




ANNUAL REVIEW 09



THIS ANNUAL REVIEW CONTAINS A SUMMARY OF THE INSTITUTE'S OBJECTIVES AND AIMS TOGETHER WITH DETAILS OF ACHIEVEMENTS AND FINANCES FOR 2009, AS WELL AS PLANS FOR 2010

ANNUAL REVIEW 2009

OUR VISION

To be recognised as the global leader for professionals involved with the materials cycle.

OUR MISSION

- ▢ To promote the science, design, engineering and technology of materials, minerals and mining and their practical applications
- ▢ To facilitate qualifications, professional recognition and development, and to deliver knowledge, information and networking services to a global membership and wider community

CORPORATE AIMS

- ▢ Increase our membership, our members' and customers' perception of benefits, and their use of our services
- ▢ Improve membership services
- ▢ Promote the importance and relevance of our subject areas and increase our influence
- ▢ Improve productivity, efficiency and communications in all areas
- ▢ Develop the Institute structure to create a more effective team
- ▢ Operate profitably with sufficient reserves to meet at least one year's activities

PUBLIC BENEFIT

The Institute has referred to the guidance contained in the Charity Commission's guidance on public benefit when reviewing its aims and objectives and in planning future activities. In particular the Council consider how planned activities will contribute to the aims and objectives they have set.

OUR PLANS FOR 2009

Council has committed its efforts to the resourcing and delivery of the corporate aims. Our plans for 2009 included

- ▢ Continuing to operate at a surplus despite the difficult economic situation.
- ▢ Successfully organising, in terms of quality and finance, three major international conferences scheduled to take place in the year.
- ▢ Maintaining the growth in membership through both merger and a change of emphasis relating to professional members. Membership growth is important to re-energise Institute activity and to offset the gradual retirement of professional members from the industry.
- ▢ Further development of web content and functionality.
- ▢ Engaging with new social media tools to address the needs of young people.
- ▢ Promoting the use of the Grantham centre to support a range of events and activities of value to the wider materials community.
- ▢ Continuing to support the Materials Knowledge Transfer Network on behalf of the Technology Strategy Board in order to promote the importance and relevance of our subject area.

OUR PERFORMANCE

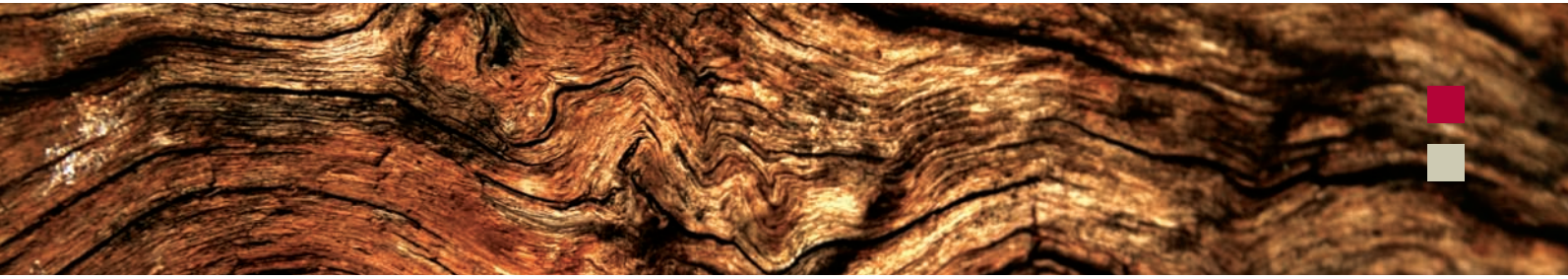
The Institute's financial results were badly affected by the worldwide recession. After many years of operating at a surplus, there was an operating deficit of £279k during 2009. Fortunately, the value of investments recovered after substantial losses in 2008 producing a net investment gain of over £1m. It was disappointing to note the actuarial loss of £500k shown by the FRS 17 valuation. Overall, there was a net surplus for the year of £236k and more details of the results are shown in the summarised financial statement.

Each of the three major conferences planned for 2009 faced a number of problems. It was very clear that the European Rolling Conference

would be unable to attract sufficient delegates to achieve budget, so the event was downsized and moved to 1 Carlton House Terrace. Despite these changes, the event was well received by delegates and showed what could be achieved at the Institute's headquarters. ICCM 17 (International Committee on Composite Materials) was held at the Edinburgh International Conference Centre and was very successful both in terms of attendance and quality of the event. Euromat 2009 was held at the Scottish Exhibition & Conference Centre in Glasgow. The depth of the recession and concerns about swine flu in Scotland had a serious impact on delegate interest. In view of contractual commitments with the venue and the Federation of European Materials Societies, the Institute had no choice but to proceed with the event. Vigorous efforts were put into place to attract more delegates and the Institute was successful in attracting the number of delegates set out in break-even budgets. Unfortunately, other sources of income such as exhibition and sponsorship were not achieved and the event generated a significant deficit. Nevertheless, delegates praised the quality of the conference which was a great success.

The conference team finished the year with another successful event held at 1 Carlton House Terrace. The event, entitled Natural Fibres 2009, was linked to both the UN International Year of Natural Fibres and the launch of the Institute's Natural Materials Association.

It was anticipated at this time last year that the Institute would enter into a merger with the Institute of Wood Science (IWSc). The formal merger did not take place and IWSc remains an independent organisation. However, the parties agreed that in return for taking on the 800 members and operating activities of IWSc, the Institute would provide a range of services to the IWSc members and promote the advancement of all aspects of wood science and technology. A new society called the Wood Technology Society was formed to promote the interests of the former IWSc members. The operating activities taken over include



publishing, a conference event, education, training and awarding body activities.

Whilst overall membership numbers were virtually static year on year, subscription income increased by 5.5% over 2008. Without the introduction of members from IWS, there would have been a fall in membership numbers. The increase in income can be explained by the increase in subscriptions in 2009 coupled by better cash collection. In view of the difficult economic situation and its effect on members, Council decided that subscriptions for 2010 should be maintained at the 2009 levels.

Behind the scenes, continued progress was made on the development of web content and functionality. Online advertising capacity was implemented within the Marketplace, and email alert capability was put into place. The Institute also began to engage with new social networking media tools to take advantage of the opportunities these offer for promotion and for networking.

The Institute was successful in obtaining a further contract to operate the Materials Knowledge Transfer Network for the three years ending 30 June 2012. However, activity was reduced significantly during the year due to uncertainties and delays relating to the new contract and as a result of a reduction in grant income. Although progress was slower than expected in the early stages of the new contract, it is expected that the Institute will be back on course by mid 2010.

The Institute's Grantham centre, the Boilerhouse, was officially launched in July 2009 with a series of events including the Institute's annual general meeting, the premier awards dinner and the Smart Wearables show (part of the Materials Knowledge Transfer Network programme). These events demonstrated the versatility of the new building and have led to growing use of the facilities. Marketing plans are being developed for greater use of the Boilerhouse by the wider materials community.

The Institute's learned journals continued to perform well in 2009 despite the recession. Advertising revenue for our magazines continued to be hit hard and there are doubts that it will fully recover.

Accordingly, plans are being put in place to cut costs without affecting the quality of output. The magazine team has made a major contribution to the production of both our magazines and other activities of the Institute. In fact, the Institute has a very versatile team that has made a positive impact to all of our activities.

SOCIAL NETWORKING

The Institute has increasingly embraced social networking with presences on Twitter, Facebook and LinkedIn. Twitter is a high-profile service in which users broadcast short updates or 'tweets' telling their followers what's happening. The Institute 'tweets' articles from Materials World and its other publications, its corporate news and updates on conferences and other activities, on a daily basis (see <http://twitter.com/iom3>).

Facebook is a massively popular international social networking service, also offering a status update and news feed feature similar to Twitter, but adding many more services such as groups, photo and video-sharing. The Institute has both a "group" which Facebook users can join and a "page" where users can access daily updates (see <http://tinyurl.com/iom3facebookpage>). Facebook has an informal feel, whereas LinkedIn is a long-established professional networking service which enables users to connect with existing and new friends, colleagues and companies in order to promote their business, find work or an employee.

The Institute has a presence in the form of a "LinkedIn group" which users interested in the Institute and its activities can join, where they can post topics for discussion and link with other professionals in IOM3-related sectors. The Institute's team post regularly to this group about Institute events and member benefits (see <http://tinyurl.com/iom3linkedin>).

LOOKING FORWARD TO 2010

Our plans over the next twenty months will be centred on returning to the operating performance achieved prior to 2009. This will involve improving performance from all of our income generating and charitable trading activities as well as a reduction in overheads. Particular importance will be placed on controlling costs within the Materials Information Service and eliminating losses on Starpack activities. Building on the successful launch in 2009, use of the Grantham Boilerhouse will continue to be promoted. The conference programme will be much reduced and the team will add support to government funded projects. As part of the Institute's plans to increase visibility overseas, the pan-Institute conference event, Materials Congress, is planned for Kuala Lumpur in September 2010. This is the first time that this biannual event has been held outside the UK and will be run in conjunction with affiliated societies based in Malaysia.

We aim to increase membership through merger and organic growth. An improved package has been developed to attract more members and non-members to become fellows of the Institute and this will be launched in 2010.

Continuing web development will provide members with greater knowledge resources and better facilities to record continuing professional development. In March this year, the Institute entered into a joint venture with the Institution of Design Engineers and the Chartered Society of Designers. Called the Design Pool, this aims to enable younger members of the three organisations involved in design and technology to share knowledge and benefits offered by those organisations.

A review of the Institute's governance and structure is planned for completion in 2010.



SUMMARISED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL ACTIVITIES

	2009 £'000	2008 £'000
INCOMING RESOURCES		
Membership and related activities	1,371	1,364
Charitable trading activities	4,221	4,104
Voluntary income	2	122
Activities for generating funds	503	507
Investment income	377	514
TOTAL INCOMING RESOURCES	6,474	6,611
RESOURCES EXPENDED		
Membership and related activities	2,218	2,247
Charitable trading activities	3,903	3,501
Activities for generating funds	461	507
Investment management costs	26	34
Governance costs	145	145
TOTAL RESOURCES EXPENDED	6,753	6,434
NET (OUTGOING)/INCOMING RESOURCES	(279)	177
OTHER RECOGNISED GAINS/(LOSSES)		
On investment assets	1,042	(2,168)
Defined benefit pension scheme	(527)	8
NET MOVEMENTS IN FUNDS	236	(1,983)
Total funds brought forward	8,992	10,975
Total funds carried forward	9,228	8,992
BALANCE SHEET		
Tangible assets	3,349	2,890
Investments	7,786	6,744
Net current (liabilities)/assets	(1,427)	(604)
Pension scheme liabilities	(480)	(38)
NET ASSETS	9,228	8,992
RESTRICTED FUNDS	1,698	1,579
UNRESTRICTED FUNDS		
Designated funds	3,631	3,183
General fund	3,899	4,230
	9,228	8,992

The financial statement has been extracted from the full statutory financial statements of the Institute of Materials, Minerals and Mining and may not contain sufficient information to allow for a full understanding of the financial affairs of the Institute.

The full annual report and financial statements have been subjected to an external audit and the audit report thereon was unqualified. Council approved the full annual report and financial statements of the Institute of Materials, Minerals and Mining on 29 April 2010 and these will be filed with the Charity Commission after the Annual General Meeting.

CASH FLOW STATEMENT

	2009 £'000	2008 £'000
Operating activities	(424)	475
Interest and dividends received	355	424
Sales of investments	–	90
Capital expenditure	(680)	(1,710)
DECREASE IN CASH	(749)	(721)
NOTES		
CHARITABLE TRADING ACTIVITIES		
<i>TURNOVER</i>		
Publishing	1,242	1,345
Conferences	1,239	612
Information services	1,421	1,740
Technology awards	115	168
Training services	204	239
	4,221	4,104
<i>COSTS</i>		
Publishing	647	734
Conferences	1,323	678
Information services	1,559	1,627
Technology awards	161	265
Training services	213	197
	3,903	3,501
NET CONTRIBUTION	318	603
RESOURCES EXPENDED		
Direct costs	3,560	3,299
Employment costs	2,200	2,231
Establishment costs	721	663
Administration costs	272	241
	6,753	6,434
NET CURRENT (LIABILITIES)/ASSETS		
Stocks	46	194
Debtors	1,020	860
Bank balances	–	83
Current assets	1,066	1,137
Creditors	(1,806)	(1,219)
Advance receipts	(687)	(522)
	(1,427)	(604)

A copy of the Institute's full annual report and financial statements will be available on the Institute website at www.iom3.org/annual-reviews and can be obtained by contacting

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Copies will be distributed to members attending the AGM on 6 July 2010.

Signed on behalf of Council by Mr BD Lye and Dr MJ May on 29 April 2010.

INDEPENDANT AUDITORS STATEMENT TO THE TRUSTEES OF THE INSTITUTE OF MATERIALS, MINERALS AND MINING CHARITY

We have examined the summarised financial statements set out here.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The trustees are responsible for preparing the summarised financial statements in accordance with the recommendations of the charities SORP.

Our responsibility is to report to you our opinion on the consistency of the summarised financial statements within the Annual Review with the full annual financial statements and its compliance with the relevant requirements of the charities SORP.

We also read the other information contained in the Annual Review and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summarised financial statements.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2008/3 "The auditors' statement on the summary financial statement" issued by the Auditing Practices Board. Our report on the charity's full annual financial statements describes the basis of our audit opinion on those statements.

OPINION

In our opinion the summarised financial statements are consistent with the full financial statements and the trustees' annual report of The Institute of Materials Minerals and Mining charity for the year ended 31 December 2009 and comply with the recommendations of the charities SORP.

BAKER TILLY UK AUDIT LLP

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20 May 2010