

Report of the Treasurer

I have pleasure in presenting the Treasurer's report to the Annual General Assembly of ICOMOS.

This report covers a review of the audit and financial statements for the previous year (January to December 2019), as well as some remarks on the financial situation as experienced during the course of this year – 2020, and it concludes with the budget proposed for the upcoming triennium - years 2021 - 2023.

1 AUDIT FOR THE PAST YEAR AS UNDERTAKEN BY THE AUDITING FIRM OF COMMISSAIREAUXCOMPTE.S.FR

It is once again pleasing to note that the auditors have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the report of the Executive Committee on the financial position and the financial statements. The Annual financial statements have been circulated and adopted by the Board at the meeting held on 9th March 2020. They therefore require ratification by the Annual General Assembly.

The financial year ending December 2019 resulted in a net profit of €81,426, compared to €172,586 last year. The reason for the previous financial year ending December 2018 being so high was due to a significant amount of €215,000 being reversed as there was a provision for a reversal of a provision on past rentals due for our office accommodation in Charenton. Colleagues may recall that, in my previous presentation made in 2019 that ICOMOS was finally exempted from paying by the French Ministry of Culture - which hosts the International Secretariat - in 2019.

It may be noted that the decrease in personnel expenses (€676,000 compared to €727,000 in 2018) is largely due to the indemnity that had been paid to an employee dismissed in 2018. For the rest, the payroll remained stable between 2018 and 2019. Reference was made in last years' report that an exceptional provision of €81,000 was set aside for this dismissal to cover the possible risk of legal action. The legal action has been initiated and, pending the judgment on appeal, the provision has been maintained (we trust that this amount will be reduced but it is too early to make any informed estimations on this).

It is very pleasing to note, once again, that there has been yet another increase in the contributions of the national committees (455 000€ against 438 000€ the previous year). Thank you all for your faithful support to the International Secretariat, it is greatly appreciated; the prompt payment of the annual subscriptions assists us considerably with our cash flow and financial planning in general.

A very significant additional activity, made possible with the agreement by the Board, is the tutoring activities of the World Heritage Atelier. This project, involving an amount of 50,000€ was launched at the initiative of President Toshiyuki Kono, with the aim of identifying and training new advisors to work with our World Heritage Evaluation Unit at the International Secretariat. Due to the COVID crisis, most of the planned trips could not take place and the final cost will prove to be considerably less than the 50,000 Euros that was budgeted for. This important initiative is intended to introduce a more diverse group of advisors to work with ICOMOS on the review and assessment of nominations and we look forward to engaging with the new colleagues once the situation has normalized somewhat.

The audit report makes reference to two significant facts which I refer to below:

The significant facts of the exercise are as follows:

- 1 The association (ICOMOS) paid rental charges related to the occupation of its head office for the first time in the amount of 39,263 euros.
- 2 The association has decided to record for the first time in its accounts the retirement indemnity commitments of its employees, which represent a debt updated from 44,762 euros at 31/12/2019

In France, end-of-career benefits are only payable if the employee is present in the entity when he or she retires. In the case of a departure before that date, they will not receive these allowances. They are determined by applying to the calculation of the legal or contractual indemnity a method taking into account projected end-of-career salaries, staff turnover rate, life expectancy and discounting assumptions for the foreseeable payments.

(As this was a change in method and in accordance with the general accounting plan, the debt existing at the end of the previous financial year was recorded as a reduction in equity for 39,828 euros. The expense specific to the financial year amounted to 4,934 euros).

Grants received from governments

Chinese Ministry of Culture (SACH) = 9,167 euros - assignment: ICOMOS operating budget Chinese Ministry of Culture = 12,500 euros – assignment: Workshop Uzbekistan
Austrian Ministry of Culture = 15,000 euros - allocation: ICOMOS operating budget
French Ministry of Culture = 20,000 euros - allocation: ICOMOS operating budget
Wallonia Region (Belgium) = 10,000 - allocation: Sites of Memory

The grants from Austria, France and Wallonia Belgium are received on an annual basis and ICOMOS would like to acknowledge all the above donors with grateful thanks.

Grants received by other institutions

Google = 6 250 euros - allocation: Hidden Heritage at Risk

Miscellaneous grants

Kyushu University = 1,100 euros – assignment: Project Reconstruction

Total grants/subsidies received for the past year = 79,017 euros; this is down from the previous year in which an amount of 181 713 euros was received.

There were no investment grants were received during the year.

Subventions

As may be seen from the above section relating to grants received from governments, operating grants received for the 2019 financial year amount to a total of 44,167 euros; this is slightly down from the previous years' amount of 56 958 euros.

- - Austrian Ministry of Culture = 15,000 euros
- - French Ministry of Culture = 20,000 euros
- - Chinese Ministry of Culture = 9,167 euros

These are operating subsidies and are not subject to any suspensive condition.

2 REMARKS ON THE CURRENT FINANCIAL YEAR - 2020

It is hoped that the current financial year will end with a slight surplus since, paradoxically, the health crisis has had, in the very short term, a rather positive effect on the accounts; this holds true only of course, if nothing unexpected occurs in the last few months of the year.

As mentioned above, a large number of activities and travels have been cancelled due to the Covid-19 pandemic, the subsequent lockdowns of most, if not all countries, and the corresponding expenses that were planned, have not been incurred (these costs relate to the World Heritage Workshop, various travelling expenses of the SDGs Focal Point or staff, reception expenses and so on).

The staff of the Secretariat have been working at home during the pandemic and they have continued to work partly at home ever since; the operating costs, which include supplies, refreshments, mail, printing etc., have been considerably reduced. The cancellation of the General Assembly in Sydney and its replacement with a virtual assembly has generated additional expenses for ICOMOS International because the Secretariat will assume all the costs related to the organization of virtual meetings (platform subscriptions, electronic voting, and translation services).

The costs for these virtual meetings have not yet been finalized but it is already certain that there will be some savings which has enabled the ICOMOS Board to vote an exceptional grant to support of \$10,000 to ICOMOS Lebanon, to assist with administrative support (secretariat, accounting) for the current crisis situation being experienced in that country.

We are also very pleased to announce that the Christensen Fund has renewed its confidence in ICOMOS by making a donation of an additional \$75,000 to carry out other actions, which had not been foreseen. This amount will be set aside for 2021 as the current project (Connecting Practice, phase III) has not yet been completed.

3 SOME REMARKS REGARDING THE TRIENNIAL BUDGET 2021-2024

As is customary at this time of the year, the draft budget is still only an estimate that will need to be refined before being presented to the Board. What is important to bear in mind however, is the impact that the Covid-19 pandemic will have on the way we work in the future. There is definitely no certainty at the moment. Factors that will certainly affect the way in which ICOMOS will involve travel, particularly air travel. Access to sites is another major question mark at this time.

If we are to undertake much of our work in the virtual arena, will this impact upon our ability to generate new projects, and the funding to support them in the years to come? There is considerable concern about the National Committees being able to pay their annual subscriptions as they have done in the past. Will the ability of members to pay their annual dues be affected, very probably? These are just some of the questions that are being asked today.

Under these extraordinary and uncertain circumstances, it did not seem particularly appropriate to present a detailed three-year budget this year. If we try to be too precise, there is a risk that the budget will be based upon what could be described as a number of arbitrary assumptions.

Given the above only the draft budget 2021 is therefore presented in its detailed form. It has been drawn up on the basis of the assumptions that today appear to be the most realistic, both for expenditure and income, based upon historical information and past experience.

A couple of assumptions have been used to inform the simplified budgets for the years 2022 and 2023, these are set out below:

Increase in expenditure:

- An increase in personnel costs of 1.5% per year
- An increase in computer and internet expenses of 2% per year
- An increase in rental costs and charges of 1.5% per year

Increase in income/revenue:

- An increase in membership fees of 1% per year

Laura Robinson: Treasurer
October 2020