

5201058



INSTITUTE OF CONSERVATION

(A Company limited by Guarantee)

FINANCIAL STATEMENTS

for the year ended 31 MARCH 2006



EDX *ESAU000* 556
COMPANIES HOUSE 18/12/06
ED1 *ESA10LGI* 116
COMPANIES HOUSE 18/12/2006

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Charity Registration Number 1108380
Company Number 05201058

INSTITUTE OF CONSERVATION

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INSTITUTE OF CONSERVATION

CHARITY INFORMATION

REGISTERED CHARITY NUMBER: 1108380

REGISTERED COMPANY NUMBER: 05201058

BOARD OF DIRECTORS: **Interim Board of Directors
(to 22 November 2005)**
Carole Milner (Chair)
Rose Briskman
Chris Woods (Honorary Treasurer)

**Board of Directors
(from 22 November 2005)**
Anna Southall (Chair)
Alison Richmond (Vice Chair)
Simon Cane (Vice Chair)
Rose Briskman
Leslie Carlyle (to 24 April 2006)
Robert Gowing
Diane Gwilt
Velson Horie
Valerie Kaufmann
Helen Lloyd
Allyson McDermott
AnnMarie Newbiggin (co-opted from 29 March 2006)
Emily O'Reilly
Heather Perry
Dr James Tate
Lynne Thomas (co-opted from 29 March 2006)
Russel Turner
Christopher Woods
Philip Young (Honorary Treasurer) (co-opted from 23
November 2005)

EXECUTIVE OFFICERS: Chief Executive: Alastair McCapra

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

BANKERS: CAF Bank
25 Kings Hill Ave
Kings Hill
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SOLICITORS: Thomas Eggar & Co
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AUDITORS: Mazars LLP
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INSTITUTE OF CONSERVATION
REPORT OF THE BOARD OF TRUSTEES

The Board of Trustees presents their report and audited financial statements for the year ended 31 March 2006.

Structure Governance and Management

Governing document

The Institute of Conservation ("Icon") is registered as a Charity, Number 1108380 and Company Limited by Guarantee, Number 05201058, and is governed by its memorandum and articles.

Recruitment and appointment of trustees

Since 22 November 2005 all Trustees are also Directors of the Limited Company. Most Trustees are elected from and by Icon's membership. Elections will be 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.

Trustees' induction and training

Icon provided information on the role and conduct of charity trustees to all members of the new Board who took office in November 2005 and an externally-facilitated training day was also held in Manchester in January 2006 to prepare them to discharge their responsibilities as effectively as possible.

Organisational structure

The trustees meet 4 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. The management and staff team of Icon is set out below.

Icon Staff (as at March 2006)

Alastair McCapra	Chief Executive
Susan Bradshaw	Accreditation Manager Manages and promotes the PACR accreditation scheme
Carol Brown	HLF Bursary Scheme Project Manager (seconded from Historic Scotland) Manages the HLF-funded bursary scheme preparations
Charlotte Cowin	Groups and Membership Officer Manages membership recruitment and renewals, runs the Fundfinder service, produces Iconnect Jobs and supports specialist groups
Caroline Saye	Development Manager Manages the Conservation Register, promotes and markets the Register and Icon

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REPORT OF THE BOARD OF TRUSTEES continued

Part Time

Diane Copley	Administrator Deals with Conservation Register enquiries and supports the administration of the Register, administers the PACR accreditation scheme, processes finance transactions
Dr. David Leigh	Senior Policy Advisor & Communications Manager Leads Icon's advocacy work, supervises publications and manages the website
Catherine Scutt	Librarian, the Chantry Library

Freelance

Jane Eagan	Editor, The Paper Conservator
Lynette Gill	Managing Editor, Icon News
Dana Goodburn-Brown	Database Project Manager
Susan Hughes	Conservation Awards Administrator
Sharon Manitta	Media Relations

Heritage Lottery Fund Bid

Working on the preparation of the HLF funding bid until June 2005 were Caragh Stewart (part time) and Birthe Christensen (volunteer).

Objectives and Activities

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.

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.

INSTITUTE OF CONSERVATION

REPORT OF THE BOARD OF TRUSTEES continued

Goals

Icon's three goals for the early years of its existence are:

- 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 indispensable representative for all conservation issues (fulfilling our mission for Advocacy).
- Among UK conservators in professional practice, to establish Icon as their indispensable home (fulfilling our mission for Professional Standards and Ethics and for Membership Services).

Review of Achievements and Performance for the Year

Convergence and Unity

Icon was created in 2005 by the merger of five organisations: the Care of Collections Forum, the Institute of Paper Conservation, the Photographic Materials Conservation Group, the Scottish Society for Conservation and Restoration and the United Kingdom Institute for Conservation of Historic and Artistic Works. Detailed work towards convergence began in 2004 when the new body registered as a Company Limited by Guarantee. Thereafter representatives from the five merging organisations formed an Interim Board of Trustees to manage the complex process of bringing everyone together.

Public Access and Understanding

Priorities

The Interim Board determined the key priority in this area to be reviewing, updating and publishing public information materials so that people could find out about how to look after objects in their own care and how to commission and work with a conservator. We were unsure, a year ago, how much effective work we would be able to take on in this area during our first year, and we are very pleased that we have exceeded our own expectations of what could be achieved at a busy and critical time in our organisation's existence.

The Conservation Register

In 2005-2006 an entire new suite of public information leaflets was commissioned and published on the Conservation Register website. The 'Caring for...' section now lists 22 titles of which 10 are new and 12 have been updated from existing material. In addition, a new 'Guidance' section has been created on the Register website, with information on Mounting and Framing, Storage, Handling and Moving, Conservation Reports and Conservation Accreditation. This new material is complementary to the 'Find a conservator' function of the website so that owners can find out how to look after things themselves and recognise when they need to call in the services of an accredited conservator.

In addition, to promote public access to conservation skills, we attended a number of events to promote the Conservation Register and its use. These included the Museums and Heritage Show (May 2005); a Council for the Care of Churches conference for Diocesan Advisory Committees (Sep 2005); the Museums Association Conference (Oct 2005); the Historic Buildings, Parks and Gardens Event (Oct 2005); the Natural Stone Show (Mar 2006); and the London Original Print Fair (Mar 2006).

Partly as a result of these efforts, the Conservation Register continued to show greatly increased public use throughout the year. From April 2005 to March 2006, just under 18,000 searches were carried out, representing a 28% increase on the previous year.

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REPORT OF THE BOARD OF TRUSTEES continued

Collections Link

Icon was very pleased to be invited to join the steering committee of a new initiative called Collections Link. Funded by the Museums, Libraries and Archives Council and managed by MDA, Collections Link is the national collections management advisory service for museums, archives, libraries and other collections-holding organisations. The aim of the service is to provide a single point of access to best practice in the care and management of collections.

Art Loss Register

Conservators have an important part to play in combatting the international trade in stolen and looted artefacts. In 2005 an agreement was concluded with the Art Loss Register (ALR) which will enable practices on the Conservation Register to help ensure that these artefacts cannot easily be bought or sold. Through a partnership with the Art Loss Register, any object about which the conservator has doubts can be searched for at no cost on ALR's database of over 160,000 lost and missing artefacts.

Advocacy

For conservation to flourish, it is vitally important that public policies take account of its priorities, and that public funding flows towards its needs. Much conservation takes place within the public sector in museums, galleries, archives and libraries, and a significant share of the work undertaken by independent conservators is commissioned either by public bodies or by major national organisations such as the National Trust, English Heritage, Historic Scotland, and the Council for the Care of Churches. Making the case for conservation is thus a key role for Icon to fulfil. Advocacy means making that case wherever we can have a positive impact on the policies, priorities and resources available for conservation.

The Interim Board identified the following three key priorities for our advocacy work for 2006:

- To identify key areas where debates about cultural heritage take place, and ensure conservation forms part of those debates.
- To take the leading role in debates with strategic stakeholders about the value and importance of conservation to cultural heritage.
- To ensure engagement of key decision-makers with the Conservation Awards and other high-profile events and initiatives.

Submissions to consultations form the core of Icon's delivery on the first two of these priorities. From the point of view of successful advocacy, Icon came into being just in time. The latter part of 2005 and the early months of 2006 have proved, by chance, to be exceptionally busy with government departments, agencies and funding bodies asking for views on a range of topics which impact on conservation. It is most unlikely that five smaller independent bodies would have been able to make a coherent response to these questions, and we are very pleased to have had the opportunity to start making an impact almost from the moment we came together as a unified body.

All of Icon's consultation submissions can be accessed on the policy area of our website. The advocacy work we have undertaken up to the end of March 2006 is as follows:

Department of Culture, Media and Sport - Understanding the Future: Museums and 21st Century Life - June 2005

Icon contributed views on how conservation can promote access to our heritage, the use of digital technologies to communicate scientific and conservation discoveries about objects; and ensuring that the full learning potential of museum collections is exploited. The government intends to announce its response to this consultation in October 2006.

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REPORT OF THE BOARD OF TRUSTEES continued

House of Lords Inquiry into Science and Heritage - November 2005

This consultation turned out to be the largest single piece of advocacy work which Icon undertook in 2005-6. The subject of the inquiry is at the heart of what Icon is about – strengthening and sustaining a culture of research, teaching and practice which will ensure that our future conservation efforts are informed by a reliable and growing base of scientific findings. After making a written submission in November 2005, we were invited to present oral evidence at hearings in the House of Lords, to take place in May 2006.

The Hague Convention - December 2005

The Hague Convention is the main international instrument on the Protection of Cultural Property in the Event of Armed Conflict. Icon's contribution included asking for libraries and archives to be included, as well as museums, galleries and monuments. We also recommended that royal palaces, cathedrals and their precincts should have enhanced protection. The Department of Culture, Media and Sport, which held the consultation, has not yet published responses or announced any decision arising from them.

Advisory Committee on National Historic Ships - December 2005

The proposed committee will make major decisions affecting the conservation of Britain's historic ships. Icon recommended that the committee contain two PACR-accredited conservators; work in partnership with the relevant professional bodies to ensure the provision of training and skills development, rather than trying to initiate new schemes, and require work commissioned on national historic ships to be undertaken by practices on the Conservation Register. The impact of our contribution was mixed. Our points on the need for conservation expertise were noted in the published summary of responses, and the original plan to start a new register of specialist practitioners was dropped. By mid 2006 it was however not clear whether any qualified conservators would be included on the new committee.

English Heritage Research Strategy 2005-2010 – January 2006

English Heritage spends a very large amount – nearly £7.5m per year – on research, much of it conservation related. Changes to its research strategy can have a major impact on conservation research, and therefore, ultimately, on conservation practice. Icon supported much of what English Heritage proposed, but raised concerns about what we understood to signal a possible move away from studying and understanding the historic environment and towards social science research. English Heritage's published response notes 'Understanding the historic environment and studying and assessing the threats to it will continue to enjoy substantial English Heritage research investment. [However] the Strategy commits English Heritage to investing more in providing the evidence-base for policy development, especially focusing resources on more socio-economic research.'

House of Commons Culture Media & Sport Committee: Protecting, Preserving and Making Accessible our Nation's Heritage – January 2006

The government intends to produce a Heritage White Paper in 2006, and this will be a 'once in a generation' opportunity to review the major legislative foundations of how our material heritage is cared for. The Commons Culture Media and Sport Committee decided to hold a wide-reaching inquiry in order to ensure that the White Paper, when it is published, takes proper account of the views expressed by the heritage sector. Icon made a written submission advocating a number of priorities for the White Paper. Along with many other bodies we argued for reform of the VAT rules on repairs to historic buildings. Unfortunately the government did not take up the proposal before an EU deadline expired, and the opportunity to zero-rate VAT on repairs has now passed.

Department of Culture, Media and Sport - Shares of National Lottery Funding – February 2006

Icon contributed to this consultation because of a widely-shared anxiety that the share of lottery funding available to support heritage projects would be cut in order to provide increased financial support to the 2012 Olympics. We argued that the current share of lottery money allocated to heritage should remain unchanged at 16%. The Secretary of State has since announced in June 2006 that the share would indeed remain undiminished.

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REPORT OF THE BOARD OF TRUSTEES continued

Heritage Lottery Fund – Our Heritage, Your Future, Your Say – February 2006

The Heritage Lottery Fund is by far the biggest funder of conservation-related projects in the UK. Since it was set up in 1994 it has spent more than £3.3bn on heritage projects in museums, galleries, industrial heritage sites, places of worship and historic landscapes. HLF asked for views on its future strategy - on how lottery money should be spent, on how the public perceives cultural value, and what HLF's priorities should be. As Icon is currently the recipient of a £1m grant from HLF to promote work-based learning in conservation we have a major interest in the outcome of this exercise. Icon's submission supported HLF moves to simplify applications for small grants, engage the public in decision-making and support training in traditional skills. We also stressed the importance of sustainability in HLF-funded projects.

English Heritage Principles of Conservation – March 2006

English Heritage has produced a draft set of principles to inform and advise all those involved with the sustainable management of England's historic environment. The Principles are intended primarily for use by English Heritage, in guiding both the management of its own estate and its advice to others. It is hoped, however, that they will also be used by all those concerned with managing the historic environment. The Principles remain in draft form and work will continue on them in the latter part of 2006

Arts and Humanities Research Council Research Strategy – March 2006

The AHRC is a recently created body which will fund research in museums, galleries, libraries and archives as well as in the Higher Education sector, to which such funding was previously confined. Research is vital for the development of conservation practice, and AHRC's strategy will determine what proportion of its resources is available for conservation research in the future. The AHRC intend to publish its draft strategy later in 2006, and it will then be possible to see how much of Icon's submission is reflected in the AHRC's plans.

The Conservation Awards

The third priority or advocacy has been to ensure engagement of key decision-makers with the high-profile events and initiatives, with a particular focus on the Conservation Awards. The Conservation Awards are generously supported by Sir Paul McCartney and managed by Icon in partnership with the **Museums, Libraries and Archives Council (MLA)**, **English Heritage** and the **National Preservation Office**. The **Digital Preservation Coalition** sponsors the Digital Preservation Award for an innovative project in the developing field of digital preservation. The Anna Plowden Trust sponsors the Research and Innovation Award, recognising the importance of research and innovation in preserving and understanding heritage.

Professional Standards, Ethics, Training and Education

The Interim Board identified the following as key priorities for Icon in the first year:

- Encouraging uptake of the PACR accreditation scheme
- Developing a conservation management route towards accreditation
- Integrating Conservation Science within Icon membership
- Developing workforce diversity
- Developing work-based training and internships

Encouraging uptake of Accreditation

Over the last year Icon has worked consistently to encourage uptake of the PACR (Professional Accreditation of Conservator-Restorers) scheme. We have done this from two directions – firstly, by encouraging conservators to seek accreditation, and secondly, by encouraging those who employ or commission work from conservators to specify a preference for accreditation.

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REPORT OF THE BOARD OF TRUSTEES continued

To encourage conservators to seek accreditation, a number of workshops and clinics were held in London, Bristol, York and Dundee, with over 100 people attending. In total 47 people applied to become accredited in the June 2005 and January 2006 application rounds. January 2006 was also a key deadline for the Conservation Register, as from that date all the practices which appear on it must be led by a conservator who is either already accredited, or whose accreditation is pending.

On the external front, 2005-2006 has seen more employers in museums, galleries, libraries and archives increasingly indicating a preference for PACR-accredited candidates in their job advertisements. In 2005 The Museums Libraries and Archives Council published guidelines for Museums Accreditation which set the appropriate standard for conservation and collection care advice as being that 'where available, a professionally accredited conservator is used.' The Council for the Care of Churches decided, in October 2005, to advise all its parishes to commission work exclusively from accredited conservators on the Conservation Register. The National Preservation Office, under the terms of the Memorandum of Understanding which it signed with Icon, is also committed to recommending accredited conservators wherever possible.

Developing a Conservation Management Accreditation route

Currently the PACR accreditation process requires candidates to offer evidence of carrying out conservation treatments or preventive measures. This makes it difficult or impossible for some conservation professionals to meet the requirements for accreditation. Many capable and highly-respected members of the profession are effectively debarred from accreditation because their roles do not allow them to meet the requirements. Now that PACR accreditation is more widely recognised it is increasingly being expected of project leaders, heads of firms, and those with overall responsibility for grant-aided work, not only those who carry out conservation treatments. The development of a route to accreditation for conservation managers was thus identified as a key early priority for Icon as soon as it was formed. It transpired that the Institute of Historic Buildings Conservation (IHBC) had a similar need for its own members, and on this basis the two bodies agreed to work jointly to develop a route which would be open to members of both organisations. A joint working party was established and began its meetings in February 2006. The plan is to pilot a new route in January 2007.

Integrating Conservation Science within Icon membership

One of the organisations which did not merge into Icon in 2005 was the Institute for Conservation Science (ICS). Recognising its importance to the future development of conservation practice, the Icon Interim Board identified a key priority for 2006 as being to establish a specialist group for conservation science, preferably by bringing ICS into the organisation. In January 2006 ICS members voted to begin convergence discussions with Icon, with a view to bringing the organisations together in the near future.

Developing Workforce Diversity

In our first operational year our ability to undertake major initiatives on diversity has necessarily been limited. In 2006 Icon will commission a report on diversity from one of its Trustees, and will consider what practical steps we can take to develop a more diverse conservation workforce on the basis of its recommendations. Our work-based training scheme, supported by the Heritage Lottery Fund, is due to begin in September 2006, and this will be the first significant opportunity to make a direct impact in the area. In the meantime Icon continues to work closely with the Heritage Skills Panel of Creative and Cultural Skills, our Sector Skills Council, to advance diversity across the heritage sector as a whole.

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REPORT OF THE BOARD OF TRUSTEES continued

Developing Work-based Training and Internships

In January 2006 the Heritage Lottery Fund announced a grant for £1m to Icon to support work-based training. The bid for funding has been based on an analysis of the workforce, showing the extent of the shortage of practical and preventive conservation skills across the UK. The HLF monies will enable Icon to start tackling these skills shortages and ensure that there is a sustainable workforce for the future. The scheme will provide up to twenty internship-type training placements per year for four years, starting later in 2006. Over 60 organisations have already come forward to participate as hosts.

In addition to working on these key strategic tasks, Icon has also:

- Signed a contract with Creative and Cultural Skills, our Sector Skills Council, and identified two professional conservators to work on their Heritage Skills Panel.
- Served on the steering committee for an MLA London sponsored initiative to promote leadership skills in the heritage sector. Four Icon members were awarded places on leadership training programmes which came out of this.
- Taken part in the work of the Edinburgh Group, which was established by Historic Scotland to work towards a common accreditation framework for conservation of the built heritage.
- Maintained a working relationship with the Conference on Training in Architectural Conservation (COTAC).

Membership Services

In bringing together five bodies, it was vital for Icon to preserve as much as possible of the benefits of membership which each had developed over the years. As part of the convergence process it was agreed that some of the services offered by predecessor bodies would cease. At the same time, it has been important to add new service so that members feel that the new unified organisation continues to respond to their needs.

The priorities identified for 2005-2006 were:

- Developing a new website
- Supporting the existing specialist groups
- Sustaining two new groups – one for Private Practice and the other for Conservation Science
- Supporting the development of regional/national networks across the UK
- Publishing a high-quality and vibrant magazine, *Icon News*
- Publishing two email briefings, *Iconnect* and *Iconnect Jobs*

Website

The new Icon website went live in January 2006, incorporating much of the content from the sites of predecessor organisations. It also added a significant amount of new material, including employment vacancies, and has a private members-only area as well as a public space. The site build was commissioned from a company which specialises in disability-accessible web design. At the end of March 2006, the site averaged 330 hits per hour and nearly 700 visits per day.

Supporting existing groups

One of the aims of the new organisation was to encourage members to join multiple specialist groups, to ensure the greatest possible cross-fertilisation of ideas and experience. Many members – in particular new joiners - have responded with great enthusiasm to this more flexible and open arrangement.

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REPORT OF THE BOARD OF TRUSTEES continued

All groups now benefit from the use of free meeting space in the London Bridge offices, as well as from membership contact lists which are constantly updated and used to distribute group-specific emails and mailings. In December 2005 Icon appointed a new staff member with a specific brief to support specialist groups. New finance procedures were developed and two training sessions were held for group treasurers to familiarise them with these. In March 2006 the first Group Chairs' Conference was held to facilitate closer working between the Icon Board of Trustees and the groups.

As well as organising conferences, seminars and meetings, Icon's specialist groups play many other important roles. One of these is to recognise excellence in their specialist field. For a number of years the Ceramics and Glass Group has offered the Nigel Williams Prize for outstanding work on ceramic, glass or a related material. A new award was created by the Gilding and Decorative Surfaces Group, which decided that from 2006 it would offer a student award, with the aim of encouraging and rewarding the work of conservation students.

The Scotland Group has continued the tradition of holding an annual Plenderleith Lecture. The lecture was originally established by the Scottish Society for Conservation and Restoration to commemorate the life and achievements of the late Harold Plenderleith (1898-1997), who is often described as the 'founder of modern conservation'. The 2005 lecture in Edinburgh marked the handover from SSCR to the Icon Scotland group, and was delivered by Dr Jim Tate.

The Book and Paper Group continues to run the Sponsored Member Scheme, carried over from the former Institute of Paper Conservation. Under this scheme a total of 25 young conservators and conservation students in Africa, Asia and Eastern Europe are sponsored by UK-based group members, and thus receive free membership. The Book and Paper Group also maintains a well-developed graduate liaison scheme to help people with the transition between full-time study and the first stages of their professional career.

Sustaining Private Practice and Science groups

A significant number of members expressed interest in being involved with a new Private Practice Group, but it has not been possible to date to form a committee to take this forward as a formally-structured group. There is however a contact group of conservators in private practice, who started discussing early in 2006 the preparation of a new standard contract and terms and conditions for conservators in private practice.

By the end of 2005 over 120 members had expressed an interest in joining the new Conservation Science Group. The formation of the group was however placed on hold pending negotiations with the Institute of Conservation Science about the possibility of their merging with Icon.

Supporting the development of regional/national networks across the UK

Preparatory work was undertaken in 2005 and early 2006 to set up a network of English regional groups as well as groups in Wales and Northern Ireland (Scotland already has its own group). Ultimately however there seemed little demand among members for such a development. While Icon will encourage and support regional groups if they wish to form, it will no longer be a strategic priority to develop them.

Publishing *Icon News*

To be able to produce a high-quality, full-colour bimonthly magazine is something many membership bodies aspire to, but not all achieve. *Icon News* has been very well received by members, and advertising income from the Jobs Supplement has made a major contribution to our ability to produce high-quality publications.

Publishing *Iconnect* and *Iconnect Jobs*

The delivery of frequent, high-quality electronic information to members represents, for many, an immediate and obvious benefit of Icon membership. Members can opt in and out to receive a tailored information service to suit their needs.

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REPORT OF THE BOARD OF TRUSTEES continued

In addition, Icon has:

- Developed and promoted the Chantry Library, using the bequest of Mrs Beatrix Chantry, and offering members access to a wide range of specialist conservation publications, particularly in the field of book and paper conservation.
- Set up a Fundfinder service to help members identify sources of grants for small, local conservation projects.
- Offered members discounts on fees for selected courses at West Dean College.
- Offered members 20% discount on conservation titles published by Butterworths, and by James & James, as well as on some discounts on publications by Donhead.
- Sustained the Graduate Liaison scheme of the Book and Paper Group.

Future Plans

Public Access and Understanding – Plans for 2006-2007

The Board of Trustees is to commission a review of Icon's contribution to public benefit so that future plans can be drawn up in the latter part of 2006. In the meantime Icon plans to continue promoting public access to conservation both through direct contact with the public and by means of developing partnerships with other organisations. We wish to publish all of our new range of 'Caring for...' leaflets in hard copy so that they can be made available to the widest possible public, and we will be looking for financial support from partner organisations to help achieve this.

Advocacy – Plans for 2006-2007

The government will publish a Heritage White Paper later in 2006. This will draw on the House of Commons Culture, Media and Sport Committee consultation to which we responded so it will be important for Icon to see whether the main points of its recommendations have been adopted. We will then monitor the progress of the White Paper into a Heritage Bill and ensure that when it goes through parliament we use our best efforts to make it as conservation-friendly as possible.

The House of Lords Report on Science and Heritage is due to be published by the House of Lords Science and Technology Committee in the autumn of 2006. This could have a major impact on Icon and we will need to study it closely.

On the European front, we will continue to work through ECCO (the European Confederation of Conservator-Restorers' Organisations) to ensure that our sister organisations appreciate the importance we attach to achieving greater diversity in our workforce, and therefore our wish to see European institutions not proceed towards recognising conservation as a graduate-only profession.

In the UK, we will work more actively with employers to ensure that the PACR accreditation scheme is understood and valued.

Although the next round of Conservation Awards will not take place until after the next financial year has ended, preparations are already underway. As our plans develop we will work to ensure that the Awards serve as a crucial flagship for the value for conservation, and that they help us to make our case with the widest and most influential audience possible.

Professional Standards, Ethics, Training and Education - Plans for 2006-2007:

- Undertake a major quadrennial review of PACR accreditation with our partners in the scheme, the Society of Archivists and the British Horological Institute
- Review employer perceptions of the PACR accreditation scheme and take steps to encourage organisations which employ or contract work to conservators to specify a preference for PACR accreditation

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REPORT OF THE BOARD OF TRUSTEES continued

- Consult on and pilot the new management route to accreditation
- Open the first round of HLF-funded work-based training placements
- Seek supplementary funding to support additional bursaries for the scheme
- Co-sponsor an international conference in conservation science in Italy
- Review practical means of improving workforce diversity
- Publish the joint report with English Heritage on the training of architectural conservators, and undertake follow-up work on the basis of this report
- Work with Creative and Cultural Skills to update the National Occupational Standards for conservation
- Continue to develop opportunities for members to undertake leadership training
- Develop a new work-based qualification for conservation technicians
- Review the potential need for a route to accreditation for conservation scientists

Membership Services - Plans for 2006-2007

- Seek to find a commercial partner able to offer all our accredited members preferential rates on professional indemnity insurance
- Review the feasibility of offering members a legal advice helpline
- Publish a standard contract and terms and conditions for conservators in private practice
- Work with major organisations which commission conservation work, including English Heritage, The National Trust, the Council for the Care of Churches, Historic Scotland
- Disseminate salary guidelines more widely among employers
- Undertake a review of *Icon News*
- Undertake an internal and external review of the Icon website
- Develop the existing graduate liaison function of the Book and Paper Group and extend it to the broader membership

Financial Review and Results for the Year

Icon started its activities towards the start of the year ended 31st March 2006. A total of £544,848 was transferred from converging organisations of which £207,908 related to restricted activities. At the end of the year, which included all the activities to establish the charity, Icon has unrestricted reserves of £148,497 (including designated funds of £69,971), restricted reserves of £167,655 and a total cash balance of £502,727.

Reserves policy

Icon's reserves' policy focuses on the level of its 'free' reserves. These reserves exclude restricted and designated funds and the funds used to acquire fixed assets.

Icon retains free 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, and to operate effectively, Icon should hold free reserves of between 3 and 6 months expenditure. For 2005/06 this equates to £124105 to £248211. As at 31st March 2006 the free reserves, excluding designated funds, were £78063. The current free reserves are thus below the intended threshold. The Board of Directors has approved a business plan to build up the level of reserves over time.

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REPORT OF THE BOARD OF TRUSTEES continued

The Trustees will continue to monitor Icon's level of free reserves on a regular basis and will review the reserves policy at least every 3 years.

Investment Policy

The level of cash available for investment as at 31st March 2006 is £168655 of cash relating to restricted activities plus £334072 of unrestricted cash less current creditors-debtors of £186032. This gives a net working capital of £148041. Given that the unrestricted cash represents cash represents 3.5 months expenditure the trustees deem it appropriate that the majority of the funds are invested in a high yield account with instant access – it is kept under regular review whether it is prudent to invest part of these monies in a fixed rate deposit if the rate achievable is higher.

It is proposed to invest the restricted funds in part in fixed rate deposit accounts to match the expected expenditure profile.

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 those risks. The trustees have established a working party to carry out a review of the key risks which Icon faces, the controls to mitigate that risk and to report back to the Board on the key residual risks.

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.

AUDITORS

Mazars LLP were appointed auditors of Icon and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be reappointed will be put to the Annual General Meeting.

STATEMENT OF BOARD OF TRUSTEES' RESPONSIBILITIES

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;

INSTITUTE OF CONSERVATION

REPORT OF THE BOARD OF TRUSTEES continued

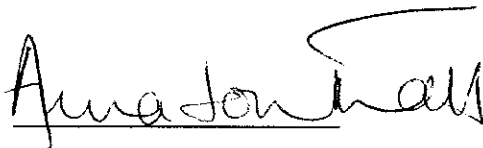
- * prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

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) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board of Trustees on 22 October 2006 and signed on their behalf.

A handwritten signature in black ink, appearing to read 'Amanda Hall', written over a horizontal line.

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 2006 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.

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 2006 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 1 November 2006

INSTITUTE OF CONSERVATION

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating the income and expenditure account)
for the year ended
31 MARCH 2006

	Note	Unrestricted Funds 2006 £	Restricted Funds 2006 £	Total Funds 2006 £
Incoming Resources				
<i>Incoming Resources from Generated Funds</i>				
<i>Voluntary Income</i>				
Donations and similar income	2	54,751	36,000	90,751
<i>Incoming Resources from Operating Activities for Generating Funds</i>				
Advertising Income		7,266	-	7,266
<i>Investment Income</i>				
Bank Interest		7,887	-	7,887
<i>Incoming Resources from Charitable Activities</i>				
Membership Subscriptions		188,068	-	188,068
Transfers from Converging Organisations		336,940	207,908	544,848
Group Income		22,645	11	22,656
Fee Income		12,060	-	12,060
Publications Income		10,471	-	10,471
<i>Other incoming resources</i>		<u>12,331</u>	<u>2,900</u>	<u>15,231</u>
Total Incoming Resources		<u>652,419</u>	<u>246,819</u>	<u>899,238</u>
Resources Expended				
Charitable Expenditure				
<i>Costs of Charitable Activities:</i>				
Conservation Awards		-	76,309	76,309
Conservation Register		50,764	-	50,764
PACR Assessments		19,569	-	19,569
PACR/PSB Accreditation		34,068	-	34,068
Conference		941	-	941
HLF Bursary Scheme		47,107	-	47,107
Publications		39,261	-	39,261
Policy & Advocacy		34,931	-	34,931
Membership Activities		36,541	-	36,541
Hampson, Chantry & Leonardo Funds		-	3,355	3,355
Groups		23,444	-	23,444
Direct Support Costs		199,700	-	199,700
Governance Costs		<u>17,596</u>	<u>-</u>	<u>17,596</u>
Total Resources Expended	5	<u>503,922</u>	<u>79,664</u>	<u>583,586</u>
Net Incoming Resources and movement in funds	3	148,497	167,155	317,152
Brought Forward Funds at 1 April 2005		<u>-</u>	<u>-</u>	<u>-</u>
Carried Forward Funds at 31 March 2006		<u>148,497</u>	<u>167,155</u>	<u>315,652</u>

- The notes on pages 21 to 27 form part of the accounts.
- All transactions are derived from continuing activities except for those funds transferred into the charity from the converging organisations during the financial year.
- All recognised gains and losses are included in the Statement of Financial Activities.
- The charity started actively operating on the 1st of April 2005 therefore there are no comparative figures for 2005.

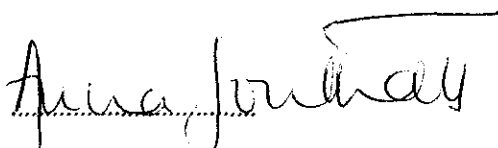
INSTITUTE OF CONSERVATION
BALANCE SHEET AT 31 MARCH 2006

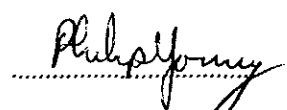
	Note	£	2006	£
FIXED ASSETS				
Tangible	6			7,957
				7,957
CURRENT ASSETS				
Debtors	7	83,050		
Cash at Bank and in Hand		502,727		
				585,777
CREDITORS - Amounts Falling Due Within One Year	8	(278,082)		
				307,695
NET CURRENT ASSETS				307,695
NET ASSETS	9			315,652
FUNDS				
Restricted Funds				167,155
Unrestricted Funds				
General Unrestricted Funds		78,526		
Designated Funds		69,971		
				148,497
	10			315,652

The charity started actively trading on the 1st of April 2005 therefore there are no comparative figures for 2005.

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 22 October 2006 and signed on its behalf by:-


 Chair


 Treasurer

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS

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.

INSTITUTE OF CONSERVATION
NOTES TO THE FINANCIAL STATEMENTS
continued

e) **Comparatives**

Icon started actively operating on 1 April 2005. Previous accounts were filed for a dormant company. No comparatives have been included in the accounts.

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.

2 **VOLUNTARY INCOME**

Voluntary income received in the year was as follows:

	Unrestricted £	Restricted £	2006
Grants			
English Heritage	-	16,000	16,000
The Museums, Libraries & Archives Council	-	20,000	20,000
National Heritage Memorial Fund	19,800	-	19,800
Board development Grant	5,000	-	5,000
Conservation Register	11,025	-	11,025
National Heritage Memorial Fund	19,800	-	19,800
Heritage Lottery Fund	10,000	-	10,000
The Institute of Historic Building Convention	2,500	-	2,500
The Society of Archivists	500	-	500
Sundry Grants	5,526	-	5,526
Donations			
Sundry Donations	400	-	400
	<hr/>		
	54,751	36,000	90,751
	<hr/>		

3 **NET MOVEMENT IN FUNDS**

The Net Movement in Funds is stated after charging:-

	2006 £
Auditors' Remuneration	8,822
Depreciation	1,516
Operating Leases – rent	14,456
	<hr/>

INSTITUTE OF CONSERVATION
NOTES TO THE FINANCIAL STATEMENTS
continued

4 STAFF COSTS

	2006
	£
Staff Costs:	
Wages and Salaries	162,443
Social Security Costs	14,288
	176,731
	176,731

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

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

No pension provision existed for staff during the 2005-2006 financial year.

Numbers of Employees: 7

The average number of employees during the year was: 7

	2006
	Number
Full Time	4
Part Time	3
Full time equivalents:	
Conservation Awards	0.2
HLF	1.0
Conservation Register	1.1
PACR Assessments	0.3
PACR/PSB Accreditation	0.7
Publications	0.2
Policy & Advocacy	0.9
Membership Activities	0.7
Management and Administration	1.9
	7.0

BOARD OF TRUSTEES' REMUNERATION AND REIMBURSED EXPENSES

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

12 of the Board of Trustees received reimbursed expenses during the year. These were for traveling and amounted to £6,915. Trustees' indemnity insurance was not purchased during the year.

INSTITUTE OF CONSERVATION
NOTES TO THE FINANCIAL STATEMENTS
continued

5 ANALYSIS OF RESOURCES EXPENDED

	Staff Costs £	Other £	Depreciation £	Support Costs reallocated	Total £
Unrestricted					
Conservation Register	27,883	5,769	239	16,873	50,764
PACR Assessments	8,129	6,451	70	4,919	19,569
PACR/PSB Accreditation	17,205	6,304	148	10,411	34,068
Conference	-	941	-	-	941
HLF Bursary Scheme	26,772	3,904	230	16,201	47,107
Publications	5,739	30,000	49	3,473	39,261
Policy & Advocacy	21,646	-	186	13,099	34,931
Membership Activities	16,947	9,193	145	10,256	36,541
Groups	-	23,444	-	-	23,444
Support Costs	46,672	231,333	400	(78,705)	199,700
Governance Costs	-	17,596	-	-	17,596
	<u>170,992</u>	<u>334,936</u>	<u>1,467</u>	<u>(3,473)</u>	<u>503,922</u>
Restricted					
Conservation Awards	5,739	67,048	49	3,473	76,309
Hampson, Chantry & Leonardo Funds	-	3,355	-	-	3,355
	<u>5,739</u>	<u>70,403</u>	<u>49</u>	<u>3,473</u>	<u>79,664</u>
Total Resources Expended	<u>176,731</u>	<u>405,339</u>	<u>1,516</u>	<u>-</u>	<u>583,586</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 time spent on each charitable activity.

6 TANGIBLE FIXED ASSETS

Cost	Computer Equipment £	Office Equipment £	Total £
At 1 April 2005	0	0	0
Transfers	11,377	9,157	20,534
Additions	9,473	0	9,473
At 31 March 2006	<u>20,850</u>	<u>9,157</u>	<u>30,007</u>
Depreciation			
At 1 April 2005	0	0	0
Transfers	11,377	9,157	20,534
Charge for Year	1,516	0	1,516
At 31 March 2006	<u>12,893</u>	<u>9,157</u>	<u>22,050</u>
Net Book Value at 31 March 2006 & 31 March 2005	<u>7,957</u>	<u>0</u>	<u>7,957</u>

All assets are used for charitable purposes.

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS
continued

7 DEBTORS

	2006
	£
Amounts Falling Due Within One Year	
Trade & Other Debtors	29,936
Prepayments	5,022
Debts from predecessor organisation received after the year end	48,092
	<hr/>
	83,050
	<hr/>

8 CREDITORS

	2006
	£
Amounts Falling Due Within One Year	
Trade & Other Creditors	34,534
Accruals	30,680
PAYE/NIC	5,058
Deferred Income – Conservation Awards	96,018
Deferred Income – Membership	111,792
	<hr/>
	278,082
	<hr/>

Deferred income relates to membership contributions received for future periods and the balance of money received for the conference in Edinburgh which takes place after the year end. This allows matching of the expenditure that will be incurred relating to the event.

9 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Restricted	Total
	£	£	£
Fixed Assets	7,957	-	7,957
Debtors	83,050	-	83,050
Cash at Bank and in Hand	335,572	167,155	502,727
Current Liabilities	(278,082)	-	(278,082)
	<hr/>	<hr/>	<hr/>
	148,497	167,155	315,652
	<hr/>	<hr/>	<hr/>

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS
continued

10 FUNDS

		At 1 April 2005 £	Incoming Resources £	Resources Expended £	Transfers £	At 31 March 2006 £
Restricted Funds:						
Conservation Awards	(1)	-	80,508	(76,309)	-	4,199
Chantry Library	(2)	-	75,011	(1,303)	-	73,708
Hampson Bequest	(3)	-	83,000	-	-	83,000
Leonardo Project	(4)	-	8,300	(2,052)	-	6,248
<hr/>						
Total Restricted Funds		-	246,819	(79,664)	-	167,155
<hr/>						
Unrestricted Funds:						
General unrestricted funds		-	469,895	(328,030)	-	141,865
Conservation Register		-	43,025	(50,764)	-	(7,739)
PACR Assessment		-	12,050	(19,569)	-	(7,519)
Conference		-	-	(941)	-	(941)
PACR/PSB Accreditations		-	12,934	(34,068)	-	(21,134)
HLF Bursary Scheme		-	21,100	(47,107)	-	(26,007)
<hr/>						
Total Unrestricted Funds		-	559,004	(480,478)	-	78,526
<hr/>						
Designated Funds:						
Groups		-	93,415	(23,444)	-	69,971
<hr/>						
Total Unrestricted and Designated Funds carried forward		-	652,419	(503,922)	-	148,497
<hr/>						
Total Funds		-	899,238	(583,586)	-	315,652
<hr/>						

- (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) Clare Hampson Fund: bequest set up with the intention of supporting studies in paper conservation.
- (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.

INSTITUTE OF CONSERVATION

NOTES TO THE FINANCIAL STATEMENTS continued

11 SUBSIDIARY COMPANY

Icon Business Services Ltd, previously UKIC Services Ltd became a subsidiary of Icon on 3 May 2006. Activity within the company is not material to the group overall. Plans are in place to wind up this company and to transfer its activities into Icon. The results for this company have not been consolidated into the accounts for Icon due to the insignificant impact. Intercompany debtor in Note 7 includes £3,540 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.

	2006
	£
Property leases expiring	
Within one year	1,650
Within two to five years	19,800
	<hr/>
	21,450
	<hr/>