

Report by the Treasurer of ICOMOS

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 2018), as well as some remarks on the financial situation as experienced during the course of this year – 2019, and it concludes with the budget proposed for the upcoming triennium - years 2020 -2022.

1 AUDIT FOR THE PAST YEAR AS UNDERTAKEN BY THE AUDITING FIRM CommissaireAuxComptes.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 Board on the financial position and the financial statements. The Annual financial statements have been circulated and adopted by the Board at the meeting held in March 2019. They therefore require ratification by the Annual General Assembly.

The audit report makes reference to two significant facts which are identified below:

- The provision made from 2014 to 2017 to cover the occupancy load of the premises became irrelevant for the year following the drafting of a lease applicable from 01/01/2018, backdated payment of rental and service charges was not required. The provision reversal of 215,000 euros was recorded as exceptional income.
- Social Litigation: a dismissal was contested by the staff concerned; a *prudhommal* dispute has opened. The risk of 81,000 euros has been fully provisioned.

The balance sheet total for the year before appropriation of the result is 1,741,630.99 euros. The net accounting result is a surplus of 172,586.53 euros with an increase in working capital of more than €430,000.

As indicated above, this increase results mainly from one exceptional factor (members should recall that ICOMOS is an organisation not for profit), the reversal of provisions for premises occupancy fees recorded since our move to Charenton in 2014. For more than four years, the amount of these occupancy fees had not been fixed by the French Ministry of Culture who is the owner of our premises. It was deemed prudent to make provisions for the estimated occupancy cost (rent and service charges). Only in 2018 was this cost assessed for 2018 and subsequent years, and the Ministry of Culture generously granted us a discount for the previous years that we had occupied the premises. This resulted in the reversal of the corresponding provisions, the cumulative amount of which amounted to €215,000.

National Committees: We note an increase of the membership fees paid by National Committees which is greatly appreciated, thank you. (The National Committees contributed €438,000 as compared to €426,000 in the previous year).

The increase of staff costs (€498 000 versus €434 000€ in 2017) is explained mainly by the compensation paid to an employee dismissed in March 2018. (Refer also to the remarks above in this regard). With regard to this dismissal a provision of €81,000 has also been made to cover the possible risk of a legal action - which has been brought against us.

During the course of the previous year a number of grants and project specific dedicated funds were received. These included:

Grants received from governments:

South Korea = 39,090 euros - assignment: Study on the Cave Art
Austrian Ministry of Culture = 19,938 euros - allocation: ICOMOS operating budget
French Ministry of Culture = 25 000 euros - allocation: ICOMOS operating budget
Wallonia Region (Belgium) = € 10,000 - allocation: ICOMOS operating budget

Grants received by other institutions:

ICOMOS USA = 2 020 euros – allocated to the ICOMOS operating budget,
The Christensen Fund = 79 167 euros - assignment: project "Connecting Practice"

Miscellaneous grants = € 6,497

This was assigned to "Reconstruction Provence" project = 2,396 euros, Workshop Moldova = 1,550 euros, and a Heritage Event Conference = € 2,551

The total amount of subsidies received for the year = 181,713 euros

Operating grants received for the 2018 financial year amount to a total of 56 958 euros.

- Austrian Ministry of Culture = 19,938 euros
- French Ministry of Culture = 25 000 euros
- Wallonia Region (Belgium) = 10,000 euros
- ICOMOS US = 2,020 euros

(These are operating subsidies and are not subject to any suspensive conditions).

We also note the development of projects and activities in assisting States within the framework of the World Heritage Convention, for properties already nominated (downstream consultancy) or for properties for which a nomination dossier is being prepared (upstream consultancy).

2 REMARKS ON THE CURRENT FINANCIAL YEAR - 2019

The year should, unless unexpected last-minute circumstances arise, end in a balanced budget or a balance with a slight surplus. The main changes made to the initial budget during the year are set out below:

(The incurring of additional expenditure is mostly due to unavoidable or unplanned circumstances).

- Following many IT challenges experienced earlier in the year it became necessary to purchase and install a new computer server (unbudgeted expenditure of €20,000).
- The cost of improvements to the membership database will only be €15,000 – saving of €5,000 (compared to the budgeted amount of €20,000)
- The Christensen Fund renewed its support for an additional year of Phase III of the Connecting Practice project (additional income of \$90,000)
- A new project was launched during the year with the UNESCO Category 2 Centre of Bahrain to carry out a Gap Study in the World Heritage List in the Arab region (additional income of €15,000)
- The World Heritage Workshop (selection and training of new advisors) was decided in March and launched in July at an estimated cost of €35,000 over 2 years. (Unbudgeted expenditure of €17,500 for 2 years)
- The amount of membership fees will be higher (probably €20,000) than the budget (additional income)
- The Archiving project was not finally launched due to time constraints (saving of €5,000)
- The French Ministry of Culture awarded us a €20,000 grant (instead of the €15,000 expected) (additional income of €5,000)

3 TRIENNIAL BUDGET 2019-2021

The budget submitted for consideration is a first estimate/draft. The 2020 forecast budget will need to be further refined before being submitted to the Board in March.

The main assumptions for the years 2020 and 2021 are:

Increase in expenditure:

- Staff: 1,5 % per year
- IT and Internet: 2% per year
- Rent charges: 1,5% per year

Increase in income:

- Committees' fees: 2% per year

Income/expenditure of statutory World Heritage activities remain stable.