

2022 Annual General Assembly, 4-1 Additional comments on the 2021 financial statements, the current year 2022 and the three-year budget 2024-2025

A/ 2021 FINANCIAL STATEMENTS

- The 2021 annual accounts submitted for your approval were presented to the Board of Directors on 3 March 2020
- The financial year 2020 ended with a deficit of 28,398€, compared to a positive result of 5,758€ last year.
- For the second consecutive year, the accounts were impacted by the COVID pandemic, but ultimately less than expected.
- In terms of membership fees, which, as you know, represent around €450,000 per year, i.e. more than 40% of our unrestricted resources, we feared at this time last year that there would be a drop of around 15% compared to forecasts. In the end, this was not the case - and we would like to thank you for this - because the contributions were paid later than expected, but thanks to a catch-up effect at the end of the year, no decrease was recorded.
- The main consequence of the pandemic situation has been the slowdown of the projects we are leading or in which we are participating (international conference with the IPCC and UNESCO, ALIPH project in Congo, European Innova Concrete project etc.), which postpones the recognition of the income received by ICOMOS for this work. In fact, as a precautionary measure, these amounts are only entered as income in our accounts once the projects have been completed.
- It should also be noted that due to the pandemic, the postponement of the expected appeal judgment in a legal action by an employee who was dismissed in 2018 has been extended. The exceptional provision of €81,000 made to cover this risk has therefore, been maintained
- Finally, I would like to draw your attention once again to the generosity of the French Ministry of Culture towards our organisation. We occupy pleasant premises on the site of the Médiathèque du patrimoine free of charge and only the maintenance and upkeep costs are our responsibility (i.e., €42,721 in 2021), which obviously has a very significant positive impact on our financial situation.

B/ FISCAL YEAR 2022

- Overall, 2022 is a year of recovery, with parallel growth in expenditure and revenue.
- On the expenditure side, several factors explain the increase in certain items compared to 2021, and in particular
 - o The return of inflation in Europe, and in France in particular, which has led us to increase employee salaries by an average of 3% in April 2022, instead of the 1.5% forecast last year. For the time being, other expenditure items are little affected by inflation, as our service providers have not yet increased their prices before the summer, but this is to be expected in the coming months.
 - o The takeover by the International Secretariat of certain support services previously provided free of charge by one of our volunteers (Gordon Dewis), whom I would like to thank again for the immense generosity he has shown towards ICOMOS over many years. We have entrusted these services (hosting of the websites of certain committees, management of mailing lists, etc.) to our IT service provider and they are now billed to us.
 - o Finally, the recruitment in May of a documentalist-archivist, the post having remained vacant until 2021, and the recruitment in October of a communications officer (new post).

- On the revenue side, several elements should also be noted
 - The resumption of activity in international projects, several of which will be closed this year, leading, as mentioned above, to the recording in the books of this financial year of the income from these activities carried out not only during the year 2022 but also during the previous year or years.
 - The upward revision in July of our main contract with UNESCO, due to a higher number of nominations to be considered in the current biennium than originally budgeted.
 - The final judgement in the dispute with a former employee mentioned above. As the amount we were ordered to pay was less than the provision made, this will result in a 'profit' of around €20,000 in the accounts.
- In the end, and on the basis of the information currently available, the financial year should end with a small profit, currently estimated at 80,000-100,000€.

C/ TRIENNIAL BUDGET 2022-2025

- 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 of Directors.
- In view of the current context and the uncertainties, particularly with regard to the evolution of energy prices and salaries in Europe, it did not seem useful to present a detailed three-year budget. Trying to be too precise risks relying on arbitrary assumptions...
- Only the 2023 draft budget is therefore presented in its detailed form with an assumption of a 50% increase in the maintenance costs of our premises and a 5% increase in salaries and main external services.
- For 2024 and 2025:
 - Growth in costs:
 - Personnel: 1.5% per annum
 - IT and internet: 1.5% per year
 - Growth in Committee fees: as proposed by the Board at the General Assembly (implementation planned for 2024).
 - Implementation of new document management tools (70,000€ over the period).