

Mr D Russell,
Accounting Standards Board,
5th Floor, Aldwych House,
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31 May 2006

Also sent by email

Dear Mr Russell

ASB Consultation on 'Heritage Assets: can accounting do better'

The Society of Museum Archaeologists (SMA) would like to participate in the consultation on the Accounting Standards Board discussion paper 'Heritage Assets: can accounting do better'. We regard ourselves as a stakeholder because of our role as the leading body representing archaeologists working in museums.

The SMA currently has a membership of around 270, comprising individuals and institutions in England, Wales, Scotland and Northern Ireland. We also have very close links with our sister organisation, the Scottish Society of Museum Archaeologists. The Society exists to promote museum involvement in all aspects of archaeology and emphasise the unique contribution of museums to the essential unity of the archaeological profession; to promote greater public understanding of the archaeological past, and a fuller public appreciation of the importance of archaeology; to campaign for the acceptance of museums as guardians of a vital part of the nation's heritage and as the appropriate location for the storage and interpretation of all archaeological material; and to develop a coherent philosophy of the role of archaeologists in museums.

General

This proposal is based on a premise that is unacceptable to the Society – that it is in the public interest to put a financial value on our shared archaeological heritage. As archaeologists we believe that a collection's or individual artefact's value lies in the information that it contains which illuminates various aspects of past human society. This 'information value' has no connection to any financial value that the collection or artefact might have. Indeed the financial value of a collection or artefact is irrelevant since there is a presumption established over many years that museums do not sell artefacts or collections. There is also the issue of how one can value archaeological objects which may be unique, such as the Rosetta Stone, or so ubiquitous, like the tens of thousands of boxes of Romano-British pottery fragments housed in the nation's museums, that it is impossible to assign a value. Unique objects by definition are ones for which there are no comparable items where an auction or sale price might be available while ubiquitous objects are impossible to quantify within a reasonable timescale or cost. Even for objects which could be valued where are museums to find new resources

to pay the consultants who will be required to undertake this work? Indeed it is the experience of operating the Treasure Valuation Committee established under the 1996 Treasure Act that there is a severe shortage of professional valuers with both knowledge and credibility to undertake the valuing of archaeological objects.

There is also a very unwelcome tenor to this consultation as it appears to have arisen out of what may be described as 'The Antiquities Roadshow' approach to the past. This is that the financial valuation of a heritage asset is of primary significance. This is contrary, for example, to the current planning process in England which normally sees archaeological collections (archives) being transferred free of charge from developers (as landowners) to museums. We have already seen, however, a circumstance arise where a developer has decided to realise the value of an artefact, in this case a fragment of the tombstone of a Roman soldier from Lancaster, rather than follow normal practice and donate this to the local museum (see *British Archaeology* March/April 2006, page 6). Were the proposals outlined in this discussion paper enacted the Society fears that developers would demand payment from archaeological museums for excavated finds.

Specific

- (a) Notwithstanding the Society's very severe objections about this whole proposal (see above) we do not agree with the definition of heritage assets proposed for financial reporting purposes. We propose the addition of the word 'archaeological' since, strictly speaking, historic only refers to those periods of human existence for which there are written records (the most recent two thousand years). We are also puzzled by the inclusion of the word 'geophysical' which we define as relating to the study of the earth's physical properties and of the physical properties acting upon, above, and within the earth.
- (b) If valuations are to be provided then clearly these should be based on current market values. However, we reiterate our fundamental reservations about the ability of museums to acquire this data.
- (c) Given that we argue that it is impracticable for any museum to obtain valuations of its collections then we are definitely in support of the non-capitalisation approach. We would strongly support the proposal that acquisitions and disposals of heritage assets should be presented separately from income and expenditure (but see our comments under (f)).
- (d) It is very important to remember that the expertise of museum archaeologists lies in **object curatorship not in valuation**. Experience has shown that there are many traps for the unwary in trying to assign value based on limited knowledge of the market. Indeed, in passing, it worth noting that even professional valuers frequently encounter difficulties in valuing archaeological finds for the Treasure Valuation Committee. We therefore have significant reservations about the effectiveness of the proposals in paragraphs 4.8 and 4.9.
- (e) The issue here relates to 'reasonable cost'. All museums, whether in the public sector or not, have experienced continuing and severe difficulties in obtaining sufficient funding for their core activities related to collections care. It is extremely unlikely that there would be any resources available to commission valuations and certainly there should be no question of diverting funds away from the conservation of objects or collections at risk.
- (f) We do not support this proposal because it appears to be based on the premise that museums sell objects from their collections on the open market as a matter of routine. In fact this is not the case as Accredited Museums (under the terms of the Museums Libraries and Archives Council Scheme) wishing to disposal of items from their collections must first offer these items to other Accredited Museums for transfer by exchange, gift or sale (see *Codes of Ethics*, Museums Association 1995). The option of sale in our experience is very rarely used as museums continue to operate in mutually supporting manner. This proposal therefore seems to us to be unnecessary.

- (g) We do not consider it appropriate to report other transactions related specifically to heritage assets in the manner that is proposed. This is because it would be very difficult to value the donation of archaeological objects or collections because of the reasons outlined above. Grants for acquisition are already published by grant-giving organisations, such as The Art Fund and the costs of restoration (we would say conservation) are not in our view relevant.
- (h) From the foregoing it will be clear that the Society does not agree with the proposed disclosure requirements for heritage assets.
- (i) We have no views on this point.

This collection and publication of this information is presumably seen as being in the public interest. What has yet to be demonstrated in our view is whether the public interest is best served by loading extra responsibilities on museums for which they have no expertise and no resources to meet.

Yours sincerely

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