



ANNUAL REPORT AND FINANCIAL STATEMENTS 2013



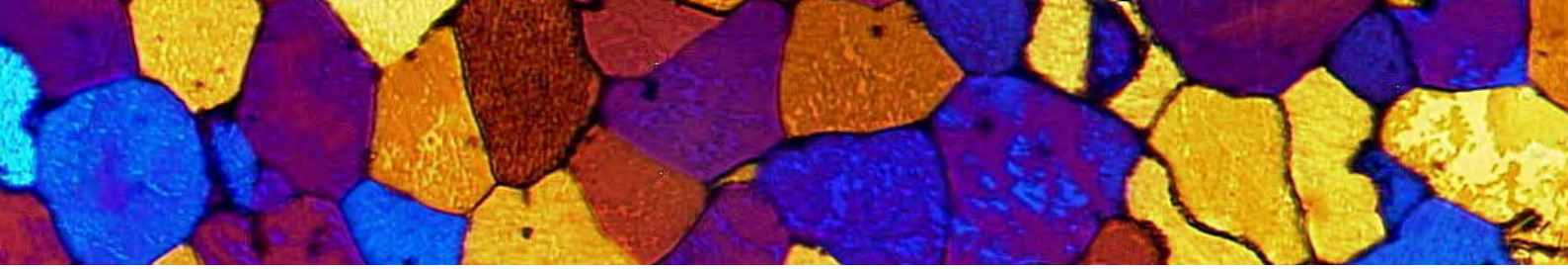
THE INSTITUTE OF MATERIALS,
MINERALS AND MINING

CHARITY REGISTRATION NO: 269275



The Institute of Materials,
Minerals and Mining

The global network for the materials cycle



The Institute of Materials,
Minerals and Mining

The principal office of the Institute is 1 Carlton House Terrace, London SW1Y 5DB.

t. 020 7451 7300 • www.iom3.org

The Institute of Materials Minerals and Mining (IOM3) is a registered charity with registration number 269275.

ANNUAL REPORT AND FINANCIAL STATEMENTS 2013

INTRODUCTION

The Institute is a professional body seeking to promote all aspects of the science, engineering and technology of materials, minerals and mining through its members for the benefit of mankind. The trustees, who are duly elected members of Council, are pleased to present their annual report together with the financial statements of the Institute for the year ended 31 December 2013.

The annual report and financial statements have been prepared in accordance with the provisions of 'Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005)'.

VISION

Our vision is to be recognised as the global leader for professionals involved with the materials cycle.

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.

PUBLIC BENEFIT

Materials form an integral and important part of all our lives. The materials cycle covers the exploration and extraction of raw materials from the earth, processing them into industrial/engineered materials, application of these materials, recycling of waste and the ultimate disposal of waste in an environmentally friendly way. It is more important than ever that the scientists, engineers and technologists involved in the materials cycle are qualified and experienced to make the best use of materials in terms of economics, efficiency and sustainability for the benefit of the public. The objectives and activities of the Institute (see page 18) have been designed to support the wider materials, minerals and mining community together with government and other interested parties to achieve these ideals.

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

Featured image: *As-cast wrought-grade aluminium alloy showing fine, equiaxed grain structure.* © Department of Materials Science and Metallurgy, University of Cambridge

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TRUSTEES' REPORT

AN OVERVIEW JON BINNER, PRESIDENT

2013 IN REVIEW

As I look back over 2013, my first year in office, it is difficult to believe that as I write this I am already over half way through my term. I have enjoyed the opportunities that have come about as a result of my presidency to meet members across the UK and overseas. I have been impressed by the dedication and enthusiasm of our members at the grass roots and am still finding out about the astounding breadth of our activities across so many materials and mining-related disciplines.

During 2013, we have been implementing plans to increase membership. We must ensure that our offering is what people want and need at the start of the 21st century. Clear value statements have been developed and feedback is currently being sought. We have also membership internationally; 20% of our membership are now based outside the UK.

In terms of finances, we continue to strive to develop new sources of income consistent with our Charter and outreach to other communities. As one example, the Institute has developed Signature Materials, an innovative new approach to tackling the ever-growing problem of metal theft. By providing a unique metal signature, together with an accessible national register, we believe that we have a solution to a crime that costs the UK economy an estimated £0.75 bn a year.

The plans for Governance change that were overwhelmingly approved by the membership at the EGM in 2012 have still to achieve final approval. Elections for the new structure are already completed so that all of the necessary individuals are in place ready for the new structure to come into existence, which we look forward to in the near future.

OTHER TOPICS

Personal highlights of 2013 have included awarding of medals and prizes to many deserving individuals. We have two awards ceremonies per year and each is a truly inspirational occasion. The opportunity to visit Buckingham Palace in November last year to present HRH Prince Philip with the Bessemer Medal was one that I will treasure. The Prince does a tremendous amount behind the scenes and has always been a strong supporter of our Institute, taking a very real interest in the development of technology. I also had the opportunity to visit Hong Kong at the end of October for the final of the Young Persons' World Lecture Competition. Every competitor performed extremely well and their countries should be justifiably proud of them; they certainly made it difficult for the judges to pick a winner. The trip also included visits for the finalists to a number of major engineering projects and I believe that they all had a tremendous experience.

I would personally like to thank all of the IOM3 staff and the many volunteers from the membership for their hard work and I am looking forward to what the final year of my presidency brings.



Jon Binner presenting the Bessemer Medal to HRH Prince Philip



Jon Binner (far right) in Hong Kong with participants in the Young Persons' World Lecture Competition

REVIEW OF 2013 BERNIE RICKINSON, CHIEF EXECUTIVE

CORPORATE AIMS

Our strategic plan contains the following corporate aims:

- Increase the membership and the retention of members
- Promote the importance and relevance of our subject areas and increase our influence
- Improve membership services in extent, quality and perception
- Operate at a surplus with sufficient reserves to meet at least one year's activities.

OUR PLANS FOR 2013

- Ensure that the membership development programme is successfully implemented
- Develop a strategy to ensure a viable conference programme for future years
- Upgrade our website and computer systems as well as introducing mechanisms to reduce meeting costs
- Continue our work on the prevention of metal theft and assist in its introduction to the marketplace.

OUR ACHIEVEMENTS IN 2013

The occasion of the bicentenary year of Sir Henry Bessemer provided IOM3 with opportunities to stage a series of events to commemorate the father of steelmaking and raise the profile of IOM3.

During the year we commenced a major project to upgrade the IOM3 website, starting with a consultation phase involving staff and members, and developing a detailed specification to provide a modern site with improved functionality to allow IOM3 to deliver online member services and cater for the needs of our communities.

A highly successful 9th Young Persons' World Lecture Competition was organised in Hong Kong. The next event will be in California where IOM3 is also discussing opportunities to form a student forum and to accredit courses.

The conference team organised successful events on Safety in Mines, Adhesion, Clay Technology and the Bessemer bicentenary. Major efforts were also put into forward planning for the large events taking place in 2014 including PVC.

Video conferencing facilities were introduced in the London and Grantham offices – these are already bearing fruit in terms of time savings for staff and volunteers as well as cost savings on travel. This involved a reorganisation of the office space in London.

A tripartite licence review by the Engineering Council, Science Council and Council for the Environment resulted in the renewal of the IOM3



licence for registration with these bodies for a further five years, with very positive feedback for our internal processes.

The changes announced by the Technology Strategy Board to the management of the groups of the Knowledge Transfer Network caused significant uncertainty during the year, as this is a major area of activity for IOM3.

The Schools Affiliate Scheme has developed well with its online membership, effectively doubling in size to more than 650 members.

Our Women in Materials group, formed in 2012, held two successful events in 2013. The group is helping to raise the profile of women in materials and IOM3 is concerned that women are fairly represented within our organisation and supported in their careers. Presently women members amount for almost 12% of total membership, a significantly larger fraction than in most other professional science and engineering bodies.

Following the acceptance of the Governance Review in 2012, we commenced the election processes for members of the new Advisory Council and plans are in place for the new structure to be implemented in 2014.

OUR PLANS FOR 2014

- Review our knowledge exchange activities in the light of the reorganisation of the Knowledge Transfer Networks.
- Develop and implement membership offerings and services to enhance our activities in specific grades of membership such as Industry Affiliate and Technician grades of membership.
- Continue to implement new technology and streamline our processes to deliver our products and services more efficiently and in a way that is relevant to members in the 21st century – to include launch of the new website and mobile apps, among others.
- Continue to develop membership outside of the UK with particular emphasis towards younger members.
- Extend the development of new income streams and take steps to reduce the overhead costs of the organisation.

TRUSTEES' REPORT

HIGHLIGHTS OF 2013

A summary of our objectives and activities is given on page 18. The following pages describe some highlights during 2013 of the broad range of activities and initiatives undertaken by IOM3 in pursuing its objectives and supporting its members.

Council is grateful to all those members who give their time and expertise freely in furthering the aims of the Institute and appreciates the valuable contribution made by staff.

MEMBERSHIP

2013 saw significant consolidation and planning by the Membership team in addition to the routine business of servicing the professional requirements of the members. A member value proposition for all grades was collated and used in recruitment and retention activities with great success (available as a downloadable interactive spreadsheet from www.iom3.org/membership). The Managing Board approved a membership growth strategy that brings together the threads from previous work as well as introducing a significant number of new interventions. This strategy is to be implemented in the first quarter of 2014, commencing work on the longer-term objective of seeing individual membership rise to 20,000 by 2020.

The IOM3 Women in Materials group held its first event in April 2013 in support of networking and mentoring for female members. The programme was put together following a survey of all female members to discover their preferred activities. It was a very successful day and was followed by a second event in Sheffield in November. Only 3% of Fellows are women, compared to 13% of the overall membership – work is ongoing to increase the number of women Fellows. The group also contributed to the UK Government Science and Technology Committee enquiry into Women in STEM Careers in August 2013.

PROMOTION AND SOCIAL MEDIA

Promotional activity emanating from the Communications team was enhanced with the appointment of a new Communications Manager at the beginning of 2012. Contacts with national, trade and regional media were further developed in 2013 to include *The Daily Telegraph* and *Steel Times*. A partnership with the *Packaging Gazette* has led to greater coverage of the Starpack Awards, and a similar partnership between the PVC 2014 and *British Plastics and Rubber* magazine has also been successful in providing increased promotion of the event.

IOM3 social media presence increased to more than 2,000 Twitter followers, 1,100 Facebook fans and 5,500 LinkedIn Group members. The latter receive a regular weekly newsletter promoting IOM3 events, activities and services. The LinkedIn newsletter has served to further promote events, jobs and magazine coverage with an average click through rate of 10%. A separate newsletter for the PVC 2014 event was launched and has had a steady increase of followers who receive targeted updates. Our social media activity



BESSEMER BICENTENARY

2013 marked the bicentenary of Sir Henry Bessemer and IOM3 took the opportunity to celebrate the father of the steel industry in a series of events.

In January, *Materials World* ran a special feature highlighting the achievements that have led us to celebrate Bessemer 200 years on. Also in January, IOM3 hosted the New Fellows' lunch, with Paul Bessemer, a descendant of Sir Henry Bessemer, in attendance. On 9 July, Kenneth Mills was presented with the Bessemer Gold Medal at the IOM3 Premier Awards and Prizes dinner.

As a special gesture in this bicentenary year, the Bessemer Gold Award was presented once again on 26 November. This time, the recipient was HRH The Duke of Edinburgh. IOM3 President Jon Binner and Past President Jan Lewis went to Buckingham Palace to present the honour.

In November, Kenneth Mills presented the Bessemer Lecture at 1 Carlton House Terrace, which followed a masterclass in Bessemer's honour. Also in November, a lunchtime talk was held at the Royal Society, London, presented by IOM3 Fellow Chris Elliot. There was a full house for the lecture, entitled 'Sir Henry Bessemer FRS: A Life and a Legacy.'

A Bessemer exhibition was curated at 1 Carlton House Terrace, which remained in place until late November and was enjoyed by many visitors to the Institute. The book *Sir Henry Bessemer: Father of the Steel Industry* was reprinted in 2013.

Special thanks go to Hilda Kaune, Information Advisor in Materials at IOM3, for co-ordinating many of these events and helping make Sir Henry Bessemer's bicentenary a year to remember. For full details of all events that took place in 2013, visit www.iom3.org/heritage-collection

LOCAL SOCIETIES



SPRA Fantastic Plastic

Over four days in the first week of September, Professor Averil Macdonald (above) toured Scotland to deliver her lecture, Fantastic Plastic – or How to Make Your First £1m, to almost 2,300 pupils and teachers from 50 schools with eight performances at six venues. This may be the largest schools activity ever undertaken by IOM3 and any of its affiliated societies, and it is certainly the biggest thing the Scottish Plastics and Rubber Association (SPRA) has ever done.

Local society affairs board

Active members of the Institute's local societies gathered at the University of Manchester on 17 April for the Local Affairs Forum to discuss the future of the societies and the improvements needed to sustain and gain members.



is thus continuing to increase and to bear fruit in terms of greater engagement of members and non-members alike.

In 2013, the activities of the External Affairs Group to promote IOM3 as a source of information on materials and mining to the media, government and general public were reviewed and work will continue in 2014.

Work on the major project to redevelop the IOM3 website continued throughout 2013, commencing with a review phase involving member and staff workshops, followed by a specification phase which was completed in the autumn of 2013. The website is currently under construction and is due to launch in 2014. A steering group formed of representatives of boards, divisions, younger members and staff has provided guidance for the duration of the project. Key features of the new site include a more contemporary design, online joining for non-professional grades, clearer navigation and more interactive elements for an enhanced user experience.

REGIONAL AND INTERNATIONAL AFFAIRS

International activity in 2013 extended further to substantiate the links created in 2012. Highlights include the first meeting of IOM3 members in Dubai and the 2nd International Affairs Forum held in Hong Kong. The International Affairs Forum was held during the Young Persons' World Lecture Competition week, and representatives from eight countries discussed the ways in which IOM3 can re-establish relations with its Younger Members, and how to strengthen links in both the east and west coast in the United States.

As part of the increased activity to build links in the US, Martha McDonald from the University of Florida in Gainesville was appointed as an IOM3 representative to set up a local Student Forum. A communications strategy is planned to roll out in 2014 in the run up to the Young Persons' World Lecture Competition, which will be held in California.

International societies were also encouraged to submit stories to IOM3 News to publicise activities abroad and as a result were featured regularly in IOM3 member magazines throughout 2013.

EDUCATION

The Schools Affiliate Scheme (SAS) continued to grow throughout 2013 and has now reached over 700 members. The pilot 'Can You Make It?' project ran successfully and the project has now been launched nationwide for primary teachers.

The summer of 2013 saw a first student placement for SAS. An undergraduate from Manchester University joined the team for 10 weeks to develop a series of interactive games on materials topics for 7-13 year olds.

In 2014 the Schools Affiliate Scheme will be opened up to primary teachers so that they too can access resources to support their teaching. We will continue to develop and strengthen our links with local societies, divisions and industry by offering assistance in setting up and delivering outreach activities.

TRUSTEES' REPORT

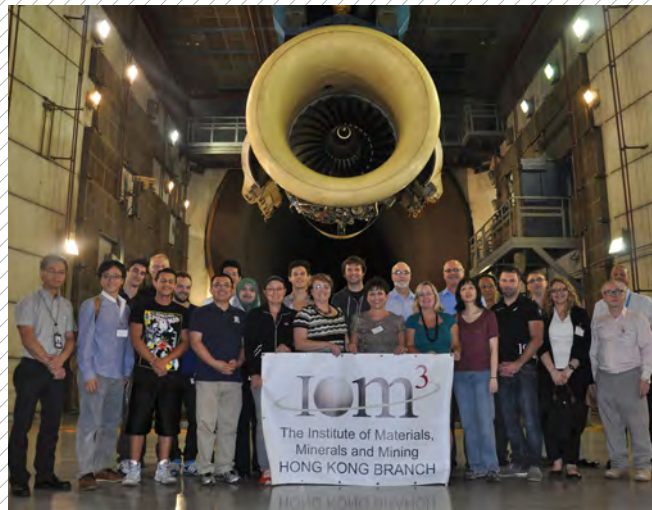
YOUNGER MEMBERS



In April 2013, the Young Persons' Lecture Competition was held at the Armourers and Brasiers' Company in London. Adam Brown, representing the Midlands, won with his lecture 'Exploring the Use of Synchrotron X-ray Scattering Methods to Detect Heterogeneous Nucleation'.



The 2013 repeat of the YMC picture-based Matopoly treasure hunt was a success and took participants on a tour of the city of London.



In October, finalists of the Young Persons' World Lecture Competition travelled to Hong Kong for International Week and the final of the competition. Cornelis van Niekerk from the University of Pretoria, South Africa, won the 2013 Young Persons' World Lecture Competition with his presentation entitled 'Novel Technique for In-Situ Laser Alloying of AISI 410L Stainless Steel with Nitrogen During Laser Cladding'. Cornelis was one of the nine candidates representing Brazil, USA, Hong Kong, Ireland, Malaysia, Singapore, South Africa and the UK.

The finalists were hosted for five days in Hong Kong and attended a series of visits at the Eco Park and the Hong Kong Polytechnic University, followed by a junk trip around the harbour and dinner on Lamma Island. They were given a private tour of the MTRC metro 1001 and 904 sites, and the Rolls-Royce HAESL facilities. The event was sponsored by CBMM with support from Rolls-Royce.



In December the Younger Members' Committee arranged the third Research and Innovation Conference in Loughborough. Technical presentations were made in the morning sessions and in the afternoon, industry experts presented value career tips and advice.

PUBLICATIONS

The independently-run *Materials World* reader survey showed the highest satisfaction ratings for our flagship member magazine in more than a decade. The magazine team's digital strategy for *Materials World* has resulted in 2013 seeing as many people following the magazine through social media as through print, widening the reach of our content, and a 23% year-on-year increase in the web traffic to the *Materials World* microsite and online content.

Four of the seven magazine team members have been shortlisted for professional awards – Melanie Rutherford and Eoin Redahan for Writer of the Year, Louise Kittle for Editor of the Year and Rachel Lawler for New Business Journalist of the Year, all through the Professional Publisher's Association, showing the continued drive in journalistic standards within the team.

In 2014, we intend to launch an app for *Materials World* to continue reaching new audiences and improving the offering for existing readers. Our digital strategy now moves to phase II, focusing on translating our circa 14,500 followers on social media into website traffic to the IOM3 website.

IOM3 journals and selected other materials journals are available to IOM3 members via Maney Online (this changed from IngentaConnect on 20 December 2013). Two new editors have been appointed for *Applied Earth Science*; Dr Simon Jowitt from Monash University and Dr Marat Abzalov from Rio Tinto Exploration. Their expert knowledge should help build the journal's profile.

CONFERENCES

2013 was a quieter than average year for IOM3 conferences, but the Events team delivered 25 events on behalf of the Materials KTN. The year also saw the culmination of the Steel Strategy series of seminars – five events aiming to broaden the understanding of managers and graduates by addressing a range of topics that affect management decisions in the steel industry. Topics covered included environmental legislation, globalisation, product focus and technology.

The Institute's technical divisions were successful in initiating a number of events during the year:

The Particulate Engineering Committee and Surface Engineering Division worked together to produce 'Particulate Materials for Energy Applications' in May, with the support of the Institution of Mechanical Engineers.

In September the biennial Adhesion conference was once again well supported, and plans are already under way to host Euradh in 2016.

IOM3 hosted the 35th Safety in Mines Research Institutes conference in October on behalf of the Mining Technology Division. This event enjoyed great support from sponsors and an attendance in excess of target.

It was another successful year for the Ceramics Division and ICTa, with growing sponsorship support for ClayTech UK in November.

The renamed Advanced Sheet Metal Forming Committee and Bulk Metal Forming Committee were launched at the 'Formed in the UK' event at International Digital Lab, Warwick, in December.

We are looking forward to a successful year in 2014, with large events including PVC 2014, RubberCon, European Steel Environment and Energy Congress (ESEC 2014) and OPTIMoM among others.

INFORMATION SERVICES

2013 saw a continuing use of contacts made to the Materials Information Service (MIS) via the IOM3 website, with a particular increase in enquiries received from outside the UK. The MIS provides technical help and information to personal members, corporate members and the general public. The MIS team continued to support the Materials Knowledge Transfer Network during the year and is also involved in a number of projects funded by the European Commission. The IMMAGE (Information on Mining, Metallurgy and Geological Exploration) database continues to be produced by IOM3 and is highly appreciated by members, subscribers and researchers across the globe.

Throughout 2013, the MIS team increased its support for the Technical Groups within IOM3 – these provide a forum for cross-sectorial co-operation and integration. The team is also heavily involved in the Signature Materials project to establish technological solutions to metal theft in the UK and beyond. The Signature Materials project accelerated in 2013, with new contracts across the UK. Lord Taylor of Holbeach met Dr Bernie Rickinson, IOM3 Chief Executive at Northampton Guildhall to talk about the Signature Materials project and view the markings on the Guildhall roof.

The project also worked in collaborations with Electricity North West and Greater Manchester Police on an initial 16-week trial which began in April 2013. The trial was the first of its kind to be carried out by any DNO (Distribution Network Operator) and is hoped to have a significant impact on the costly crime of copper theft. It was later extended and the team celebrated marking the 1000th substation.

Dr Bernie Rickinson was invited to talk at the Royal Academy of Engineering event 'Innovation in Materials' where he presented a case study of the Signature Materials project. Further contracts are now in place and the project promises to develop throughout 2014.

MIS engaged three students from Pimlico Academy during the year - one worked on a waste and energy project, and two on an anti-theft design for mobile phones in conjunction with the Home Office 'Designing out Crime' Team. A materials science graduate from The University of Cambridge has been working at IOM3 on various projects including Signature Materials.

New websites were created and launched for Signature Materials and UK Tribology activities. The Institute has continued to work on The Packaging Hub website in partnership with WRAP. The website was launched at the Easyfairs Packaging Innovations event at the NEC in February 2013 and has over 360 published resources relating to packaging.

TRUSTEES' REPORT

TECHNICAL COMMUNITIES

IOM3 has 17 technical divisions, societies and associations that act as special interest groups, forming a focus for activities for specific sectors, as well as cross disciplinary groups and numerous specialist committees within the divisions.

In 2013, the Materials Science and Technology Division formed two new committees to deliver the Division's programme:

- The Bulk Metal Forming Committee (BMC) was formed in 2013 and focuses on technologies required to produce billet, plate, sheet, and bar, such as forging, rolling and extrusion.
- The Advanced Sheet Metal Forming Committee (ASFC) was also formed in 2013 by broadening the remit of the Superplasticity Committee to embrace other sheet metal forming processes. Its focus is high-end processes such as superplastic forming, hot/warm forming, stretch forming, rubber pad forming, deep drawing and hydroforming.

School pupils test the properties of wood at one of the Wood Technology Society's schools events



Natural Materials Association launch

On 19 November, 1 Carlton House Terrace, London, played host to the Natural Materials Association (NMA)'s official launch. The association is the first UK body to recognise the breadth of natural materials and aims to bridge the gap between materials scientists, product designers and those in education.

Wood Technology Society

Wood awareness activities and promotion of employment opportunities within the wood industry were provided to pupils and teachers at a number of venues through 2013 by members of the Wood Technology Society Board. A remarkable array of visual aids enraptured audiences.

The Polymer Society

One of the Polymer Society Board Meetings in 2013 was held online via Adobe Connect resulting in a higher participation rate and a reduction in travel costs. For 2014 there is a New Educational Initiative with The Royal Institute of British Architects (RIBA), which will focus on getting the polymers message out to architecture students whereby IOM3 will support the RIBA Lecture Series on 'Design through Production' visiting 11 Universities/Colleges.

Divisional Brochures

Promotional activities to raise the profile of the IOM3 technical communities include the production of colour brochures with an outline of divisional activities and benefits of IOM3 membership. 15 brochures have been produced to date, illustrating the breadth and depth of IOM3 activities.

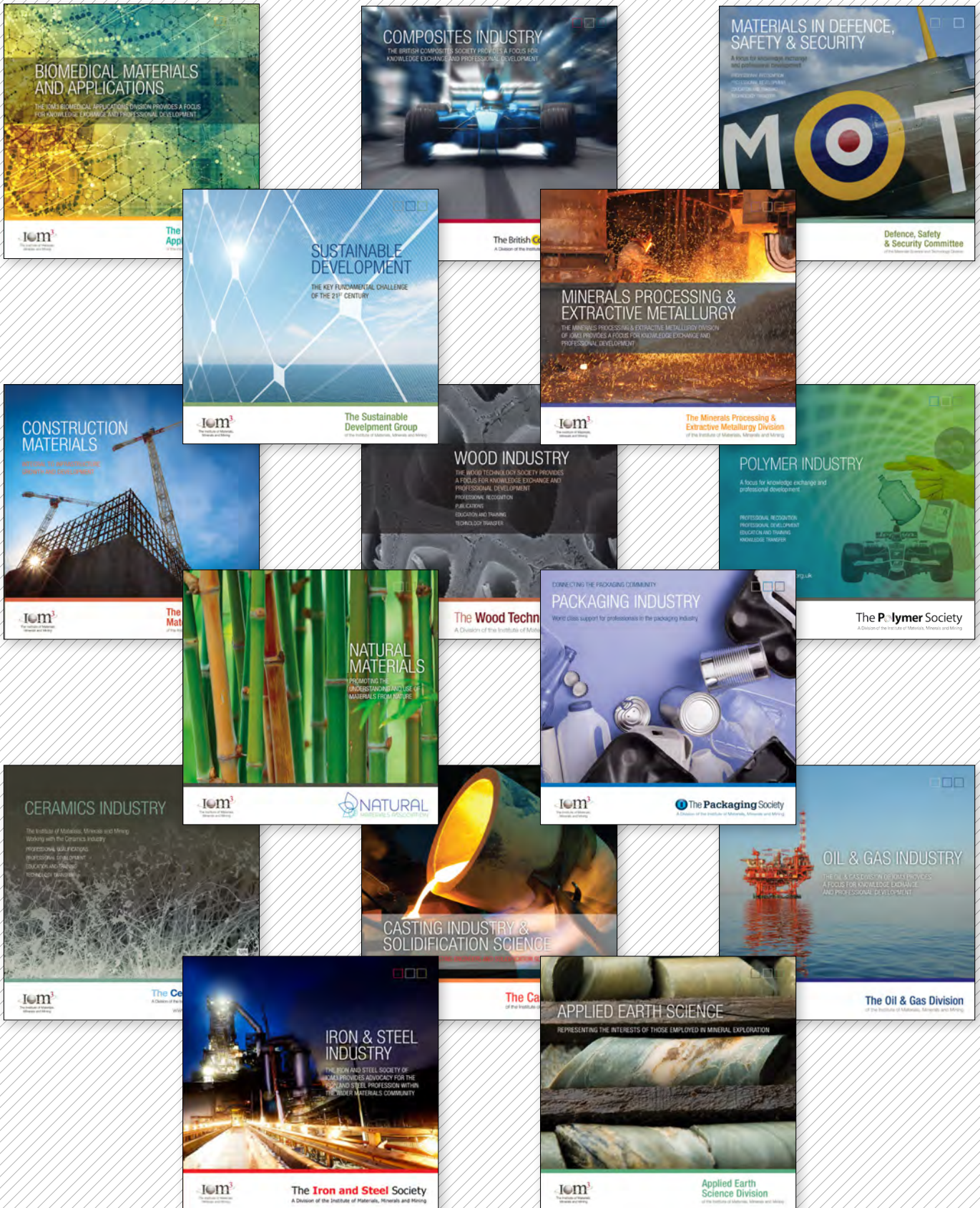


Angela Morris at the Natural Materials Association launch



The IOM3 Casting Division was relaunched in April at the Light Metals Technology Workshop at Brunel University. The Division is now co-chaired by Professors Paul Withey and Zhongyun Fan (holding plaque)

TRUSTEES' REPORT



TRUSTEES' REPORT

WOMEN IN MATERIALS

Sixty women from the materials industry and academia gathered at the Institute's London headquarters in April for the inaugural event of the IOM3 Women in Materials group.

The event theme of mentoring and education was the result of a survey conducted in 2012, in which women expressed a growing need for materials-based education and mentoring. A second event took place in Sheffield in November, with more planned for 2014.

During 2013, the group submitted written evidence to the Commons Select Committee Science and Technology Committee enquiry into Women in STEM Careers.



INTERNATIONAL RELATIONS

In June, the Institute welcomed a group of mining engineers from Polymetal in St Petersburg, Russia. Their two-day visit involved professional review interviews for ten of their engineers to gain professional member status of IOM3, for the purposes of Minerals Resource and Reserve Reporting, in addition to a Masterclass on the Committee for Mineral Reserves International Reporting Standards (CRIRSCO) given by Dr Steve Henley.



STARPACK

Student and Industry winners gathered at IOM3 head office in London in July for the Starpack Awards 2013 ceremony. Guests enjoyed a champagne reception, followed by an inspiring talk from Mark Shayler, Director of Tickety Boo, who presented 'Packaging in a Circular Economy: What is it and Will it Make a Difference?'. The Schools Award ceremony was held earlier in the day.

IOM3 once again won the contract to administer the WorldStar Awards for a further three years. A great achievement for the UK Starpack Industry Award winners was taking 13 WorldStar Awards out of the 14 entered.

TRAINING

IOM3 Training Academy is fast becoming a strong and recognised brand. The Training Academy continues to expand and adapt its offering to suit the market. In 2014 there will be CPD days offered as accompaniments to ongoing courses and as standalone events.

There were a record number of graduates on the audited CPD course for quarry managers and responsible persons, with 23 certificates being awarded for the 2012/13 term. Participation is growing every year. A refresher day on health and safety to complement the CPD scheme will be available in 2014.

The Level 2 and 3 Technical Certificate in Clay Building Products once again ran in tandem, with induction and mock exam days being held on location at clay building product factories. There are also plans to run a taught session alongside the courses in 2014 and, if successful, to incorporate it into the course for 2015.

The newly QCF accredited Level 2 Award in Timber and Panel products was launched with 20 registrations. Other providers are also using the textbook produced by IOM3 Training Academy.

MARKETING

The Sales and Marketing team delivered a solid performance in magazine advertising revenue in 2013 and generated almost £6k of unbudgeted journal advertising revenue, as well as significant conference sponsorship revenue for PVC 2014 and RubberCon. Journal advertising revenue will be further developed in 2014. It is planned that the new website (due to launch during 2014) will begin to generate significant online promotional revenue. The team will be focusing on the creation of an increased number of bespoke commercial proposals that encompass the breadth of promotional opportunities available to reach IOM3 members.

Significant effort in 2013 was put into reviewing the benefits offered to companies through the Institute's Industry Affiliate Scheme. IAS was relaunched at the end of January 2014 and will be promoted as a scheme which provides a partnership between IOM3 and industry, not only in facilitating access to independent materials advice, but also as a means of supporting professional qualifications, training and career development for staff.

MEDALS AND PRIZES 2013

The Institute's medals and prizes are awarded for outstanding contributions to science, technology and management in the field of materials, minerals and mining. The premier and other awards made throughout the year were:

PREMIER AWARDS

Bessemer Gold Medal	Professor Kenneth Mills and HRH The Duke of Edinburgh
Platinum Medal	Sir Colin Humphreys
Silver Medal	Ms Sarah Haigh
Sir Andrew Bryan Medal	Mr Christopher Hallas
Chapman Medal	Dr Geoffrey Andrews
Futers Gold Medal	Mr Philip Gray
Gold Medal	Luxfer PLC
Griffith Medal/Prize	Dr Robert Broomfield
Sir Colin Humphreys Education Award	Mr Mark Rogers and Mr Warren Dransfield-Scott, King Edward VI High School
Institute's International Medal	Mr Patrick Doig

PERSONAL ACHIEVEMENT AWARDS

Outstanding Contribution Award	Dr David Gooch Mr Stuart Patrick Mr Keith Barnes
Outstanding Service Awards	Dr David Gooch Mr Stuart Patrick Mr Keith Barnes
Tom Colclough Medal and Prize	Eurlng Norman Cooper
Colwyn Medal	Professor Mark Warner
Dowding Medal and Prize	Mr Michael Clark
Frank Fitzgerald Medal and Travel Grant	Mr Liam James Booth

Grunfeld Memorial Award and Medal	Professor Michael Preuss
Hadfield Medal and Prize	Mr David Howarth
Leslie Holliday Prize	Mr Ebrahim Ghavam-Shahidi
Hume Rothery Prize	Dr Andrew Watson
Ivor Jenkins Medal	Dr Mark Hardy
Kroll Medal and Prize	Dr Karin Hing
T B Marsden Professional Medal	Mr Frank Wild
Rosenhain Medal and Prize	Professor Ian Kinloch
Rowbotham Medal	Mr Emeka Ikwueze
Thomas Medal and Prize	Mr John Charles Twiselton
Thornton Medal	Major Peter Norton
Verulam Medal and Prize	Professor Paolo Colombo

PUBLICATION AWARDS

Alan Glanvill Award	G Tosello, F Marinello, and H N Hansen
Guy Bengough Award	S M Ghahari, D P Krouse, N J Laycock, T Rayment, C Padovani, T Suter, R Mokso, F Marone, M Stampanoni, M Monir and A J Davenport
Billiton Gold Medal	Y B Gao, H G Kim and H Y Son
Composite Award	A Jumahat, C Soutis, F R Jones and A Hodzic
Cook/Ablett Award	L M Brown
Douglas Hay Medal	E T Brown
Mann Redmayne Award	S M Jowitt and R R Keays
Materials World Medal	Professor George Smith and Dr Emile S Greenhalgh
Pfeil Award	R Chaim, R Marder, C Estourne's and Z Shen



Steven Clark and Richard Nainby receiving their Technician of the Year Awards from Past President Jan Lewis



Daniel Williams of Blackpool and The Fylde College receiving the Starpack Student Gold Award and DS Smith Sponsored Award from Peter Redfearn (representing the sponsors)

TRUSTEES' REPORT



Premier Award winners on board HQS Wellington at the IOM3 awards ceremony in July

James S Walker Award
STWJ Best Paper Award

Wardell Armstrong Prize
Williams Award

OTHER AWARDS

Royal Charter Prize
R H Craven Award
A T Green Award
Technician of the Year:
National Award
National Award
National Lecture Competition
Young Persons' World
Lecture Competition

JOINT AWARDS

Beilby Medal & Prize
Harvey Flower Titanium Prize 2012
(retrospective)
Charles Hatchett Award

Vanadium Award 2012
(retrospective)

Ms Maria Nelson
T Miyazawa, Y Iwamoto,
T Maruko and H Fujii
I K Pitcairn
PD Lee, RE Ramirez-Lopez,
KC Mills et al

Mr Luke Hanna
Ms Anna Ploszajski
Mr Jevgenijs Kitajevs

Mr Steven Clark
Mr Richard Nainby
Mr Adam Brown
Mr Cornelis van Niekerk

Professor Xiangfeng Duan
Professor Martin Bache

Professor Douglas Ivey,
Junfang Lu,
Olapido Omotoso,
J Barry Wiskel and
Hani Henein
Dr Blanka Angelika Szost,
Dr P E J Rivera-Diaz-Del-
Castillo and Erik H Vegter

LOCAL SOCIETY OF THE YEAR

LARGE

London and Southern Counties Minerals Industries Institute - MinSouth
MinSouth continuously support students and professionals in the early stages of their career, and has developed strong links with the Earth Science Teachers Association (ESTA). It continues to look for ways to further engage with schools on minerals and mining related subjects. The Society is active online and contributes regularly to the Institute's member publications.

SMALL

East Midlands Materials Society - EMMS

EMMS has increased average attendance year-on-year and has organised two financially independent regional conferences, with another planned for later in 2013. It has adapted its focus to suit interests of materials scientists and engineers in the region, held various student meetings and hosted a local heat for the Young Persons' Lecture Competition for the past decade. Throughout all of these events EMMS has actively promoted professional membership of the Institute.

HONOURS AND AWARDS

Council has been informed of the following honours/awards made to members and wishes to record its congratulations to all recipients.

COMPANION OF THE ORDER OF THE BATH

Dr Michael Weightman CB CEng MIMMM, Her Majesty's Chief Nuclear Inspector, Office for Nuclear Regulation, Health and Safety Executive, for services to the improvement of nuclear safety.

COMMANDER OF THE ORDER OF THE BRITISH EMPIRE

Professor Brian Cantor CBE CEng FIMMM, Vice-Chancellor, University of York, for services to higher education.

OFFICER OF THE ORDER OF THE BRITISH EMPIRE

Martin Clarke OBE Chief Executive, British Precast Concrete Federation, for services to industry.

MEMBER OF THE ORDER OF THE BRITISH EMPIRE

Prof Neil Alford MBE FREng CEng FIMMM Head, Department of Materials and Vice-Dean (Research), Faculty of Engineering, Imperial College London, for services to engineering.

MEDAL OF THE ORDER OF THE BRITISH EMPIRE

Keith Birkitt BEM AIMMM GE for voluntary service to the Buxton Mountain Rescue Team.

FELLOWSHIP OF THE ROYAL SOCIETY:

Professor Paul O'Brien FRS CEng FIMMM, Professor of Inorganic Materials in the Schools of Chemistry and of Materials, University of Manchester.

Dr Alan Turnbull FREng FRS CEng FIMMM, NPL Senior Fellow, Materials Division, National Physical Laboratory.

Prof Robert Young FRS FREng CEng FIMMM, Professor of Polymer Science and Technology, School of Materials, University of Manchester.

FELLOWSHIP OF THE ROYAL ACADEMY OF ENGINEERING

Prof Paul Curtis FREng FRAeS FIMMM, Senior Fellow, Ministry of Defence.

David Eyton FREng FIMMM, Group Head of Technology, BP plc.

Prof Robin Grimes FREng FIMMM FInstP FINucE Chief Scientific Adviser to the Foreign and Commonwealth Office.

Prof Christopher Hall FREng FIMMM FRSC FRSE, Professor Emeritus and Senior Professorial Fellow, School of Engineering, University of Edinburgh.

Prof Jianguo Lin FREng FIMMM FIMechE, Professor in the Mechanics of Materials, Head of Mechanics of Materials Division, Department of Mechanical Engineering, Imperial College London.

Professor Molly Stevens FREng FIMMM FRSC MRPharmS FSB, Professor of Biomedical Materials and Regenerative Medicine and Research Director for Biomedical Material Sciences, Department of Materials and Institute for Biomedical Engineering, Imperial College London.

OTHER AWARDS

Bill Clyne CEng FIMMM, Professional Fellow in the Mechanics of Materials at the University of Cambridge, was awarded Honorary Membership of FEMS in recognition of his outstanding contributions to the field of materials science and engineering.

Professor Molly Stevens FREng FIMMM FRSC MRPharmS FSB, was presented with the Karen Burt Award for the best newly qualified Chartered Engineer.

Professor Dame Julia King DBE FREng FIMMM of Aston University and Professor John Knott OBE FRS FREng of Birmingham University received prestigious awards from the International Congress on Fracture for their contributions towards structural integrity, fatigue and fracture. Julia King, Vice-Chancellor, received the Tipper Silver Medal for her pioneering contributions to the understanding of structural fatigue and fracture. John Knott received the ICF Quadrennial Sir Alan Cottrell Gold Medal: an international lifetime achievement award.



Winners of the Special and Publication Awards 2013 were brought together in a celebration of their achievements held at 1 Carlton House Terrace, London, in November. Among winners was Major Peter Norton who accepted the Thornton Medal for his Advanced Composites Group keynote lecture 'Design, Science, Technology or Luck?', at the IOM3 Defence, Safety and Security Committee symposium in 2012.

FINANCIAL REVIEW

We are pleased to report an overall surplus of £335k for the year ended 31 December 2013 (2012 – £310k). The improvement came primarily from an increase in investment and actuarial gains but was somewhat diminished as a result of additional defined benefit pension scheme costs.

At the start of 2013, the Institute faced a number of financial challenges. Trading conditions were gradually deteriorating throughout 2012 and it was therefore expected that income would fall below budget in 2013. Additionally, our main government funded contract was coming up for renegotiation and the Institute's London office was undergoing its 20 year rent review. Priority was therefore being given to increasing the number of IOM3 members, developing an improved conference programme and introducing our metal theft prevention technology to the marketplace.

Total incoming funds of £5.7m were 7% lower than in 2012 with membership subscriptions, room lettings and consultancy income particularly suffering in 2013. Towards the end of the year it became clear that our main government funded contract (Knowledge Transfer Network), which was due to terminate on 31 March 2014, would not be extended. Contract termination will have a significant impact on all Institute activities and Council is currently looking at alternative sources of income in order to minimise the financial impact.

Institute expenditure of £6.1m was 2% lower than in 2012. The landlord of the London office agreed to keep the rent at pre-2012 levels and the provision for the expected increase in rent was therefore released in the 2013 accounts. The saving in rent was however offset by the additional defined benefit pension scheme costs resulting from the change in trust deed.

The Institute has adopted a policy of maximising total returns from investments commensurate with acceptable risk for a charitable organisation. Amounts required to fund operations of the Institute are set aside in a short-term fund consisting of cash or easily realisable investments. All other investments are placed in a long-term fund. An appropriate benchmark (depending on the Institute's requirements) is agreed with the investment managers to measure performance.

The total surplus from investments (income and gains less losses) excluding pension scheme assets amounted to £1,164k compared to £842k in 2012. During 2013, return on investment assets amounted to 14.07% (2012 – 10.5%) compared to a benchmark return of 14.14% (2012 – 9.5%).

The actuarial gains/losses arise from the defined benefit pension scheme valuation required by Financial Reporting Standard 17 (FRS17) and are detailed in note 21. The FRS17 calculation is made for accounting purposes only and does not drive the amount of contributions to be paid or the timing of payments. Scheme assets are valued at current market value and liability calculations are based on the yield on AA rated corporate bonds at the balance sheet date. As the scheme assets are not totally invested in corporate bonds there can be great volatility between annual valuations.

Council has identified the following major risks facing the Institute:

- Loss of members through reduction in the market
- Impact of the reorganisation of the Knowledge Transfer Network
- Major reduction in investment values
- Loss of key / critical staff

The Institute's strategic plan recognises these risks and incorporates actions to eliminate or manage any adverse effect.

The book value of net assets has increased from £9.7m to £10m during the year, and the balance sheet continues to show a healthy financial position.

Council has reviewed the Institute's reserves and decided that no transfers are considered necessary.

Council's policy on reserves is to:

- Set aside sufficient reserves to fund the net book value of all tangible fixed assets and the cost of future capital expenditure requirements. These amounts are held in the asset development fund and total £3.35m at 31 December 2013.
- Set aside reserves to develop and improve the quality of services provided by the Institute. These reserves are held in the services development fund and total £86k at 31 December 2013.
- Retain reserves to cover the future costs of up to one year of charitable costs and expenditure, publicity, management and administration expenditure. This level of reserves is considered appropriate to allow the Institute to be managed effectively, to provide a buffer for uninterrupted services and to achieve the long-term objectives of the Institute. The unrestricted reserves total £4.5m at the year end and represent 84% of the total budgeted expenditure for 2014.

Council has set a budget for net expenditure of £200k during 2014 to support initiatives for the development of membership and conference programmes as well as establishing new sources of income.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The founding body of this Institute was created in 1869. The Institute of Materials, Minerals and Mining is a body incorporated by Royal Charter dated 25 July 1965 and modified on 26 June 2002. As such it does not have company directors or share capital.

COUNCIL

The governance of the Institute is vested in the Council. Members of Council, other than co-opted members, are trustees of the Institute for the purpose of charity law. Under the bye-laws of the Institute, members of Council are elected by members of the Institute at the annual general meeting to serve for varying terms. Under the Institute's regulations, Council is entitled to co-opt honorary vice presidents and five members of Council.

Regular induction meetings are held for new Council members to ensure that they understand their responsibilities as trustees of the charity. The induction process provides trustees with information about the role of Council, its supporting boards and the organisational structure of the Institute. The objects of the Institute together with the mission statement and corporate strategies are explained. Each trustee is provided with an information pack and points of access to further details. Ongoing training is provided to trustees in relation to the individual responsibilities undertaken by them wherever appropriate.

Council meets at least three times during the year to review strategy and approve operating plans and budgets.

Council has overall responsibility for ensuring that the Institute has appropriate systems of control, financial and otherwise. It is responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Council has introduced a formal risk management process to enable it to assess business risks and implement risk management strategies on a regular basis. It involves identifying the types of risks the Institute faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process Council reviews the adequacy of the charity's current internal controls. The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- a strategic plan and an annual budget approved by Council
- regular consideration by Council of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews
- delegation of authority and segregation of duties

The law applicable to charities in England and Wales requires Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the

incoming resources and application of resources of the charity for that period. In preparing those financial statements, Council is required to:

- select suitable accounting policies and apply them consistently
- observe the methods and principles in the Charities SORP (Statement of Recommended Practice)
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Institute will continue to operate

Council is responsible for:

- preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom accounting standards (Generally Accepted Accounting Practice)
- keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Institute and enable Council to ensure that annual financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Royal Charter and bye-laws
- the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDIT COMMITTEE

The Audit Committee, which reports directly to the Council, comprises a chairman and three other members of Council or membership who are not associated with the Managing Board or management of the Institute. Appointments are endorsed by Council. Members who served during the year are set out on page 20. The committee normally meets twice a year or as the chairman of the committee sees fit. The Chief Executive and Finance Director generally attend, with others invited as and when appropriate. The committee is authorised to keep under review the effectiveness of the Institute's financial reporting, internal control policies and operating procedures, together with a broad remit to review all elements and levels of Institute governance and function. Advice is given on the appointment of external auditors. A regular dialogue is maintained with the Institute's external auditors to review matters identified from audits as being in need of management attention and the actions to be taken to resolve the same. The chairman has direct access to the President and Council.

TRUSTEES' REPORT

MANAGING BOARD

Council delegates its responsibility for the ongoing management of strategy and performance of the Institute to the Managing Board. Membership of this board is drawn from senior members of the Institute and staff. The day to day management of the Institute's activities is delegated to the Chief Executive and staff.

The Managing Board reviews the progress of the Institute's subsidiaries, boards and committees.

- **IOM Communications Ltd**
The charitable trading activities are carried out by this wholly owned subsidiary. The Board of this company, which is appointed by Council, meets regularly to assess the commercial opportunities and effectiveness of the company's activities.
- **Nominations Committee**
The committee reviews the role, membership and performance of the major committees including Council and oversees adherence to the Charter and bye-laws.
- **Remuneration Committee**
The committee agrees the remuneration package for all executive directors and the overall levels of compensation for other staff.
- **Industry and Technology Policy Board**
The board is responsible for the co-ordination of seventeen technical divisions. In turn, the role of the divisions is to further the networking and professional development of their members. The board consists of the divisional chairmen who are elected by the technical community they represent.
- **Professional Policy Board**
The board is responsible for membership, education, accreditation and professional development and technician activities. Four committees support the board.
- **Local Affairs Board**
The board is responsible for the promotion of the interests of regional members, communication between Council and regional members and the establishment of links with affiliated local societies.
- **International Affairs Board**
The IAB is responsible for communications between the Institute and its international communities. It also encourages the development of new activities and communities outside the UK.
- **Younger Members' Committee**
The younger members play a vital and active role in the development of the Institute and their activities are co-ordinated by the Younger Members' Committee.

- **External Affairs Group**
The group makes submissions to UK government, parliamentary committees and the European Commission on behalf of the Institute.
- **Women in Materials Group**
The IOM3 Women in Materials Group was formed in 2012 to raise the profile of female members within IOM3, to support networking, mentoring, and work in schools to educate girls about the benefits of a career in science and engineering.
- **Materials Institute Services Ltd**
This is a wholly owned subsidiary responsible for non-charitable activities. The company has not traded for a number of years.

IOM3 TECHNICAL COMMUNITIES

MATERIALS DIVISIONS

The British Composites Society
The Ceramics Society
Functional Materials Division
The Iron and Steel Society
Materials Science and Technology Division
Light Metals Division
The Polymer Society
The Wood Technology Society

MINERALS AND MINING DIVISIONS

International Mining & Minerals Association (IMMa)
(representing the four Resources Divisions below)
Mining Technology Division
Oil and Gas Division
Applied Earth Science Division
Mineral Processing and Extractive Metallurgy Division

APPLICATIONS DIVISIONS

Automotive Applications Division
Biomedical Applications Division
Casting Division
The Packaging Society
Surface Engineering Division

MULTIDISCIPLINARY GROUPS

Construction Materials Group
Energy Materials Group
Natural Materials Association
Sustainable Development Group

OBJECTIVES AND ACTIVITIES

The objects of the Institute, as set out in the Royal Charter, shall be: To advance and develop all aspects of the science, engineering and technology of the discovery, exploration, development, characterisation, exploitation, processing, application and recycling of materials, minerals and fuels; To further and co-ordinate education, training and practice in these disciplines and to facilitate the acquisition, preservation and dissemination of knowledge pertaining to these disciplines. In pursuing these objects in so far as they may be similar to those of existing organisations, the Institute shall use its best endeavours to co-operate with them and to ensure that its activities are complementary to those of such organisations. Through our activities we aim to provide:

- a wide range of member services including professional recognition and networking opportunities through technical divisions
- information through our website, libraries, conferences, publications and consultancy services
- an active education programme through schools and universities to attract young people into the profession
- support and encouragement to younger members and affiliated societies in the UK and overseas
- the visibility of new technology to industry with funding from government

Members play a prime role in promoting the objects of the Institute and providing public benefit. Accordingly, a wide range of member services and benefits have been developed in pursuance of our objectives and to attract newcomers to the Institute. Benefits of membership include professional recognition, networking opportunities to share knowledge and experience, free materials information services, a members' magazine, a members' business centre and use of facilities, discounted conferences and publications and additional web-based benefits and services. The Institute provides support to its worldwide membership through its UK offices and a network of affiliated local societies based in the UK and overseas. All members are encouraged to join their local society (www.iom3.org/local-societies) because the societies provide an important point of contact and deliver a range of valuable services to members, students and the general public. Systems have been developed to recognise career progression/membership upgrade and the Institute is licensed to deal with applications for Chartered Engineer, Chartered Scientist, Chartered Environmentalist, Incorporated Engineer and Engineering Technician status. The Institute collaborates with many like-minded societies in the UK and overseas.

Seventeen technical divisions have been set up with direct access to Council. Each division holds regular meetings and, through its supporting network of committees, members and affiliated societies, organises a programme of events to promote and develop its discipline.

The Institute has an active education programme to attract young people into a career in the materials, minerals and mining science, engineering and technology sector. Our Schools Affiliate Scheme provides help, advice and teaching materials to schools and the education team regularly attends schools and careers fairs. The Institute accredits a number of university, college and industry courses in the UK and overseas. We also provide a special membership package for undergraduates. The Institute has a thriving Younger Members' Committee organising special events for their peers.

The divisions, boards and committees mentioned above are all composed of volunteers drawn from the Institute's membership, who freely give their time and expertise to further the Institute's professional activities, develop its communities and provide peer review processes where needed. The Institute depends on the engagement of its members in the broad range of its activities and could not deliver its objectives effectively without their significant contribution.

The Institute works very closely with government and EC departments particularly in relation to the delivery of new technology to industry. This work has enhanced the reputation of the Institute and is now seen as a first port of call in our area of expertise. The Institute operates an Industry Affiliate Scheme to provide small and medium sized enterprises with access to its information and consultancy services.

Through its subsidiary, IOM Communications Ltd, the Institute publishes technical books, learned journals and member magazines and organises conferences on materials, minerals and mining related subjects. The publishing of technical books and learned journals has been outsourced to Maney Publishing. In-house teams publish the member magazines and organise the majority of conferences. IOM Communications Ltd also operates information services and provides consultancy advice on materials. All these services are fundamental in achieving the Institute's objectives.

There is a regular programme to ensure that employees are involved in the direction and progress of the Institute. Employees are consulted and kept fully informed on issues of concern to them. Staff training and development appropriate to the Institute's goals is assessed on a regular basis and provided internally and externally. The Institute has maintained its recognition under the Investors in People scheme.

TRUSTEES' REPORT

OFFICERS AND COUNCIL MEMBERS (FROM 1 JANUARY 2013 TO MAY 2014)

President	Professor J G P Binner	Midlands	Mr D R Evetts	British Composites Society	Dr R H Martin
Senior Vice-President	Dr M A Hicks	South East	Vacancy	Casting	Dr P Withey and Professor Z Fan (from April 2013)
Honorary Treasurer	Dr M J May	South West & Wales	Mr R P Pearce	Ceramics Society	Mr C Hallas (to November 2012) Professor J G P Binner
Vice Presidents	Mr M Cox Dr P J E Bischler	COUNCIL MEMBERS REPRESENTING ALL CORPORATE MEMBERS		Functional Materials Group	Prof R A Dorey
Chairman of Managing Board and Past President	Mr J C H Lewis	Professional Members & Members	Dr J R Wilcox Mr M C Cox	Light Metals	Mr M R Jarrett (to November 2013) Dr M R Clinch (from November 2013)
Chairman of Professional Policy Board	Dr C W Corti	Associate Members	Mr S J Wood Dr S O Matthews	Materials Science & Technology	Dr M R Winstone
Chairman of Industry and Technology Policy Board	Dr D J Gooch	Technician Members	Mr S L J Bellaby	Mineral Processing & Extractive Metallurgy	Mr A D Francis
Chairman of the Local Affairs Board	Dr P J E Bischler	COUNCIL MEMBERS REPRESENTING THE FOLLOWING DISCIPLINES		Mining Technology	Dr P J Foster
Chairman of Younger Members' Committee	Dr J P E Forsdyke	Metals	Dr K A Ridal	The Packaging Society	Mr K V H Barnes
Chairman of International Affairs Board	Mr B D Lye	Ceramics	Professor J G P Binner	Oil & Gas Division	Eur Ing S A Bedford
COUNCIL MEMBERS REPRESENTING CORPORATE MEMBERS FROM THE REGIONS		Plastics & Rubber	Mr K L Forsdyke	Polymer Society	Mr S G Patrick
Scotland	Dr C S Hindle	Minerals & Mining	Mr R G Siddall	Iron & Steel Society	Dr R P Thackray
North East	Mr C Rhodes (to January 2013)	DIVISIONAL BOARD CHAIRMEN		Surface Engineering Board	Mr K A Harrison
North West	Vacancy	Applied Earth Science	Mr M D Forrest (to March 2013) Ms L Carroll (to November 2013)	The Wood Society	Mr A Pitman (to November 2013) Mr A J True (from March 2014)
		Automotive Applications	Mr A A Haggie		
		Biomedical Applications	Professor S M Best		

MEMBERSHIP OF SENIOR BOARDS AND PROFESSIONAL ADVISERS

MANAGING BOARD

The managing board is chaired by the immediate past president and includes the following:

The President
 Senior Vice-President
 Honorary Treasurer
 Vice Presidents
 Chairman of IOM Communications Ltd
 Chairman of Professional Policy Board
 Chairman of Industry & Technology Policy Board
 Chairman of the Local Affairs Board
 Chairman of Younger Members' Committee
 Chief Executive of the Institute
 Deputy Chief Executive
 Finance Director
 Head of Finance

BOARD OF DIRECTORS – IOM COMMUNICATIONS LTD

The following served as directors during the year:

Chairman	Dr E B Farmer
Directors/trustees	Mr N E Riley
	Dr A T Cole
	Prof J G P Binner (to May 2013)
	Dr M J May
	Mr K Shankland
	Prof A L Greer (to Oct 2013)
	Dr S Garwood (to Oct 2013)
Chief Executive and trustee	Dr B A Rickinson
Company Secretary	Ms J Bugajeva (from Feb 2014)

AUDIT COMMITTEE

Chairman	Mr P J K Haslehurst
	Dr D Elliott
	Mr B J Breen (to May 2013)
	Mr C Hallas

SENIOR STAFF

Chief Executive	Dr B A Rickinson
Deputy Chief Executive	Dr G Woodrow
Finance Director	Mr R Milbank (to December 2013)
Head of Finance	Ms J Bugajeva (from January 2014)

PROFESSIONAL ADVISERS

Bankers	Lloyds Bank plc 8-10 Waterloo Place, London SW1Y 4BE
Solicitors	Allen & Overy LLP One Bishops Square, London E1 6AD
	Howes Percival LLP 1 Bede Island Road Bede Island Business Park, Leicester LE2 7EA
	Maurice Turnor Gardner LLP 1 Threadneedle Street, London EC2R 8AY
Auditors	Baker Tilly UK Audit LLP Statutory Auditor Portland 25 High Street Crawley West Sussex RH10 1BG
Investment Managers	Blackrock Investment Management (UK) Ltd 33 King William Street, London EC4R 9AS
Actuaries	First Actuarial plc First House, Kingsclere Road, Basingstoke, Hampshire RG21 6UG

AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

APPROVAL OF TRUSTEES' REPORT

This report was approved by the trustees on 7 May 2014.

Prof J G P Binner

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE INSTITUTE OF MATERIALS MINERALS AND MINING

We have audited the financial statements of The Institute of Materials Minerals and Mining for the year ended 31 December 2013 on pages 22 to 41. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' responsibilities set out on page 16 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at:

[http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 31 December 2013 and of their incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept sufficient accounting records; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

BAKER TILLY UK AUDIT LLP
Statutory Auditor
Portland
25 High Street
Crawley
West Sussex
RH10 1BG

21 May 2014

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Unrestricted funds		Restricted funds	Permanent endowment	Total funds 2013	Total funds 2012
		General £'000	Designated £'000	£'000	£'000	£'000	£'000
INCOMING RESOURCES							
Incoming resources from charitable activities							
Membership and related activities		1,406	-	-	-	1,406	1,395
Charitable trading activities	1	3,455	-	-	-	3,455	3,897
		4,861	-	-	-	4,861	5,292
Incoming resources from generated funds							
Voluntary income	2	-	-	22	-	22	29
Activities for generating funds	3	327	-	-	-	327	402
Investment income	4	419	3	57	-	479	338
Other incoming resources		-	-	-	-	-	53
Total incoming resources		5,607	3	79	-	5,689	6,114
RESOURCES EXPENDED							
Charitable activities							
Membership and related activities		2,694	-	28	-	2,722	2,544
Charitable trading activities	1	2,945	-	-	-	2,945	3,195
		5,639	-	28	-	5,667	5,739
Cost of generating funds							
Activities for generating funds	3	327	-	-	-	327	402
Investment management costs		33	-	-	-	33	30
Governance costs		135	-	-	-	135	137
Total resources expended	6	6,134	-	28	-	6,162	6,308
Net (outgoing)/incoming resources before transfers		(527)	3	51	-	(473)	(194)
Transfers							
Gross transfers between funds	7	-	-	-	-	-	-
Net (outgoing)/incoming resources before other recognised gains and losses		(527)	3	51	-	(473)	(194)
Other recognised gains/(losses)							
Gains/(losses) on investment assets		712	8	63	-	783	477
Actuarial gains/(losses) on defined benefit pension scheme	21.7	25	-	-	-	25	27
NET MOVEMENT IN FUNDS		210	11	114	-	335	310
Reconciliation of funds							
Total funds brought forward		4,244	3,634	1,803	33	9,714	9,404
TOTAL FUNDS CARRIED FORWARD		4,454	3,645	1,917	33	10,049	9,714

The statement of financial activities includes all gains and losses recognised in the year. All incoming and outgoing resources derive from continuing activities.

FINANCIAL STATEMENTS

CONSOLIDATED AND CHARITY BALANCE SHEET AS AT 31 DECEMBER 2013

	Notes	Group		Institute	
		2013 £'000	2012 £'000	2013 £'000	2012 £'000 (Restated)
FIXED ASSETS					
Tangible assets	9	2,728	2,720	2,728	2,720
Investments	10	9,319	8,536	9,319	8,536
		12,047	11,256	12,047	11,256
CURRENT ASSETS					
Stock and work in progress	12	157	17	3	8
Debtors	13	1,058	1,668	357	376
Bank balances		166	125	3	4
		1,381	1,810	363	388
CREDITORS: Amounts falling due within one year	14	(2,582)	(2,681)	(1,919)	(1,597)
NET CURRENT (LIABILITIES)		(1,201)	(871)	(1,556)	(1,209)
NET ASSETS BEFORE PENSION LIABILITY		10,846	10,385	10,491	10,047
Defined benefit pension scheme liability	21.3	(797)	(671)	(797)	(671)
NET ASSETS	15	10,049	9,714	9,694	9,376
PERMANENT ENDOWMENT FUND					
	16	33	33	33	33
RESTRICTED FUNDS					
Restricted funds	17	1,918	1,803	1,893	1,803
UNRESTRICTED FUNDS					
Designated funds	18	3,644	3,634	3,644	3,634
General fund		4,454	4,244	4,124	3,906
TOTAL FUNDS		10,049	9,714	9,694	9,376

The financial statements on pages 22 to 41 were approved and authorised for issue by the trustees on 7 May 2014 and signed on their behalf by

Professor J Binner, President 2013-14

Dr M J May, Honorary Treasurer

CONSOLIDATED CASH FLOW

	<i>Notes</i>	<i>2013</i> £'000	<i>2012</i> £'000
Reconciliation of the net (outgoing)/incoming resources to net cash flow from operating activities			
Net (outgoing)/incoming resources		(473)	(194)
Depreciation and amortisation (including profits/losses on sale of fixed assets)		167	106
Interest and dividends receivable		(479)	(338)
Pension contributions		248	(27)
(Increase)/Decrease in stocks		(140)	2
Decrease/(Increase) in debtors		609	(862)
(Decrease)/increase in creditors		(151)	631
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES		(219)	(682)

CASHFLOW STATEMENT

Net cash (outflow) from operating activities		(219)	(682)
Returns on investments and servicing of finance	22.1	381	365
Capital receipts less expenditure	22.2	(172)	139
(DECREASE) IN CASH		(10)	(178)

Reconciliation of net cash flow to movement in net funds

(Decrease) in cash in the year		(10)	(178)
Net (debt) at 1 January 2013		(235)	(57)
NET (DEBT) AT 31 DECEMBER 2013	22.3	(245)	(235)

FINANCIAL STATEMENTS

ACCOUNTING POLICIES

BASIS OF FINANCIAL STATEMENTS

The financial statements of the Institute are prepared in accordance with the Charities (Accounts and Reports) Regulations 2008 and the provisions of "Accounting and Reporting by Charities: Statement of Recommended Practice" (revised 2005) and in accordance with applicable UK accounting standards. They are also drawn up on the historical accounting basis except that investments held as fixed assets are carried at market value.

GOING CONCERN POLICY

The Council members confirm that at the time of approving the financial statements, there is a reasonable expectation that the Institute has adequate resources to continue in operational existence for the foreseeable future. In arriving at this conclusion the Council members have taken account of current and anticipated financial performance in the current economic conditions, and the Institute's reserves position. For this reason, the going concern basis continues to be adopted in the preparation of the Institute's financial statements.

GROUP FINANCIAL STATEMENTS

The financial statements consolidate the results of the wholly owned subsidiary companies and companies over which the Institute exercises dominant influence. They also consolidate the results of two charitable trust funds under the common control of the Institute's Council. The members' benevolent funds are not consolidated because they are under independent control.

The Institute has taken advantage of the exemption in paragraph 397 of "Accounting and Reporting by Charities: Statement of Recommended Practice" (revised 2005) from preparing a statement of financial activities detailing the charity's own activities. Details of the Institute's total incoming resources and net movement in funds are shown in the notes.

RELATED PARTY TRANSACTIONS

The Institute has taken advantage of the exemptions conferred by Financial Reporting Standard No 8 from the requirement to make disclosure concerning transactions with entities that are wholly owned.

INCOME RECOGNITION

Subscription income represents the amount received in respect of current and past years. Amounts received in advance are carried forward to the following year and subscriptions in arrears have not been anticipated.

Income from conferences represents the amount receivable in respect of the current year. Amounts received in respect of conferences to be run in future years are carried forward to the following year.

Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

Other income is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

RESOURCE EXPENDITURE

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be clearly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources. Overheads have been allocated on the basis of head count.

Grants and prizes are awarded annually, mainly to affiliated societies and individuals.

SUPPORT COSTS

Support costs comprise employment, establishment and administration costs in support of the charitable activities of the Institute. Allocations of these costs are made to the various activities of the Institute using standard rates based on staff time involved on each activity and facility usage.

DONATED SERVICES AND MATERIALS

Where services are provided to the Institute as a donation that would normally be purchased from suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the Institute.

DEPRECIATION AND AMORTISATION

Individual fixed assets are capitalised where the purchase price exceeds £1,500.

Depreciation is calculated by reference to the cost of fixed assets using the straight line method at rates considered appropriate having regard to their expected useful lives. The bases used are:

Leasehold property over the term of the lease

Furniture 15%-20% p.a.

Equipment 20%-33% p.a.

Freehold property 2% p.a.

Impairment reviews are carried out where there is an indication that the recoverable amount of a fixed asset is below its net book value. Any such impairments are charged through the statement of financial activities in the year in which the impairment occurs.

INVESTMENTS AND INVESTMENT INCOME

Investments are shown at market value at the balance sheet date. Any resulting unrealised gain or loss is taken to the fund to which it relates. Income is included together with the tax related credit in the financial statements of the year in which it is receivable. Investment income and any gain or loss on the asset development and service development designated funds is taken to general funds.

GOVERNANCE COSTS

Governance costs comprise those costs relating to the general running of the Institute. Where costs are not fully attributable to governance costs, employment, establishment and administration costs are allocated on the basis of staff time and facility usage at standard rates.

STOCKS AND WORK IN PROGRESS

Sundry stocks are valued at cost. Work in progress is valued at cost and includes staff and other overheads.

FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at an internal rate of exchange ruling at the date of the transaction. All differences are taken to the statement of financial activities.

OPERATING LEASES

The rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

IRRECOVERABLE VAT

Irrecoverable VAT incurred in respect of the year is included in the statement of financial activities except for any amounts relating to capital expenditure which are included in the cost of fixed asset additions.

PENSION COSTS

The Institute participates in both a defined benefit scheme and defined contribution schemes.

Under the defined benefit scheme, the Institute makes contributions to The Institute of Materials Pension and Life Assurance Scheme. Pension costs are assessed in accordance with actuarial advice and based on the most recent actuarial valuation of the scheme. The scheme was closed to new entrants during 2002.

Under the defined contribution schemes, the Institute contributes to group personal pension plans providing benefits for some employees. Pension costs are based on current salaries and charged to the statement of financial activities in the year in which they are due.

DEFINED BENEFIT PENSION SCHEME

The amount charged to the statement of financial activities in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost and expected return on assets are included within other finance costs in support costs.

Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the statement of financial activities.

The assets of the scheme are held separately from the Institute in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at the balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised in the balance sheet only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the Council have agreed a refund from the scheme at the balance sheet date. A pension liability is recognised to the extent that the group has a legal obligation to settle the liability.

INSTITUTE FUNDS AND RESERVES POLICY

Funds held by the Institute are:

Unrestricted general funds – these are funds that can be used in accordance with the charitable objects at the discretion of the Council. The Institute's policy is to maintain a reserve to cover the future expenditure on charitable and administrative costs for up to one year.

Designated funds – these are funds set aside by Council out of unrestricted general funds for specific future purposes or projects.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the Institute. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

LIABILITIES

Liabilities are recognised when the entity has an obligation to transfer economic benefit as a result of past transactions or events.

FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

1 CHARITABLE TRADING ACTIVITIES	2013 £'000	2012 £'000
TURNOVER		
Publishing	1,443	1,402
Conferences and exhibitions	172	263
Information services	1,918	2,338
Technology improvement awards	94	103
Training services	283	246
	3,910	4,352
Internal contribution for costs included in sales	(455)	(455)
Incoming resources	3,455	3,897
COST OF CHARITABLE TRADING ACTIVITIES		
Publishing	723	700
Conferences and exhibitions	231	287
Information services	2,064	2,328
Technology improvement awards	113	119
Training services	269	216
	3,400	3,650
Internal contribution to sales	(455)	(455)
	2,945	3,195
NET CONTRIBUTION FROM CHARITABLE TRADING ACTIVITIES		
Publishing	720	702
Conferences and exhibitions	(59)	(24)
Information services	(146)	10
Technology improvement awards	(19)	(16)
Training services	14	30
	510	702

FINANCIAL STATEMENTS

2 VOLUNTARY INCOME

	2013 £	2012 £
Donations for medal funds	22	5
Donations from The Institute of Vitreous Enamellers	-	24
	22	29

3 ACTIVITIES FOR GENERATING FUNDS

The Institute has a policy to generate income from its property facilities when not required for its own purpose. Related expenditure includes direct costs, employment costs and relevant overheads

4 INVESTMENT INCOME

	2013		2012	
	<i>Unrestricted</i> £'000	<i>Restricted</i> £'000	<i>Unrestricted</i> £'000	<i>Restricted</i> £'000
Listed securities				
Fixed interest	91	30	93	33
UK equities	222	26	206	24
Overseas equities	8	-	8	-
Cash and cash equivalents	-	1	-	1
	324	57	307	58
(Deficit)/return on pension scheme assets	98	-	(27)	-
	422	57	280	58

5 OTHER INCOMING RESOURCES

The Institute sold its freehold property in Doncaster and generated a surplus of £53k in 2012. There were no other incoming resources in 2013.

FINANCIAL STATEMENTS

6 TOTAL RESOURCES EXPENDED

SUMMARY	2013 £'000	2013 £'000	2012 £'000	2012 £'000
Direct charitable costs		2,209		2,782
Employment costs				
Salaries	2,132		1,909	
Social security costs	212		187	
Pension costs	286		174	
Temporary and other staff costs	134		139	
Redundancy costs	-		3	
		2,764		2,412
Establishment costs				
Property costs	293		534	
Information technology	181		136	
Depreciation	167		159	
		641		829
Administration costs				
Travel, meeting and committee expenses	131		118	
Postage and telecommunications	65		59	
Printing and stationery	36		33	
Finance costs	267		19	
Professional fees	45		47	
Office and other costs	4		9	
		548		285
		6,162		6,308

BREAKDOWN OF COSTS OF ACTIVITIES	Direct costs £'000	Support costs £'000	2013 Total £'000	2012 Total £'000
Charitable activities				
Membership and related services	1,077	1,676	2,753	2,544
Charitable trading activities	1,042	1,903	2,945	3,195
	2,119	3,579	5,698	5,739
Costs of generating funds				
Activities for generating funds	57	270	327	402
Investment management costs	33	-	33	30
Governance costs	-	135	135	137
	2,209	3,984	6,193	6,308

FINANCIAL STATEMENTS

SUPPORT COST BREAKDOWN BY ACTIVITY	<i>Employment costs</i> £'000	<i>Establishment costs</i> £'000	<i>Admin costs</i> £'000	<i>2013 Total</i> £'000	<i>2012 Total</i> £'000
Membership and related services	1,049	288	339	1,676	1,474
Charitable trading activities	1,424	347	132	1,903	1,583
Activities for generating funds	255	(8)	23	270	332
Governance costs	67	14	54	135	137
	2,795	641	548	3,984	3,526

Employment costs are allocated to activities based on the cost of the estimated time spent on those activities.

Establishment and administration costs are apportioned to activities on the basis of employment costs.

EMPLOYEE INFORMATION	<i>2013 No.</i>	<i>2012 No.</i>
The average number of full time equivalent employees during the year was	61	55
The number of employees who earned more than £60,000 per annum including benefits was:		
£70,001 - £80,000	2	2
£150,001 - £160,000	1	1
The number of employees who earned more than £60,000 per annum and accrued benefits in the Institute's pension scheme was:		
Defined benefit scheme	2	2
Money purchase scheme	1	1

TOTAL EXPENDITURE INCLUDES:	<i>2013</i> £'000	<i>2012</i> £'000
Auditor's remuneration		
Audit fee – current year	30	28
Accountancy, taxation and other services	3	7
Operating lease rentals		
Land and buildings – leases expiring after five years	152	280
Travel expenses paid to 26 (2012: 31) Council Members for attending Council and other meetings	28	26

The future annual commitment in respect of operating leases for land and buildings expiring after five years amounts to £152k.

OTHER TRANSACTIONS WITH TRUSTEES

Mr M D Forrest is the principal of Mining Research Co. UK, a business that provides commissioning editor services to Institute's subsidiary IOM Communications Ltd. During 2013, fees paid to Mining Research Co. UK amounted to £11,833 (2012 £15,000). Mr K Harrison provided technology expertise to IOM Communications Ltd during the year and was paid fees of £17,808 (2012: £15,389). No other members of the Council have directly or indirectly received any remuneration during the years ended 31 December 2012 and 2013.

FINANCIAL STATEMENTS

7 TRANSFERS BETWEEN FUNDS

There were no transfers between funds during 2013.

8 EXTRACTS FROM THE INSTITUTE'S STATEMENT OF FINANCIAL ACTIVITIES

	2013 £'000	2012 £'000
Total incoming resources	2,740	2,898
Net movement in funds	342	277

9 TANGIBLE FIXED ASSETS

	<i>Freehold property</i> £'000	<i>Short leasehold property</i> £'000	<i>Furniture, fittings & equipment</i> £'000	<i>Total</i> £'000
GROUP AND PARENT				
Cost				
1 January 2013	158	3,408	925	4,491
Additions in the year	-	1	174	175
Disposals in the year	-	-	-	-
31 December 2013	158	3,409	1,099	4,666
Depreciation				
1 January 2013	41	837	893	1,771
Provided during the year	3	136	28	167
Disposals in the year	-	-	-	-
31 December 2013	44	973	921	1,938
Net book value				
31 December 2013	114	2,436	178	2,728
31 December 2012	117	2,571	32	2,720

FINANCIAL STATEMENTS

10 INVESTMENTS

<i>Group</i>		<i>Institute</i>	
2013	2012	2013	2012
£'000	£'000	£'000	£'000

(Restated)

Analysis of movements in the year				
Market value at 1 January as previously stated	8,536	8,059	8,029	7,581
Transfer in (see below)	-	-	507	478
Market value at 1 January as restated	8,536	8,059	8,536	8,059
Additions at cost	571	-	571	-
Disposals at opening market value	(571)	-	(571)	-
Revaluations	783	477	783	477
Market value at 31 December	9,319	8,536	9,319	8,536
At the balance sheet date, the portfolio was invested as follows				
<i>Listed investments</i>				
Fixed interest	2,178	2,202	2,178	2,202
UK equities	6,566	5,691	6,566	5,691
Overseas equities	409	481	409	481
<i>Unlisted investments</i>				
Cash and cash equivalents	166	162	166	162
Subsidiary undertakings (note 11)	-	-	-	-
Market value at 31 December	9,319	8,536	9,319	8,536
At the balance sheet date, the following investments represent more than 5% of the portfolio by market value				
Charinco (UK fixed interest common investment fund)	2,097	2,124	2,097	2,124
Charishare (UK equities common investment fund)	6,554	5,680	6,554	5,680
Blackrock International Equity Fund	409	481	409	481
Historical cost at 31 December	6,937	6,891	6,937	6,891

During the year Andrew Carnegie Trust Fund and Metals & Metallurgy Trust Fund were imbed in with the Institute of Materials, Minerals and Mining as restricted funds. Accordingly the amounts in the note above have been restated.

FINANCIAL STATEMENTS

11 SUBSIDIARY UNDERTAKINGS

The Institute has three subsidiary organisations:

IOM Communications Ltd, a charitable trading company limited by shares.

The Institute of Packaging, a company limited by guarantee.

Materials Institute Services Ltd, a company limited by shares.

All subsidiary companies are incorporated in the UK and file accounts with the Registrar of Companies. The accounts of IOM Communications Ltd are audited. IOM Communications Limited and Materials Institute Services Limited are wholly owned subsidiaries. The Institute holds 100 shares of £1 each in IOM Communications Limited and 2 shares of £1 each in Materials Institute Services Limited. No premium was paid on acquisition.

IOM Communications Limited undertakes the charitable trading activities of the Institute of Materials, Minerals and Mining. The Institute of Packaging and Materials Institute Services Limited did not trade during 2013.

A summary of the 2013 results and balance sheets of IOM Communications Limited together with comparative figures for 2012 is shown below.

The Institute has taken advantage of FRS8 exemption from disclosing transactions with its wholly owned subsidiaries.

	2013 <i>Total</i> £'000	2012 <i>Total</i> £'000
Results		
Charitable trading activities	3,910	4,352
Total incoming resources	3,910	4,352
Charitable trading activities	3,400	3,650
Donation to the Institute	505	700
Total outgoing resources	3,905	4,350
Net incoming resources	5	2
Balances brought forward	335	333
Balances carried forward	340	335
Balance sheets at 31 December		
Current assets	1,237	1,570
Creditors: amounts falling due within one year	(897)	(1,235)
Net current assets	340	335
Shareholders' funds	340	335

The net assets of Materials Institute Services Limited at 31 December 2012 and 2013 were £3,447.

FINANCIAL STATEMENTS

	<i>Consolidated</i>		<i>Institute</i>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
12 STOCK AND WORK IN PROGRESS				
Work in progress	155	15	1	6
Sundry stocks	2	2	2	2
	157	17	3	8

	(Restated)			
13 DEBTORS				
Trade debtors	400	212	159	51
VAT recoverable	-	1	-	1
Other debtors	22	70	23	20
Prepayments and accrued income	636	1,385	175	156
Amounts due from subsidiary companies	-	-	-	148
	1,058	1,668	357	376

	(Restated)			
14 CREDITORS: Amounts falling due within one year				
Trade creditors	669	871	359	304
Taxes and social security costs	157	135	157	135
Subscriptions and orders paid in advance	772	674	346	353
Other creditors and accruals	573	641	411	445
Amounts due to subsidiary companies	-	-	235	-
Bank overdraft	411	360	411	360
	2,582	2,681	1,919	1,597

FINANCIAL STATEMENTS

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted funds		Restricted	Permanent	Total
	General £'000	Designated £'000	funds £'000	funds £'000	funds £'000
Tangible fixed assets	-	2,728	-	-	2,728
Investments	6,805	916	1,565	33	9,319
Current assets	1,029	-	352	-	1,381
Current liabilities	(2,582)	-	-	-	(2,582)
Net assets before pension liability	5,252	3,644	1,917	33	10,846
Pension liability	(797)	-	-	-	(797)
Total net assets	4,455	3,644	1,917	33	10,049

Institute	Unrestricted funds		Restricted	Permanent	Total
	General £'000	Designated £'000	funds £'000	funds £'000	funds £'000
Tangible fixed assets	-	2,728	-	-	2,728
Investments	6,805	916	1,565	33	9,319
Current assets	356	-	7	-	363
Current liabilities	(1,919)	-	-	-	(1,919)
Net assets before pension liability	5,242	3,644	1,572	33	10,491
Pension liability	(797)	-	-	-	(797)
Total net assets	4,445	3,644	1,572	33	9,694

16 PERMANENT ENDOWMENT FUND

Mining Club	Balance at	Incoming	Resources	Investment	Transfers	Balance at
	1 January	resources	expended	gains/ (losses)	between	31 December
	2013	£'000	£'000	£'000	£'000	2013
	£'000	£'000	£'000	£'000	£'000	£'000
Mining Club	33	-	-	-	-	33

The income of the Mining Club is dealt with in a restricted fund that provides grants for travel, study or attendance at international conferences related to the minerals industry.

17 RESTRICTED FUNDS

	<i>Balance at 1 January 2013 £'000</i>	<i>Incoming resources £'000</i>	<i>Resources expended £'000</i>	<i>Investment gains/ (losses) £'000</i>	<i>Transfers between funds £'000</i>	<i>Balance at 31 December 2013 £'000</i>
Stanley Elmore Fellowship	659	20	(14)	(32)	-	633
Andrew Carnegie Trust Fund	448	37	(3)	40	-	522
Bosworth Smith Trust	203	7	(5)	19	-	224
Tom Seaman Travelling Scholarship	202	6	-	20	-	228
Metals & Metallurgy Trust Fund	83	3	-	4	-	90
Edgar Pam Fellowship	80	3	(2)	6	-	87
G Vernon Hobson Bequest	52	2	(2)	5	-	57
Other funds	20	-	-	-	-	20
Prize funds	56	2	(1)	-	-	57
	1,803	80	(27)	62	-	1,918

The income of these restricted funds are to be used for the following purposes:

Stanley Elmore Fellowship, Bosworth Smith Trust, Edgar Pam Fellowship and G Vernon Hobson Bequest - to provide grants to assist post-graduate research, together with the unexpended balance of Mining Club income.

Andrew Carnegie Trust Fund – to support the award of scholarships and awards in the field of materials.

Tom Seaman Travelling Scholarship Fund is for the purpose of awarding scholarships to persons who are engaged in or associated with the coal mining industry.

The Metals & Metallurgy Trust Fund – to support the award or grants, scholarships and prizes in the field of metals and metallurgy.

Other funds include

A G Charleton Fund – to award prizes to deserving students at the Imperial College of Science Technology and Medicine.

Centenary Student Sponsorship Fund – to provide membership benefits of the Institute to students.

Dixie Dean Bursary Fund – to provide bursaries for foreign students associated with the packaging industry.

Prize funds include the R T Holland Fund, Dennis Chapman Medal Award, Frank Fitzgerald Medal and other funds set up for the award of medals or money to appropriate recipients.

Further information about scholarships, bursaries, professional and travel grants including details of case studies are shown on our website (www.iom3.org/awards).

During the year Andrew Carnegie Trust Fund and Metals & Metallurgy Trust Fund were imbed in with the Institute of Materials, Minerals and Mining as restricted funds.

FINANCIAL STATEMENTS

	<i>Balance at 1 January 2013 £'000</i>	<i>Incoming resources £'000</i>	<i>Resources expended £'000</i>	<i>Investment gains/ (losses) £'000</i>	<i>Transfers between funds £'000</i>	<i>Balance at 31 December 2013 £'000</i>
18 DESIGNATED FUNDS						
Asset development fund	3,350	-	-	-	-	3,350
Services development fund	86	-	-	-	-	86
Sir Julius Wernher Memorial Fund	107	3	-	7	-	117
Packaging education fund	50	-	-	-	-	50
Materials education	24	-	-	-	-	24
Robert A Moore Fund	17	-	-	-	-	17
	3,634	3	-	7	-	3,644

The designated funds have been set up for the following purposes:

Asset development fund – representing the total amount (at cost or market value less depreciation) invested in freehold and leasehold properties, furniture, equipment and computers used for the functional purposes of the Institute and amounts set aside to meet future capital requirements.

Services development fund – representing amounts designated by Council to develop and improve the quality of services provided by the Institute.

Sir Julius Wernher Memorial Fund – representing amounts designated to provide for memorial lectures.

Packaging education fund – representing amounts set aside to promote and develop packaging education.

Materials education fund – representing income generated for and costs relating to the promotion of materials education in schools.

Robert A Moore Fund – representing amounts designated to promote the aims of the Institute in the name of Robert A Moore.

	<i>Consolidated</i>		<i>Institute</i>	
	<i>2013 £'000</i>	<i>2012 £'000</i>	<i>2013 £'000</i>	<i>2012 £'000</i>
19 UNREALISED GAINS/(LOSSES)				
General fund	2,105	1,427	2,105	1,427
Designated funds	12	7	12	7
	2,117	1,434	2,117	1,434
Restricted funds	273	211	273	114
	2,390	1,645	2,390	1,548

20 CAPITAL COMMITMENTS

The Institute had no capital commitments at 31 December 2012 and 2013

21 PENSION SCHEMES

21.1 INTRODUCTION

The Institute operates a funded defined benefit occupational pension scheme. The assets of the scheme are held separately from those of the Institute and are invested in an insured fund administered by the Prudential Assurance Company Limited and the Newton Exempt Fund administered by Mellon Fund Managers Limited. Under the terms of the Trust Deeds, the scheme is administered by the Trustees.

The scheme was closed to new members during 2002 and new employees are given the opportunity to join the group personal pension arrangements with Scottish Life. The group personal pension plan is a defined contribution benefit scheme and complies with the stakeholder legislation.

At the year end, the scheme had 11 current staff members and 86 deferred members.

Results of the most recent triennial actuarial valuations, at 1 January 2007, 2010 and 2013 showed the following results.

	2007 £'000	2010 £'000	2013 £'000
Market value of the scheme's assets	5,065	6,404	7,361
Liability for projected accrued benefits	(5,311)	(6,925)	(9,201)
(Deficit)/surplus	(246)	(521)	(1,840)

Arrangements have been made for the deficit shown by the actuarial valuation at 1 January 2013 to be funded at the rate of:

- £29k p.a. payable in equal monthly instalments from 1 January 2013 to 31 December 2014.
- £29k increasing at 3.4% p.a. payable in equal monthly instalments from 1 January 2015 to 31 December 2028.

21.2 PRINCIPAL ACTUARIAL ASSUMPTIONS

A valuation of the defined benefit pension scheme assets and liabilities at 31 December 2013 under FRS17 has been carried out by a qualified independent actuary. The projected unit valuation method has been used. The major financial assumptions used by the actuary were:

Years ended	2013 % p.a.	2012 % p.a.
Discount rate	4.50	4.40
Price inflation – pre-retirement (RPI)	3.30	3.00
Consumer Prices Inflation – pre-retirement (CPI)	2.30	2.20
Future salary increases	3.80	3.50
Rate of increases of pensions in payment – current pensioners (RPI)	3.20	2.90
Rate of increases of pensions in payment – non-pensioners (RPI)	3.20	2.90
Rates of increases of pensions in payment – non-pensioners (CPI)	1.90	1.90
Rate of increase for deferred pensioners pre 2009	2.30	2.20
Rate of increase for deferred pensioners post 2009	2.30	2.20
Expected return on scheme assets at 31 December	6.40	6.30

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21 PENSION SCHEMES (continued)

The overall expected return on assets assumption of 6.4% at 31 December 2013 has been derived by calculating the weighted average of the expected return for each asset class. The following approach has been used to determine the expected rate of return for each asset class:

- Fixed interest securities: Current market yields
- Equities: Allowance for an additional return of 4.1% above that available for UK government securities
- Property: Allowance for an additional return of 4.1% above that available for UK government securities
- Cash/other: Pre retirement price inflation assumption

The following demographic assumptions were used in the valuation:

	Year ended 31/12/2013		Year ended 31/12/2012	
	Males	Females	Males	Females
Mortality pre-retirement	AMC00/AFC00 combined			
Mortality post-retirement	SIPA CMI 2013 M/F 1% (yob)			
Life expectancy for a current 65 year old in 2013	21.8 years	24.1 years	22.0 years	24.2 years
Life expectancy at age 65 for an individual aged 45 in 2013	23.2 years	25.6 years	23.3 years	25.8 years

21.3 AMOUNTS RECOGNISED IN THE BALANCE SHEET FOR DEFINED BENEFIT SCHEME

	2013 £'000	2012 £'000
Present value of liabilities	(8,904)	(8,008)
Market value of scheme assets	8,107	7,337
Pension scheme liability recognised in the balance sheet	(797)	(671)

21.4 CHANGES IN THE VALUE OF SCHEME LIABILITIES IN THE YEAR

	2013 £'000	2012 £'000
Opening liabilities	(8,008)	(7,429)
Service cost	(109)	(78)
Past service cost	(246)	-
Interest cost	(363)	(363)
Member contributions	(43)	(44)
Benefits paid	155	156
Actuarial (losses)/gains	(290)	(250)
Closing liabilities	(8,904)	(8,008)

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21.5 CHANGES IN THE MARKET VALUE OF SCHEME ASSETS IN THE YEAR	2013 £'000	2012 £'000
Opening scheme assets	7,337	6,731
Expected return	462	336
Actuarial gains/(losses)	314	277
Employer contributions	106	105
Member contributions	43	44
Benefits paid	(155)	(156)
Closing scheme assets	8,107	7,337
Amount recognised in balance sheet	8,107	7,337

21.6 MAJOR CATEGORIES OF SCHEME ASSETS	%	%
Equities	64	64
Corporate bonds	17	21
Government bonds	3	3
Properties	2	2
Cash	10	6
Other assets	4	4
Total scheme assets	100	100

21.7 AMOUNTS RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES

Amounts recognised in net incoming resources are as follows:	£'000	£'000
Current service cost	109	78
Past service cost	246	-
Interest on obligations	363	363
Expected return on scheme assets	(462)	(336)
Net credit/(charge)	256	105

The actual return on scheme assets was a gain of £807k (2012: £613k)

The Institute expects to contribute £102k to its defined benefit pension scheme in 2014. This is in addition to paying all the expenses of the scheme including fees, levies and life assurance premiums.

The actuarial gains recognised in the statement of financial activities for 2013 were £25k and the cumulative losses recognised from 2002 to 2013 amounted to £1,069k.

FINANCIAL STATEMENTS

21 PENSION SCHEMES (continued)

21.8 HISTORY OF SCHEME ASSETS, FUNDING OBLIGATIONS, EXPERIENCE GAINS AND LOSSES

	2013 £'000	2012 £'000	2011 £'000	2010 £'000	2009 £'000
Scheme liabilities	(8,904)	(8,008)	(7,429)	(6,823)	(6,871)
Scheme assets	8,107	7,337	6,731	7,210	6,391
Scheme surplus / (deficit)	(797)	(671)	(698)	387	(480)
Experience adjustments on scheme obligations	(173)	1	(1)	246	-
Change of basis adjustments to scheme obligations	(117)	(251)	(506)	258	(947)
Experience adjustments on scheme assets	314	277	(703)	286	420

21.9 OUTSTANDING PENSION CONTRIBUTIONS AT THE YEAR END

Contributions for the defined benefit scheme amounting to £12k (2012 – £12k) were outstanding at the year-end. Further £42k were contributed to the pension scheme after the year end as a result of actuarial valuation. Contributions for the defined contributions schemes amounting to £5k (2012 - £5k) were outstanding at the year-end.

22 GROSS CASH FLOWS

22.1 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2013		2012	
	£'000	£'000	£'000	£'000
Interest received	1		1	
Dividend income	380		364	
		381		365

22.2 CAPITAL EXPENDITURE

Payments to acquire tangible fixed assets	(176)		(91)	
Purchase of investments	(571)		-	
Payments for sale of fixed assets	-		230	
Receipts for sale of investments	575		-	
		(172)		139

22.3 ANALYSIS OF CHANGES IN NET FUNDS

	At 01.01.13 £'000	Cash flows £'000	Other changes £'000	At 31.12.13 £'000
Cash at bank and in hand	125	41	-	166
Bank overdraft	(360)	(51)	-	(411)
	(235)	(10)	-	(245)



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