attained regional press coverage](#) for her discovery of a lost medieval plainsong recycled in the bindings of a later book in Norwich Cathedral Library. Similarly, Bob Entwistle ACR [won coverage in the Ipswich Star](#) as he searched for remains of a lost mid-20th century mural behind layers of paint in a disused pub scheduled for demolition.

Members took to the broadcast airwaves as well, with Icon member Simon Gillespie ACR was featured in an episode of the BBC's *Fake or Fortune*.

Partnership Working

AIM project: Icon is working in partnership with AIM (Association of Independent Museums) to enable small museums to undertake a basic, professional collections-care audit. The audits will be carried out by an accredited conservator to help smaller AIM members (museums with up to 20,000 visitors a year) identify key issues and priorities for their museum. There are 30 ACRs signed up for this project.

Funded by the Pilgrim Trust, the scheme will support museums to care for their collections more effectively and efficiently in the long term, to meet the standards required for Accreditation and will give museums the option to undertake an audit before making a full application to the AIM Collections Care Grant Scheme.

INSTITUTE OF CONSERVATION

REPORT OF THE BOARD OF TRUSTEES (CONTINUED)

for the year ended 31st March 2017

V&A/Icon Conservation & Collections Care Diploma was launched and promoted widely to our members, particularly to ACRs who may wish to train to become assessors. <http://www.vam.ac.uk/content/articles/v/v-and-aicon-conservation-and-collections-care-technicians-diploma/>

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 to and understanding of cultural heritage.

External Consultations, position statements and research projects: Icon has succeeded in increasing the number of responses we are able to make year on year largely due to the contributions from Icon members and Trustees. In the reporting period, Icon responded to or engaged with:

- DCMS Select Committee Inquiry into preserving and enhancing the UK's Cultural Heritage '**Countries of Culture**' Consultation. <http://icon.org.uk/system/files/documents/countries-for-culture-report-2016.pdf>
- **Research project to understand and ultimately influence client demand for specialist heritage skills** being undertaken by Historic Environment Forum and funded by English Heritage.
- **Understanding Historic Buildings consultation by Historic England.** Icon Documentation Network contributed to this consultation. <https://historicengland.org.uk/images-books/publications/understanding-historic-buildings/>
- The Icon Documentation Network contributed to **Collections Trust's consultation on Spectrum 5.0**, the standard for collections care documentation. <http://www.collectionstrust.org.uk/news/item/13942-spectrum-5-consultation-results-and-invitation-to-join-working-group>
- **South Square Trust** to inform their strategic plan for giving. <http://www.southsquaretrust.org.uk/Default.aspx>
- **Arts Council England** to discuss guidance to museums regarding use of accredited conservators. This was prompted by the 'Strategies for Sustainability Survey Report: Conservation and Collections Care in Yorkshire, 2015', which reported that museums were confused about how to find accredited conservators and about the purpose of the Conservation Register. http://www.conservationyork.org.uk/yccc/media/media_library/pdf/Strategies-for-Sustainability-Survey-Report-Conservation-and-Collections-Care-in-Yorkshire-2015.pdf
- With the help of Icon Scotland Group to the **Built Environment Forum Scotland (BEFS)** call for information to inform a BEFS response to the Scottish Government's Europe and External Relations Committee's call for evidence on Scotland's relationship with the EU.

INSTITUTE OF CONSERVATION

REPORT OF THE BOARD OF TRUSTEES (CONTINUED)

for the year ended 31st March 2017

- Responded to an article in the **Daily Telegraph** 'Priceless Oxford exhibits fry under a clean glass roof' (28.07.2016) after contacting conservators at the Museum for background.
- Responded to the **National Trust for Scotland's change programme**.
- Published a **statement on Brexit**.
- With the help of Icon Heritage Science Group responded to the consultation by the **Science and Technology Committee of the House of Commons** on implications and opportunities of leaving the EU for science and research. This and our Brexit statement were shared with Heritage Alliance where they were pooled with others' in the sector.
- Responded to a **Ministerial Statement** from Heritage Minister Tracey Crouch MP calling for information on challenges and opportunities for the heritage sector from Brexit.
- The Chief Executive wrote to Justine Greening, Minister of State for Education, regarding reports that AQA were discontinuing A- and AS –level Art History and Archaeology.
<http://icon.org.uk/news/icon-responds-axing-art-history-and-archaeology-levels>
- Attended **Research Strategy Summit, National Heritage Science Forum with Historic Environment Scotland**, in Stirling. Icon is a member of the Forum and the Chief Executive is a Trustee. <http://www.heritagescienceforum.org.uk/news.php>
- **Conservation Principles Wales** Icon was asked to endorse the 'Statement of Conservation Principles for Cultural Heritage in Wales'. It is currently being finalised for publication.
- **Birmingham City Council proposed cuts to Birmingham Museums Trust budget** Icon wrote a strong letter to Birmingham City Council highlighting the achievements and leadership position of the Conservation Department. The Council heeded the many calls to reduce the level of cuts.
- **DCMS Sustainable Churches survey** Icon submitted a response to the survey highlighting the role of conservation in sustaining churches and the role of conservators in facilitating volunteer engagement.

Icon has been invited to participate in the following forums:

- Attended **European Confederation of Conservator-Restorer Organisations (ECCO) 25th Anniversary Presidents' meeting** at the invitation of Susan Corr, current President of ECCO. <http://www.ecco-eu.org>
- Invited by **DCMS** to nominate an expert to the **Approval Committee of the Government's Cultural Protection Fund**.

INSTITUTE OF CONSERVATION

REPORT OF THE BOARD OF TRUSTEES (CONTINUED)

for the year ended 31st March 2017

- **New Approaches in the Conservation of Contemporary Art (NACCA) Winter School event at Tate Modern** The Chief Executive was invited to speak on the Perceptions of Conservation to an international audience of doctoral students and their supervisors. Shared platform with Pip Laurenson, Head of Collection Care Research Tate, Anna Cutler, Director of Learning Tate, and Judith Comyn, Insight and Audience Strategy Manager Tate.
- **Lloyd's Register Foundation (LRF)** The Chief Executive sat on an expert panel at LRF to advise on their strategy for using their heritage assets as a learning centre.
- **RICS Building Conservation Journal** The Chief Executive was invited to write a "think piece" for the Royal Institute of Chartered Surveyors Building Conservation Journal March 2017 issue. The subject of the article was collaboration across the heritage professions.
<http://www.rics.org/uk/news/journals/building-conservation-journal>
- **UK-China High Level Cultural Exchange Tour to Beijing and Xi'an** The Chief Executive was invited by The British Council to join five others from the UK, mainly world heritage site managers and a representative from Historic England. The tour was sponsored by the UK Government's China Prosperity Fund. She spoke to an audience of cultural heritage professionals in Beijing and in Xi'an on Icon and its role in development, training and advocacy. Her report appears on the home page of the British Council's newly launched China Now website.
<https://chinanow.britishcouncil.cn/stories/setting-scene-cultural-heritage-china/?restricted=true>

Representation on external panels: Icon is a member of the following cross-sector task groups and standing advisory panels:

- Icon's Chief Executive was appointed to the **Church Buildings Council of the Church of England**. The Church Buildings Council is a statutory body accountable to the General Synod. Among other duties, it distributes grants for the conservation of church fabric and fittings. The CoE has 16,000 listed churches.
<http://www.churchcare.co.uk/churches/church-buildings-council>
Members of the Council:
http://www.churchcare.co.uk/images/Churches/Membership_2016-21.pdf
- An Icon representative continued to attend UK conservation at **British Standards Institute (BSI) and The European Committee for Standardisation (CEN)** meetings on developing conservation standards in the UK and Europe.
- Icon Chief Executive is a Trustee of the **National Heritage Science Forum**.
- Trustees appointed Dr David Leigh as Icon's observer on the **National Trust's Council** for the next two years during transitional arrangements for appointing bodies to the Council. Dr Leigh has been representing Icon on the Council for the past nine years.

INSTITUTE OF CONSERVATION

REPORT OF THE BOARD OF TRUSTEES (CONTINUED)

for the year ended 31st March 2017

- **Built Environment Forum Scotland:** BEFS is the strategic intermediary body for Scotland's built environment sector, bringing together voluntary and professional non-governmental organisations that operate at the national level. Icon is a member of the Forum.
- **Historic Environment Forum Client Demand Task Group and Skills Task Group:** These task groups grew out of an HEF Skills Forum and work in parallel to (1) influence the market for qualified professionals in the heritage sector and (2) to ensure the workforce has the necessary skills.
- **Museums Galleries Scotland Stakeholders:** Icon's representative on this group is shared by the Chair of Icon Scotland Group and an Icon Trustee.
- **COTAQ/Edinburgh Group** encourages a continuing common approach towards the development, monitoring, and promotion of historic environment conservation accreditation schemes for individual practitioners on a pan-professional basis. The Group is enabled and facilitated by the Council on Training in Architectural Conservation (COTAC). Icon is represented on this group.
- **National Association of Decorative and Fine Art Societies:** Icon's Chief Executive continued to build the relationship with NADFAS as their Vice President, attending a number of national events, and also sat on the David Bell Memorial Fund panel.

Professional Standards, Ethics, Training and Education

Professional Standards are fundamental to ensuring that there is an appropriately skilled and diverse workforce to conserve and provide access to the UK's rich cultural heritage.

National Conservation Education and Skills Strategy: Icon concluded the implementation of this sectoral strategy with its final stakeholder meeting held on 4 November 2016.

The following themes and suggestions were raised by the stakeholder group to take forward:

- Diminishing practical skills
- Opportunities presented through infrastructure programmes
- Leadership skills
- Raising the profile of Icon
- Increasing awareness of the profession in schools
- A commitment for people to provide training as a requirement of being an ACR

Thanks go to The Clothworkers' Foundation and the Esmée Fairbairn Foundation for the funding received for this project.

Trailblazer apprenticeships are a key component to the wider heritage sector labour market. Icon has been taking part in the development of the Historic Environment Practitioner standards. It has also facilitated a new Conservators' sub-group to develop specific trailblazer standards for the conservator and conservation technician roles based on Icon's professional standards. Work will continue throughout next year to seek approval by the UK government's Institute of Apprenticeships.

INSTITUTE OF CONSERVATION

REPORT OF THE BOARD OF TRUSTEES (CONTINUED)

for the year ended 31st March 2017

Tru Vue Scholarships: Icon continues to distribute mid-career CPD grants to conservators world-wide with Tru Vue Inc. funding. There is always a high demand for the grants with 21 recipients in 2016/17 to the value of £10,809. Each recipient provides a blog of the learning achieved from the activities supported by these grants and they are made available via the Icon website.

Through the generous support of the **Worshipful Company of Weavers**, we were able to offer a one off grant of £300 to support a textiles conservator with their stage-two application fees for accreditation. The grant was awarded to Katy Smith, a Textile Conservator at the Victoria & Albert Museum, and previously an Icon Internship supervisor at the Bowes Museum.

Conservation Technician Qualification: Icon's work-based qualification for conservation personnel in a support role came to an end in March 2017. 32 have been awarded the qualification since 2012. The new **V&A/Icon Conservation and Collections Care Technician Diploma** continues to provide this level of qualification.

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

The 2015-16 financial year saw 25 conservators become accredited from 37 applicants.

The PACR Pathway continues to be effective with 518 Associate members signed up in the reporting period. Since it was introduced in April 2013, 76 Associate members have become accredited.

Mentor training continues and there are now 74 PACR mentors available to members for their CPD and support towards accreditation.

For the CPD review recall in this reporting period 141 have been recalled, with a total of 62 CPD readers available this round. The quality of the reviews indicated that members are fully engaged with CPD activities, with mid-career CPD grants opening up new and better opportunities for some.

Icon Internships:

This is the first full financial year operating the internship programme without the Heritage Lottery Fund ('HLF') bursary scheme in operation. It has attracted hosts with funding from various sources, including HLF that is supporting the Bowes Museum and Old Royal Naval College placements, and The Clothworkers' Foundation that has supported National Museum Wales and National Museums Scotland placements. Internships in the conservation of musical instruments and geological conservation also indicates how some of the placements continue to address skills shortages in niche conservation fields.

In total 12 internships have taken place in 2016-17.

INSTITUTE OF CONSERVATION

REPORT OF THE BOARD OF TRUSTEES (CONTINUED)

for the year ended 31st March 2017

Membership Services

Membership: There were 2,453 paid up members on 31st March 2017. This represents a slight dip of 1% from the previous year, although key categories have grown. In particular, the ranks of 'Accredited' members increased by 3% to 800, while the 'Associate' category also increased by 3% to 1,169. There was a slight reduction in the number of 'Student' members, down 6% to 303.

Group activities:

The broad diversity of Group events and outreach activities encourage new members to join and reinforce vital professional networks. Strong anecdotal evidence underscores the vital exchange of expertise and information that take place at Icon's events; members not only learn new skills and develop their existing practice, they frequently make new business contacts and consolidate access new opportunities at Icon events. Groups are also instrumental in the continuing advocacy of Icon's core aims.

The essential contribution made by Icon's groups in the professional development of members and non-members is demonstrated by a selection of events held in the reporting period advertised on our website. <http://icon.org.uk/events>

Group activities during the reporting period have been diverse, amounting to nearly fifty events: twelve lectures, thirteen workshops, ten visits or tours of historic properties and conservation studios, and six full conferences across the specialisms. This underscores the extent to which conservators of all specialisms can come together under the Icon umbrella. Evidence from the Membership Survey indicates the value members derive from serving on a group Committee, which puts them into direct contact with their colleagues at major national institutions and prominent private practices up and down the country; opening real opportunities for freelancers, private practitioners and public sector conservators alike to develop strong referral networks alongside their ongoing professional development activities.

Last year, Icon's *Network* model provided new ways for conservators to come together across the specialisms to delve into cutting-edge issues in the sector. The model was avidly embraced by Icon members, and during the reporting period a new Network launched to explore issues around the conservation of Dynamic Objects; another Network is in development with plans to launch in the next reporting period.

Volunteers: Icon's capacity to deliver its objectives is greatly enhanced by volunteers from the membership and lay Trustees who give their time to Icon. In 2016-17, it is estimated that Icon had 475 volunteers. This breaks down roughly into three areas: governance with approximately 16 volunteers, Groups and networks with 133 volunteers and professional development with 226. These volunteers gave 6,000 hours of their time. This is the equivalent of 3 full-time posts or approximately £260,000 calculated at the day rate for professionals recommended by HLF (£350/day).

INSTITUTE OF CONSERVATION

REPORT OF THE BOARD OF TRUSTEES (CONTINUED)

for the year ended 31st March 2017

Strategic Objectives for 2017-18

Advocacy through influencing our partners and our public

- 1 Extending our influence as a strong voice for conservation of cultural heritage
 - a) Enhance our visibility in government and policy circles via appointment of a new post at Icon, a Policy Advisor
- 2 Promoting the value of high quality conservation with our partners and with the public
 - a) Research in preparation for refreshing brand of Icon accreditation
- 3 Becoming the go-to source for authoritative information on conservation in practice, policy and the profession
 - a) Benchmark and provide guidance on salaries
 - b) Research in preparation for new list of all accredited conservators and new “conservation register”

Excellence through building knowledge, high standards and valuing the profession

- 4 Championing excellence and high professional standards in the practice of conservation
 - a) Stage an annual one-day conference of ACRs
 - b) Begin planning for next Icon conference to take place in 2019
- 5 Inspiring quality through support for skills development, education and training
 - a) Provide generic skills training for conservators in Health & Safety and Media
- 6 Nurturing those involved in conservation from entry to later career and beyond
 - a) Launch a fully scoped Retired Members category

Engagement through encouraging public awareness and participation

- 7 Expanding and strengthening our membership base with those involved and interested in conservation of cultural heritage
 - a) Research the provision of a new supporter category
- 8 Inspiring people from all backgrounds to value and engage with our heritage, conservation and conservators
 - a) Work with employers to develop Trailblazer Apprenticeship Standards in Conservation and investigate becoming an End-Point Assessment Organisation.
- 9 Diversifying those participating in conservation practice and the conservation profession
 - a) Research the development of a schools careers toolkit

In addition, Icon will develop yearly business plans with detailed actions that will also include cross-cutting and ongoing themes that deliver Icon’s objectives.

INSTITUTE OF CONSERVATION

REPORT OF THE BOARD OF TRUSTEES (CONTINUED)

for the year ended 31st March 2017

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The statement of financial activities on page 21 shows a deficit in unrestricted activities after transfers of £969 (2016: surplus of £496) and a deficit on restricted activities of £19,835 (2016: deficit of £48,956).

Reserves Statement

At the 31st March 2017 Icon had total reserves of £381,045. These included restricted funds which are not available for the general purposes of the charity of £20,001 and an Expendable Endowment of £136,034. The restricted funds would mostly be expended before 31st March 2018 although they are likely to be replaced to at least some extent. The Endowment is likely to last about 10 years but this could vary up or down. There are no designated funds. The unrestricted reserves were £225,010 and these can be used at the Trustees' entire discretion. As the reserves are all held in bank accounts, there would be no need to realise tangible assets to release funds.

Icon retains reserves for four main reasons:

- 1 to cover financial risks to which the charity is exposed in the course of its business including income shortfall, cash flow volatility, unplanned expenditure and managed contraction;
- 2 to enable annual planning and budgeting with a degree of flexibility and contingency;
- 3 to finance future plans and provide capacity for planned growth in line with Icon's strategy and
- 4 to provide the ability to take advantage of change and opportunities, identified and agreed by senior management and trustees.

The trustees consider that in order to meet these needs, Icon should hold free reserves equivalent to no less than six months' unrestricted expenditure (approximately £399,000 at 31st March 2017 based on the 2017-18 budget).

The current level (£225,010 at 31st March 2017) is below the overall level set by trustees. Accordingly, Icon management and trustees will continue to monitor finances with the aim of achieving an unrestricted fund surplus of between £10,000 and £20,000 being generated in each financial year until the six-months' target has been met.

The Board of Trustees will review this policy annually. Any substantial call on, or contribution to, reserves will be reported to Trustees.

Investment Policy

The Trustees consider 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. The Board of Trustees will review this policy annually.

INSTITUTE OF CONSERVATION

REPORT OF THE BOARD OF TRUSTEES (CONTINUED)

for the year ended 31st March 2017

Principal risks and uncertainties

Icon has a formal risk management process through which the major risks to which the organisation may be exposed and has ranked these by likelihood and impact, culminating in a risk control document which is updated on a regular basis (risk register). All significant risks, together with current mitigation actions, are reviewed regularly throughout the year by the Trustees. The Trustees are satisfied that systems have been developed and are in place to mitigate identified risks to an acceptable level.

The principal risks and uncertainties identified by the charity are as follows:

Risk identified	Action taken to mitigate the risk
Loss of key personnel, members of the Senior Management Team (SMT)	SMT work flexibly as a team and sub for the Chief Executive or other SMT roles. Trustees are well briefed on major projects, documentation is made available, and Trustees understand that they may be called upon to help. Staff pay is externally benchmarked to aid retention. Loss of two SMT members at about the same time would be very problematical. Put contingency plans in place in the case of more than one member of the SMT leaving at the same time.
Icon IT infrastructure fails or is not fit for purpose.	Ensure delivery models are fit for purpose and contracts are managed. Off-site electronic data back-up systems reviewed and updated regularly. Recent cyber-attacks in the press increase perception of risk. Ensure staff understand risk and take precautionary measures when opening emails. Complete registration of Cyber Essentials or equivalent.
Icon loses touch or communicates poorly with its stakeholders.	Trustees' and CEO's decision-making process includes regularly reviewing the external environment and perceptions of members, groups, funders, stakeholders and general public, and evaluate the potential impact on the organisation. Draft an advocacy policy for Icon. Draft and implement a communications strategy for every major project/activity. Work towards development of advocacy and profile-raising strategy document.
Governance structure and skills are not in place for effective decision making and accountability.	Governance review underway. Appointment of Trustee as new lead and report on progress to Board. Ongoing recruitment and training for Trustees in place. Governance Handbook well in hand. Governance Review to be completed by end of 2017.

INSTITUTE OF CONSERVATION

REPORT OF THE BOARD OF TRUSTEES (CONTINUED)

for the year ended 31st March 2017

Key Management Personnel Remuneration

The pay of all staff is reviewed annually according to Icon's Pay Policy to determine cost of living adjustments and whether any individual increases are warranted. In view of the nature of the charity, the Trustees benchmark from time to time against pay levels in other similar organisations. The remuneration bench-mark is the median of the range paid for similar roles in similar organisations.

Key management personnel is the Senior Management Team (Chief Executive, Membership Manager, Business Manager and Head of Professional Development). Key management personnel remuneration for 2016-17 totalled £159,766 (2016: £160,343).

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;
- observe the principles and methods of the Charities SORP;
- 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.

INSTITUTE OF CONSERVATION

REPORT OF THE BOARD OF TRUSTEES (CONTINUED)

for the year ended 31st March 2017

Auditors

haysmacintyre have been reappointed to audit the accounts for year ending 31st March 2017. A resolution to appoint 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 20th September 2017 and signed on their behalf.

.....
Siobhan Stevenson, 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 31 March 2017 which the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 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.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 17, 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 auditor under the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. 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.

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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2017 and of the group's and the parent charitable company's net movement in funds, including the group's and the parent income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

INSTITUTE OF CONSERVATION

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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Trustees' Annual Report (which the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' Annual Report (which incorporates directors' report) has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which the directors' report).

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company 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' Annual Report.

Kathryn Burton (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditor

26 Red Lion Square
London
WC1R 4AG

Date

INSTITUTE OF CONSERVATION
STATEMENT OF FINANCIAL ACTIVITIES
(incorporating the income and expenditure account)
for the year ended 31st March 2017

	Note	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Expendable Endowment 2017 £	Total Funds 2017 £	Total Funds 2016 £
Income from						
<i>Donations, Legacies & Grants</i>						
Donations & Grants		136	4,165	-	4,301	85,359
<i>Charitable Activities</i>						
Membership Subscriptions		295,820	-	-	295,820	302,840
Conference		16,571	-	-	16,571	65,717
Group Income		118,361	-	-	118,361	55,874
Fee Income		220,115	-	-	220,115	239,541
Publications Income		35,766	-	-	35,766	34,220
<i>Other Trading Activities</i>						
Advertising Income		72,036	-	-	72,036	44,033
Sponsorship		14,203	-	-	14,203	70,375
<i>Investments</i>						
Bank Interest		1,285	-	1,118	2,403	1,792
Other income		-	-	-	-	-
Total Income		<u>774,293</u>	<u>4,165</u>	<u>1,118</u>	<u>779,576</u>	<u>899,751</u>
Expenditure on						
<i>Charitable Activities</i>						
Public Access & Understanding		40,386	-	-	40,386	137,229
Advocacy		83,324	-	-	83,324	92,144
Professional Standards, Ethics, Training & Education		509,505	24,000	561	534,066	543,451
Membership Services		<u>142,047</u>	-	-	<u>142,047</u>	<u>174,901</u>
Total Expenditure	5	<u>775,262</u>	<u>24,000</u>	<u>561</u>	<u>799,823</u>	<u>947,725</u>
Net Income (expenditure)		(969)	(19,835)	557	(20,247)	(47,974)
Transfer of Funds		-	-	-	-	-
Net Movement in Funds		(969)	(19,835)	557	(20,247)	(47,974)
Brought Forward Funds at 1 April 2016		<u>225,979</u>	<u>39,836</u>	<u>135,477</u>	<u>401,292</u>	<u>449,266</u>
Carried Forward Funds at 31 March 2017		<u>225,010</u>	<u>20,001</u>	<u>136,034</u>	<u>381,045</u>	<u>401,292</u>

The notes on pages 24 – 35 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.
Full comparative figures for the year ended 31 March 2016 are shown in note 14 .

INSTITUTE OF CONSERVATION

Company Number: 05201058

BALANCE SHEET
as at 31st March 2017

	Note	£	2017 £	2016 £
FIXED ASSETS				
Tangible Assets	6		1,003	592
CURRENT ASSETS				
Debtors	7	116,239		182,498
Cash at Bank and in Hand		459,045		422,703
			<hr/>	<hr/>
		575,284		605,201
CREDITORS - Amounts Falling Due Within One Year	8	(195,242)		(204,501)
			<hr/>	<hr/>
NET CURRENT ASSETS			380,042	400,700
			<hr/>	<hr/>
NET ASSETS	9		381,045	401,292
			<hr/>	<hr/>
FUNDS				
Restricted Funds			20,001	39,836
Unrestricted Funds				
General Unrestricted Funds		225,010		225,979
Expendable Endowment		136,034		135,477
			<hr/>	<hr/>
			361,044	361,456
			<hr/>	<hr/>
	9		381,045	401,292
			<hr/>	<hr/>

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 20th September 2017 and signed on its behalf by:-

.....

Siobhan Stevenson, Chair

The notes on pages 24 - 35 form an integral part of these financial statements.

INSTITUTE OF CONSERVATION
STATEMENT OF CASH FLOWS
for the year ended 31st March 2017

	Note	2017		2016	
		£	£	£	£
Cash flows from operating activities:					
<i>Net (expenditure) for the year</i>		(20,247)		(47,974)	
Adjustments for:					
Depreciation charges	6	650		1,758	
Dividends & interest		(2,403)		(1,792)	
Loss on disposal of fixed assets		-		-	
(Increase)/decrease in debtors	7	66,259		50,543	
Increase/(decrease) in creditors	8	(9,259)		3,386	
Net cash provided by operating activities:			35,000		5,921
Cash flows from investing activities:					
Purchase of tangible fixed assets		(1,061)		(888)	
Dividends & interest		2,403		1,792	
Net cash provided by (used in) investing activities:			1,342		904
Increase in cash and cash equivalents in the year			36,342		6,825
Net cash and cash equivalents at the start of the year			422,703		415,878
Net cash and cash equivalents at the end of the year			459,046		422,703

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2017

1. ACCOUNTING POLICIES

a) Statement of Compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The Institute of Conservation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

General Information

The Charity is a private company limited by guarantee without share capital, incorporated in England & Wales (company number 05201058), a Charity registered in England and Wales (Charity number: 1108380) and a Charity registered in Scotland (Charity number: SC039336). The registered office is listed on page 2.

Going Concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and have taken account of pressures on donation and investment income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

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 9).

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 expenditure is restricted for use in the support of book & paper conservation studies.

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31st March 2017

1. ACCOUNTING POLICIES (CONTINUED)

c) **Income**

Income represents amounts receivable (and known at the year-end) by the charity during the year from all sources including subscriptions, grants, contracts, 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) **Expenditure**

Expenditure is 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, conferences, professional development, publications, group activities and support costs comprise expenditure, including staff costs, which is directly attributable to these activities. Where costs, such as support and governance, 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 leases.

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 £1,000 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.

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31st March 2017

1. ACCOUNTING POLICIES (CONTINUED)

h) Financial Instruments

Financial assets such as cash and debtors are measured at their present value of the amounts receivable, less an allowance for the expected level of doubtful receivables. Financial liabilities such as trade creditors, loans and finance leases are measured at the present value of the obligation.

With the exceptions of prepayments all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 7 and 8 for the debtor and creditor notes.

i) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

j) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

k) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

l) Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The most significant estimates and assumptions which affect the carrying amount of assets and liabilities in the accounts relate to:

- Useful Economic Lives - The annual depreciation charge for property, plant and equipment is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed annually and amended where necessary to reflect current circumstances.

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31st March 2017

1. ACCOUNTING POLICIES (CONTINUED)

m) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2. DONATIONS, LEGACIES AND GRANTS

Voluntary income received in the year was as follows:

2017	Unrestricted £	Restricted £	2017 £
Grants			
Historic Scotland	-	3,000	3,000
The Worshipful Company of Weavers	-	300	300
	-	3,300	3,300
Donations and legacies			
Sundry Donations	136	865	1,001
	136	4,165	4,301

2016	Unrestricted £	Restricted £	2016 £
Grants			
Historic Scotland	-	3,000	3,000
Heritage Lottery Fund	-	45,419	45,419
Pilgrim Trust	-	15,000	15,000
The Clothworkers' Foundation	-	20,000	20,000
	-	83,419	83,419
Donations and legacies			
Sundry Donations	200	1,740	1,940
	200	85,159	85,359

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31st March 2017

3. NET MOVEMENT IN FUNDS

The Net Movement in Funds is stated after charging:-

	2017	2016
	£	£
Auditors' Remuneration - current year (excluding VAT)	5,677	5,898
Depreciation	650	1,758
Operating Leases – rent	23,406	27,062
	<u>23,406</u>	<u>27,062</u>

4. STAFF COSTS

	2017	2016
	£	£
Staff Costs:		
Wages and Salaries	235,646	256,042
Social Security Costs	19,530	22,049
Pensions	9,681	10,543
	<u>264,857</u>	<u>288,634</u>

No employee received emoluments of more than £60,000 (2016: £60,000)

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

The company has a group stakeholder defined contribution pension plan with autoenrollment for staff. During the year payments totalling £8,738 (2016: £6,062) were accrued and are included within current liabilities at the year end.

Numbers of Employees at 31st March 2017: 9 (2016: 9).

The average number of employees during the year was: 8.9 (2016: 9.7.).

The analysis of employees (full time equivalents) in the year was as follows:

	2017	2016
	Number	Number
Public Access & Understanding	0.5	0.5
Advocacy	0.8	0.7
Professional Standards, Ethics, Training & Education	2.9	2.8
Membership Services	0.8	1.5
Support & Governance	1.4	1.4
	<u>6.4</u>	<u>6.9</u>

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31st March 2017

4. STAFF COSTS (continued)

Key management personnel are the Senior Management Team (Membership Manager, Business Manager, Head of Professional Development and Chief Executive). The total employee benefits of the key management personnel for the year totalled £159,766 (2016: £160,343).

None of the Board of Trustees received remuneration for their services as Trustees during the year (prior year £nil).

12 members (2016: 10) of the Board of Trustees received reimbursed expenses during the year. These were for travelling and amounted to £4,829 (2016: £3,816).

Icon pays the premium on an insurance policy covering trustees' liabilities.

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31st March 2017

5. ANALYSIS OF EXPENDITURE

	Membership Services £	Professional Standards £	Advocacy £	Public Access & Under- standing £	2017 Total £	2016 Total £
Direct Costs						
Grants to beneficiaries	-	127,059	-	-	127,059	146,023
Staff costs (note 4)	26,606	117,804	34,329	17,660	196,399	220,764
Other staff / staff costs	14,544	75,134	1,558	138	91,374	121,449
Room hire	5,085	44,222	214	-	49,521	5,645
Subscriptions & publications	924	24,859	6,200	380	32,363	37,994
Website & IT direct	7,389	-	6,068	1,757	15,214	37,218
Assessors costs	-	8,961	-	-	8,961	11,757
Professional fees	-	3,998	-	30	4,028	8,574
AGM	1,067	-	-	-	1,067	732
Event costs	51,599	9,769	-	-	61,368	89,772
Publication costs	2,277	-	-	-	2,277	733
Prizes and awards	1,000	-	-	2,500	3,500	22,500
Trustees expenses	-	-	-	-	-	12
Other	5,041	3,230	-	-	8,271	68,972
	<u>115,532</u>	<u>415,036</u>	<u>48,369</u>	<u>22,465</u>	<u>601,402</u>	<u>772,145</u>
Support Costs						
Staff costs (note 4)	5,790	26,630	7,924	4,039	44,383	41,368
Staff related costs	417	1,860	544	280	3,101	4,873
Premises costs	4,520	20,151	5,895	3,027	33,593	31,240
Office running costs	3,037	13,540	3,961	2,034	22,572	18,764
Professional services	6,335	28,244	8,263	4,243	47,085	42,092
Governance Costs						
Staff costs (note 4)	3,239	14,441	4,225	2,170	24,075	20,502
Audit	764	3,405	996	512	5,677	5,898
Other	2,413	10,759	3,147	1,616	17,935	10,843
	<u>26,515</u>	<u>119,030</u>	<u>34,955</u>	<u>17,921</u>	<u>198,421</u>	<u>175,580</u>
Total Expenditure	<u>142,047</u>	<u>534,066</u>	<u>83,324</u>	<u>40,386</u>	<u>799,823</u>	<u>947,725</u>

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 staff time spent and calculating its direct staff cost. Support costs are then allocated in proportion to this direct cost.

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31st March 2017

6. TANGIBLE FIXED ASSETS

	Leasehold Improvements	Computers and Database	Office Equipment	Total
	£	£	£	£
At 1 April 2016	3,938	27,359	9,157	40,454
Additions	-	1,061	-	1,061
Disposals	(3,938)	(2,060)	(9,157)	(15,155)
At 31 March 2017	-	26,360	-	26,360
Depreciation				
At 1 April 2016	3,938	26,767	9,157	39,862
Charge for Year	-	650	-	650
Disposals	(3,938)	(2,060)	(9,157)	(15,155)
At 31 March 2017	-	25,357	-	25,357
Net Book Value at 31 March 2017	-	1,003	-	1,003
Net Book Value at 31 March 2016	-	592	-	592

All assets are used for charitable purposes.

7. DEBTORS

	2017 £	2016 £
Amounts Falling Due Within One Year		
Trade & Other Debtors	78,554	123,862
Prepayments	22,013	45,869
Accrued Income	15,672	12,767
	116,239	182,498
Included within debtors were financial instruments measured at amortised cost of:	94,226	136,629

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31st March 2017

8. CREDITORS

	2017 £	2016 £
Amounts Falling Due Within One Year		
Trade & Other Creditors	30,624	34,263
Accruals	24,061	29,386
Taxation & Social Security	5,936	5,873
VAT	7,750	9,105
Deferred Income (see below)	126,871	125,874
	195,242	204,501
	68,371	78,627

Deferred Income

Deferred income relates to membership contributions received for future periods and other fees received in advance.

	£
Balance as at 1 April 2016	125,874
Amounts released to income	(125,874)
Amounts deferred in period	126,871
	126,871
	126,871

9. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Current Year (2017)	Unrestricted £	Restricted £	Expendable Endowment £	Total £
Fixed Assets	1,003	-	-	1,003
Debtors	116,239	-	-	116,239
Cash at Bank and in Hand	303,010	20,001	136,034	459,045
Current Liabilities	(195,242)	-	-	(195,242)
	225,010	20,001	136,034	381,045
	225,010	20,001	136,034	381,045

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31st March 2017

9. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

Prior Year (2016)	Unrestricted £	Restricted £	Expendable Endowment £	Total £
Fixed Assets	592	-	-	592
Debtors	182,498	-	-	182,498
Cash at Bank and in Hand	247,390	39,836	135,477	422,703
Current Liabilities	(204,501)	-	-	(204,501)
	<hr/>	<hr/>	<hr/>	<hr/>
	225,979	39,836	135,477	401,292
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

10. FUNDS

Current Period	At 1 April 2016 £	Income £	Expenditure £	Additional Allocated Costs £	Transfers £	At 31 March 2017 £	
Restricted Funds:							
Nigel Williams	1	19,836	865	(1,000)	-	-	19,701
Historic Scotland	2	-	3,000	(3,000)	-	-	-
Clothworkers	3	20,000	-	(20,000)	-	-	-
The Worshipful Company of Weavers	4	-	300	-	-	-	300
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Restricted Funds	39,836	4,165	(24,000)	-	-	-	20,001
Unrestricted Funds:							
General unrestricted funds	225,979	774,293	(775,262)	-	-	-	225,010
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Expendable Endowment	5	135,477	1,118	(561)	-	-	136,034
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	401,292	779,576	(799,823)	-	-	-	381,045
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

- (1) Nigel Williams Fund: provides a prize awarded to an individual conservator by the Ceramics and Glass Group of Icon.
- (2) Historic Scotland: provides funds for agreed training activities.
- (3) The Clothworkers' Foundation gave £20,000 of funding for bursaries for Accredited Conservators and Associate Members on the Pathway to Accreditation to attend Icon's 2016 triennial conference 'Turn and Face the Change: Conservation in the 21st Century'. 63 bursaries were issued.
- (4) The Worshipful Company of Weavers gave £300 for supporting studies in textile conservation
- (5) 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 31st March 2017

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 £- (2016: £400) owed by this company. 3 of the 4 shares in Icon Business Services Limited are held by the Institute of Conservation and the 4th by an individual. Since the year end the company has been dissolved.

12. OPERATING LEASE COMMITMENTS

The total amounts payable in respect of operating leases are shown below:

	2017	2016
	£	£
Property leases payments due		
Within one year	23,406	23,406
Within two years	-	23,406
	<u>23,406</u>	<u>46,812</u>

13. RELATED PARTY TRANSACTIONS

Megan de Silva serves on the Committee for Wales of the Heritage Lottery Fund.

Icon is contracted under its Icon Interns' 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 who were Trustees of Icon during 2015-16 held management positions: Ylva Dahnsjo, Head of Collections Conservation Services, National Trust for Scotland and Adam Webster, Chief Conservator, Art and Natural Sciences, National Museum Wales

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31st March 2017

14. Prior Year Statement of Financial Activities

	Note	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Expendable Endowment 2016 £	Total Funds 2016 £
Income from					
<i>Donations & Legacies</i>					
Donations		200	85,159	-	85,359
<i>Charitable Activities</i>					
Membership Subscriptions		302,840	-	-	302,840
Conference		65,717	-	-	65,717
Group Income		55,874	-	-	55,874
Fee Income		239,541	-	-	239,541
Publications Income		34,220	-	-	34,220
<i>Other Trading Activities</i>					
Advertising Income		44,033	-	-	44,033
Sponsorship		70,375	-	-	70,375
<i>Investments</i>					
Bank Interest		405	256	1,131	1,792
Other income		-	-	-	-
Total Income		<u>813,205</u>	<u>85,415</u>	<u>1,131</u>	<u>899,751</u>
Expenditure on					
<i>Charitable Activities</i>					
Public Access & Understanding		97,376	39,853	-	137,229
Advocacy		92,144	-	-	92,144
Professional Standards, Ethics, Training & Education		448,010	94,796	645	543,451
Membership Services		<u>174,901</u>	-	-	<u>174,901</u>
Total Expenditure	5	<u>812,431</u>	<u>134,649</u>	<u>645</u>	<u>947,725</u>
Net Income (expenditure)		774	(49,234)	486	(47,974)
Transfer of Funds		<u>(278)</u>	<u>278</u>	-	-
Net Movement in Funds		496	(48,956)	486	(47,974)
Brought Forward Funds at 1 April 2015		225,483	88,792	134,991	449,266
Carried Forward Funds at 31 March 2016		<u>225,979</u>	<u>39,836</u>	<u>135,477</u>	<u>401,292</u>