

**Additional comments on the 2019 financial statements, the current financial year 2020 and the three-year budget 2020-2023**

**A/ 2019 FINANCIAL STATEMENTS**

- The 2019 financial statements were presented to the Board of Directors by the Statutory Auditors on March 9, 2020.
- Fiscal 2019 ended with a net profit of €81,426, compared to €172,586 last year. For your information, the 2018 result was exceptionally high due to a significant €215,000 reversal of a provision on past rentals that we were finally exempted from paying by the French Ministry of Culture -which hosts the International Secretariat- in 2019.
- The decrease in personnel expenses (€676,000 compared to €727,000 in 2018) is largely explained by the indemnity that had been paid to an employee dismissed in 2018. For the rest, the payroll remained stable between 2018 and 2019.
- 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.
- It should be noted that this year again, there was an increase in the contributions of the national committees (455 k€ against 438 k€ the previous year). Thank you all for your faithful support to the International Secretariat!
- Also noteworthy is the constitution of a provision of 50,000€ for the tutoring activities of the World Heritage Atelier. This project, launched at the initiative of President Toshi Kono, aims to identify and train new advisors to work with our WH 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 much less than the \$50,000 budgeted.

**B/ FISCAL YEAR 2020**

- Barring any last-minute unforeseen events, it should end in a slight surplus since, paradoxically, the health crisis has had a rather positive effect on the accounts.
- As explained above, a large number of activities and travels have been cancelled due to the pandemic and the corresponding expenses that were planned have not been incurred (World Heritage Workshop, travel expenses of the SDGs Focal Point or staff, reception expenses ...).
- Similarly, as the Secretariat team worked at home during the containment and continues to do so in part since then, operating costs (supplies, mail, printing etc...) have been reduced.
- On the other hand, the replacement of the General Assembly in Sydney by a virtual assembly will generate 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 translations).
- The figures are not yet finalized but it is already certain that these additional costs will be lower than the savings mentioned above.
- This is why the Board of Directors was able to vote an exceptional support of \$10,000 to ICOMOS Lebanon, to reinforce its means (secretariat, accounting) in the current crisis situation.
- The Christensen Fund renewed its confidence in ICOMOS with 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) is not yet completed.

**C/ TRIENNIAL BUDGET 2021-2024**

- 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.
- However, it should be noted that with the sanitary crisis, uncertainties are greater than usual. Will travel be able to resume as in the past? If teleworking enables us to manage current projects well, what about our ability to generate new projects in the years to come? Will the ability of members to pay their annual dues be affected? These are the questions that are being asked today.

- Given the circumstances, it did not seem useful to present a detailed three-year budget this year. If we try to be too precise, we run the risk of relying on arbitrary assumptions...
- 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.
- For 2022 and 2023, the central assumptions underlying the simplified budgets presented are as follows:
  - Cost growth :
    - Personnel: 1.5% per year
    - Computer and internet: 2% per year
    - Rental charges: 1.5% per year
  - Revenue growth
    - Membership fees: 1% per year