



ANNUAL REPORT AND FINANCIAL STATEMENTS 2012

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.

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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 2012.

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

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AN OVERVIEW JAN LEWIS PRESIDENT 2011–2012

I am pleased to report that the proposals to streamline the Institute's governance procedures were overwhelmingly approved at the EGM held in November 2012 and I look forward to these changes being agreed with the Privy Council in due course and developing the underlying structure through consultation.

A review of our services to members was completed during 2012 and we have embarked on a programme to introduce improvement and stimulate sustained membership growth. You will see from the financial review on page 13 that expenditure increased during the year to support the membership development programme and the project to deter metal theft. These programmes will continue through 2013 and a budget for net expenditure of £170k has been set for the year. Following an overall surplus in 2012, the Institute maintains a strong balance sheet with net assets of £9.7m.

We have achieved a great deal in 2012 and I hope you will take the opportunity to read the trustees' report which provides greater details of our activities.

I have been privileged to be the president of the Institute over the last two years and I have greatly enjoyed my term of office. I very much appreciate the support received from fellow trustees, members, volunteers, staff and affiliated local societies. My term as president finished on 31 December 2012 and I look forward to working closely with the new president, Professor Jon Binner, to move the Institute forward over the next two years.



LOOKING TO THE FUTURE JON BINNER, PRESIDENT 2013-2014

Over the next two years, the Institute's priorities must continue to be the growth of membership, income generation to support our objectives and streamlining our structure and procedures to deliver improved service.

Our public benefit statement on page 2 explains the importance of materials to mankind and the part that our members play in the materials cycle. It is vitally important that we attract new members and that we are directly relevant to their lives. We have to be really in touch with them, know what they want, how they want it and how they want it delivered. We have to be more receptive to what members say and we have to change the way we communicate, especially with younger members. The development of the Institute's website in particular needs to focus on engaging the younger generation.

The Institute is a well recognised and respected body internationally and I believe we need to make more contact with institutes around the world. We have many international members and we need to see what more we can achieve in that area.

I am convinced that the work we have done over the last year or so on metal theft will lead to a greater take up of our training and administrative services.

In terms of restructuring, we need to modernise. Jan Lewis has done a tremendous job of that, but we need to keep looking at it. As an example, I am particularly keen for the Institute's non-executive team to stay more up to date and have faster response times. I would like to see modern technology such as video conferencing used for more frequent meetings that are much shorter in duration.



REVIEW OF 2012 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 2012

- Improve communications and contact with members, reverse decline in membership and improve member retention, eliminate backlogs in membership application processing and reinvigorate membership marketing and introduce new resources to stimulate and process member updates.
- Develop new income generating activities commensurate with the Institute's objectives
- Produce a more strategic approach to international member development with the creation of an international week and grow the activities of a new international affairs board.
- Engage in discussions with other organisations to generate strategic partnerships and mergers.

- Further develop online video content, webinars and web coverage of events.
- Maintain support of knowledge exchange activities across the UK materials and design communities and IOM3 support of government departments to ensure maximum visibility of our community and member activity.

OUR ACHIEVEMENTS IN 2012

- Council approved plans to improve services and grow membership, most of the staff team were in place by the year end and work has commenced in accordance with a medium term programme. Members strongly supported the complete re-design of all magazine titles. The Women in Materials Group was launched during the year.
- Successful delivery of new conferences involving shaft sinking and metal processing and extension of training services to cover packaging, wood, clay technology and the use of specialised equipment for metal marking.
- Held the World Lecture Competition in London to coincide with the Olympic year and combined this with the annual premier awards and our first international members' week. Extended our existing overseas links with completion of accreditation of overseas materials courses in Florida and Malaysia and developed the concept for other technical groups within IOM3.
- Formative discussions took place with two other smaller societies to consider merger.
- Major review of the organisation of meetings and conferences to embrace the development and implementation of virtual media to transfer knowledge.
- Continued success in the delivery of knowledge exchange underpinning the growth of the Materials KTN and the extension of the contract for this activity. Links established with English Heritage, British Transport Police, London Underground and the Home Office to provide innovative deterrents to metal theft.
- Our Doncaster premises were sold enabling the redistribution of staff and growth of efficient use of the Grantham centre.

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
- Complete our work on the prevention of metal theft and its introduction to the market place.

HIGHLIGHTS OF 2012

A summary of our objectives and activities is given on page 16. The following pages describe some highlights during 2012 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

A review of membership offerings from the Institute was carried out during the year and various changes were implemented in the benefits provided through industry affiliate and schools affiliate schemes, to make these more relevant. A raft of measures proposed by a membership working group to improve individual member recruitment and retention began to be implemented during the second part of the year and it is hoped this will begin to bear fruit in 2013. Our membership activity is now headed by a director of membership and professional development, supported by an assistant director. A dedicated staff member has also been appointed to manage the membership database. A targeted programme has been set for 2013 to stimulate membership growth and reverse the downward trend in membership that we have seen for the past few years.

A pilot reciprocal membership agreement was developed between the Institute and the Society for Plastic Engineers (SPE) based in the USA. Up to 500 professionally qualified members of the Institute, who were not currently SPE members, were offered free electronic membership of SPE for one year and a similar reciprocal arrangement applied for existing SPE members resident outside the USA to join the Institute.

The Packaging Society, a division of IOM3, launched the Standard for Packaging Professional Competence (SPPC) in September to provide accreditation and recognition of packaging professionals in the UK and beyond. This is modelled on the internationally recognised UK Engineering Council's Standard for Professional Engineering Competence and meets needs across the packaging supply chain to promote packaging as a profession and enhance the status of those working in this vital and complex sector. The Standard forms the basis for a "Packaging Professional" designation which exists alongside the Institute's Professional Membership, in a similar way to that of Chartered Engineer, Scientist or Environmentalist.



The IOM3 Women in Materials group was established in 2012. Steering group members for this initiative are Dr Irene Turner, Chair – Dept of Mechanical Engineering, University of Bath, Ruth Allington (not pictured) – Chief Engineering Geologist, GWP Consultants LLP, Prof Serena Best – Dept of Materials Science and Metallurgy, University of Cambridge, Sarah Boad – Membership Development Manager, IOM3, Dr Alicia Chrysostomou – London Metropolitan University, Dr Nuna Staniaszek – Director of Communications, IOM3. The steering group reports to the Professional Policy Board.

IOM3 launched a Women in Materials group to develop a network focused on the needs and requirements of female members. There was overwhelming support for measures to support networking and mentoring for female members, and to work in schools to educate girls about the benefits of a career in science and engineering, particularly in the disciplines covered by the Institute. Only 3% of Fellows are women, compared to 10% of the overall membership. The first event organised by the group was held in April 2013 and was a great success.

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 and regional media were developed and successfully helped to promote IOM3 activities including Starpack, Signature Materials and Young Persons' Lecture Competition events.

YOUNGER MEMBERS



Jamie Mansfield, a second year student of furniture and product design at Nottingham Trent University, won the 2012 Design Innovation in Plastics Award for his collapsible flat-pack clothes hanger. Jamie, shown receiving his award from IOM3 chief executive Bernie Rickinson, was one of 274 students who entered the 2012 competition. The brief was to design a product to help those with physical or cognitive impairments, that also appeals to the mass market. Jamie designed a plastics coat hanger with a unique integral mechanism and flexible arms that collapse and spring back, allowing users to attach clothing via the neck without having to take the hanger from the rail or undo buttons. www.designinnovationplastics.org



Nine national finalists from across the globe - USA East Coast, USA West Coast, Brazil, UK, Ireland, South Africa, Hong Kong, Singapore and Malaysia - gathered at the Institute of Materials, Minerals and Mining in July to present their lectures in the 2012 final of the Young Persons' World Lecture Competition.



Finalists in the 2012 Young Persons' Lecture Competition at the Armourers' Hall in London, with winner Abbas Delevarmogh front right.



International Week in July 2012 saw the launch of the Younger Members' Committee's latest event – Matopoly. This materials-related picture-based treasure hunt took in the sights of London during a two-hour race across the capital.

TRUSTEES' REPORT

A weekly newsletter on the IOM3 LinkedIn group was instigated during the year. The membership of the group reached 4,000 followers by the end of 2012 - it includes current IOM3 members as well as potential members. The newsletter covers news from IOM3 and gives the opportunity to further promote IOM3 events, activities and services.

With a concerted effort to ensure regular Twitter activity, followers of the @iom3 Twitter account also increased, reaching the 1,000 milestone in January 2012 and numbering about 1,500 by year end. Our social media activity is continuing to increase and to bear fruit in terms of greater engagement of members and non-members alike.

In 2013 we plan to expand 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. The Communications team has started to establish a strategy for internal communications and will continue to strengthen relationships with the media, especially with a view to promoting PVC 2014, a major event in the IOM3 calendar. A dedicated LinkedIn group and PVC Brighton Twitter account has been launched and will be developed throughout 2013.

A major project to redevelop the IOM3 website got under way at the end of 2012. The specification phase of the project was completed in the spring of 2013 and the new site is due to launch in the second half of 2013.

REGIONAL AND INTERNATIONAL AFFAIRS

The Young Persons' World Lecture Competition final returned to London in 2012 during the Institute's first International Week, which combined the Institute's AGM, World Lecture Competition and Awards Dinner.

During the week, the newly formed International Affairs Board, chaired by former President Barry Lye, convened a special meeting of international region representatives. The group, with representation from USA, Hong Kong, Brazil, Ireland and Singapore, identified common areas for membership development and similar future annual reviews were agreed in combination with the Young Persons' World Lecture Competition final.

Building on the successful development of links between the Institute and the University of Florida, three materials courses were successfully accredited in June. This accreditation, the first of its kind with a US university, followed in the wake of Florida's sustained involvement with the Young Persons' World Lecture Competition.

An 'international focus' section of Institute News was instigated in member magazines to strengthen relationships with IOM3 counterpart organisations overseas.

In 2013 we plan to work even more closely with our UK local societies and to transfer their code of practice to our overseas hubs of activity. We are also particularly looking forward to the Young Persons' World Lecture Competition final in Hong Kong in October.

AFFILIATED LOCAL SOCIETIES



IOM3 has a network of 55 affiliated local societies throughout the UK as well as branches overseas. Some highlights of their activities in 2012 are described here -

The South Wales Materials Association (SWMA) ran a competition for students aged 18–21 to win a month's paid work placement in the Sustainable Product Engineering Centre for Innovative Functional Industrial Coatings (SPECIFIC). The centre is a £20 million innovation and knowledge hub held at Swansea University by Head of Materials, Professor David Worsley, and focuses on materials science research and scaling up to industrial applications. The competition involved writing a maximum of 1,000 words on how materials science influences our daily lives and the winning report was written by second year Materials Science and Engineering student, Michael Agyeman (pictured centre left), from Swansea University.



The Midland Institute of Mining Engineers (MIME) continued to develop links with the St Petersburg State Mining University. One of the activities was funding three young engineers and a supervisor to the University's International Forum for the contest, Topical Issues of Rational Use of Natural Resources, which was held at the St Petersburg State Mining University. The visitors included two younger members of MIME, Matthew Moore, winner of the IOM3 Technician of the Year Award and James Welford, Cleveland Potash Apprentice of the Year (pictured left).

The Newport & District Materials Society (NDMS) in collaboration with the South Wales Materials Association revived the Sidney Gilchrist Thomas Prestige Lecture. The lecture was held on 25 April at Cardiff University, delivered by Professor Harry Bhadeshia, Tata Steel Professor of Metallurgy at the University of Cambridge.

TECHNICAL COMMUNITIES

The Institute has 17 technical divisions, societies and associations which act as special interest groups, forming a focus for activities within specific sectors, as well as four cross disciplinary groups and numerous specialist committees within the divisions. A selection of divisional activities during 2012 is described below.

The British Composites Society (BCS) exhibited at the 2012 JEC Europe show in Paris in April. The UK pavilion, a group of nine companies clustered under the Union Flag, was centred around the UK National Bodies stand (Composites UK, National Composites Centre, Composites Skills Alliance and British Composites Society). More than 35 UK companies took stands on the show floor. Their presence succeeded in raising the profile of the UK composites industry and demonstrated to the international market that we are open for business.

The new Functional Materials Division (FMD) was established in 2012, home to the functional and nanomaterials community. Functional materials are defined as materials that go beyond pure mechanical behaviour and produce a response as a result of a stimulus. Nanomaterials are defined by their size, yet often possess unique and interesting functionality in their own right. Such materials find applications in a range of sensors, actuators, active coatings and other functional devices. Examples include piezoelectric, thermoelectric, magnetic and light emitting materials, but the list is not limited to these. Importantly, such materials are often used in combination with each other and with non-structural materials resulting in interesting interactions. Numerous technical committees that reflect the broad range of behaviours and the knowledge associated with the manufacture, characterisation, modelling and design of these materials are part of the division.

The Polymer Society Board continued with its objective of meeting outside London on a regular basis to keep in touch with new developments at various locations and met at Bradford University and Victrex plc. In a very active year, the Rubber in Engineering Group organised a factory visit, afternoon technical discussion meetings and an extremely successful two day conference on Rubber Reinforcement by Fillers, Fibres and Textiles. The event, which attracted twice as many delegates as expected, also included the Rubber Foundation Lecture delivered by the winner of the 2011 Colwyn Medal

The Institute's Defence, Safety and Security Committee (DSSC) ran a photographic competition, themed 'materials in Defence, safety and security'. Open to IOM3 members and non-members, 63 entries were submitted by 30 entrants from 12 different countries. The winner was 'Bulletproof Materials Made from Ramie Fiber (BioComposite)' (shown right) by Eldhy Hendrawan from Indonesia.

The Packaging Society exhibited and ran Packaging Clinics at the EasyFairs Packaging Innovations event in London in October and at the Total Processing and Packaging Exhibition in Birmingham, promoting the new Packaging Professional designation and training courses run by the IOM3 Training Academy. A collaborative project involving IOM3 together with The Packaging Society and WRAP produced a website to support to those new to the world of packaging. Packaging Hub was launched in beta version at the EasyFairs Packaging Innovations event at the NEC in Birmingham in February. The website will be developed further during 2013 to form a comprehensive resource for the industry.

The Wood Technology Society had a stand at Timber Expo in September, and the **Polymer Society** attended the Plastics Design and Moulding (PDM) exhibition in London at the end of May.



Eldhy Hendrawan, 'Bulletproof Materials Made from Ramie Fiber' - WINNER



Brian Pflanz, 'Vintage Security' - RUNNER-UP

TRUSTEES' REPORT

EDUCATION

The Schools Affiliate Scheme launched 'Can You Make It?', a hands-on project designed to spark the imaginations of 7–11 year olds and get them thinking about the importance of science, technology and in particular, materials, to the world that we live in today. The pilot project is running throughout the 2012–13 academic year.

Demand for SAS schools visits now exceeds our delivery capacity, and a new SAS package together with a materials "discovery box" will allow more schools to access educational resources.

PUBLICATIONS

The Institute's member magazines went through a redesign process at the beginning of the year to increase their visual appeal and develop their feature content. The magazine design function was brought in house for the first time and this has greatly benefited the production process. Endorsing the high standard of editorial skills present within the IOM3 magazines team, Senior Reporter Eoin Redahan won Writer of the Year at the Independent Publisher Awards 2012, run by the PPA.

The peer reviewed journals, published on behalf of IOM3 by Maney, showed an average impact factor increase of 15%. Katerina Busuttill's appointment as Commissioning Editor for Materials Science allowed more systematic surveying of research trends, and commissioning, to support the development of the journal portfolio. The ManeyTrack content management system, launched in 2012, provides authors with information on the production progress of their papers and other services provided by the Publisher. In the autumn of 2013 the journals will move to an enhanced online platform.

During 2013, the publications group will be looking at new journal opportunities and developing a digital strategy for the Institute's magazines.

MARKETING

2012 saw a successful first full year of activity from the newly created sales and marketing department. Advertising revenues generated from the Institute's member magazines grew for the first time since 2007 and, more specifically, recruitment advertising volumes increased by 16%. A number of initiatives were also introduced to add value to the Institute's commercial offering.

During 2013, the marketing department is focusing on maximising opportunities for revenue generation outside of magazine advertising.

CONFERENCES

Despite a bad start to the year with the postponement of Rolls 2012 and cancellation of Materials Congress, the conference group successfully delivered the Shaft Design, High Temperature Welds and Thermomechanical Processing of Steels conferences and provided a surplus close to budget. Technical divisions providing successful conference activity in 2012 included Materials Science and Technology, Iron and Steel, Ceramics, Polymer, Surface Engineering and the International Minerals and Mining Association.

In 2013 the conference team will be reviewing the strategy for IOM3 conferences and putting efforts into planning PVC 2014, a major event in the international plastics calendar.

IOM3 MEMBER MAGAZINES



INFORMATION SERVICES

2012 saw increase in contacts made via the IOM3 website to the IOM3 Materials Information Service (MIS) which provides technical help and information to personal members, corporate members and the general public. The MIS team continues to support the Materials Knowledge Transfer Network (see below) and is heavily involved in a number of European projects. The IMIMAGE (Information on Mining, Metallurgy and Geological Exploration) database continues to be produced by IOM3 and is highly appreciated by members, subscribers and researchers throughout the world.

In preparation for the bicentenary of the birth of Henry Bessemer in 2013, a stream of visitors came to IOM3 headquarters in London during 2012 to see the Bessemer Room and artefacts therein - including researchers, retired metallurgists from Sweden, Bessemer's descendants and residents of Charlton Village where he was born. Research and preparations started for an exhibition at IOM3 to celebrate the bicentenary and this was launched at a memorable event on 24 January 2013 with prestigious guests including past Bessemer Medallists.

A significant amount of time in 2012 was devoted to the project management of the highly successful Signature Materials venture to tackle ever-growing problem of metal theft. IOM3 has developed a unique metal signature that, together with an accessible national register, provides a solution to a crime that has cost the UK economy an estimated ¾ billion pounds a year. British Transport Police and government bodies including the Home Office, the Technology Strategy Board (TSB) and The Department for Business Innovation and Skills (BIS) have joined forces to work with the Institute to face this evolving problem in the UK.

GOVERNMENT INITIATIVES

IOM3 continued to play a significant part in Government programmes to develop materials technologies and promote better use of materials through its management of the Materials Knowledge Transfer Network (KTN), which includes the Materials and Design Exchange (MaDE). Topics addressed during 2012 included materials in medicine and dentistry, surface engineering and coating technologies, lightweighting, end-of-life vehicle technologies, metal theft deterrence, renewable energy and nuclear power engineering. The 2012 KTN annual meeting explored how materials can help solve manufacturing issues and enable investments in industrially-relevant 21st century manufacturing technologies such as Additive Manufacturing.

KTN is valued as an 'excellent forum for networking and fostering collaboration' which is free to join. The Materials KTN is one of the largest of the UK knowledge transfer networks with membership exceeding 6,000 in 2012.

MaDE, the magazine of the Materials and Design Exchange, had a very successful year in 2012, culminating in overwhelming praise from readers in a survey conducted in the last quarter. Readership is up year on year, with more click throughs to the digital edition and increased enquiries for the print version. In 2013 we are developing plans to increase the frequency of the title and continue to make it more accessible to readers via a variety of formats

STARPACK

A very successful Starpack Award Presentations Day held in Grantham for the first time included all three award programmes - schools, students and industry. The day was a fitting celebration of student and industry achievements, with attendees acknowledging that they were both impressed and motivated by this year's event.

Entries for the international WorldStar competition, which is administered by IOM3 on behalf of the World Packaging Organisation, were up 21% in 2012 compared with the previous year.

A major objective for 2013 is for the Starpack Awards scheme to break even, and to achieve enhanced promotion for the WorldStar competition.

TRAINING

The training activities run by IOM Communications were rebranded under the name IOM3 Training Academy. This aims to deliver training across the disciplines and currently covers wood technology, packaging and clay technology/quarry management. A record number of students were trained on the EQIPT packaging course, and around 50 students gained their Diploma in Packaging Technology qualification.

For the first time the level 2 and level 3 Technical Certificate in Clay Building Products courses were taught in tandem, offering both qualifications to the industry in the same year. It was also the first time that the induction day was taken outside of the Institute so the students could look around a clay building products manufacturer (Hanson, Measham).

Growing out of the IOM3 Signature Materials activity, the first part of a training course for Materials Markers was developed and tested, with the first class completing the course in November 2012.

During 2013, EQIPT training will be delivered online for the first time, and IOM3 Training Academy is also in the process of implementing online registration for courses.

The Level 2 Award in Timber and Panel Products will also be launched in 2013, with a new workbook published by IOM3 to coincide with the course.

MEDALS AND PRIZES 2012

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
Platinum Medal
Silver Medal
Sir Andrew Bryan Medal
Chapman Medal
Futers Gold Medal
Griffith Medal/Prize
Medal for Excellence

Dr Graham A Honeyman
Professor John Kilner
Dr Michelle Moram
Mr Stephen R Pye
Professor Neil Rushton
Mr Nick Hazen
Professor Molly Stevens
Mr Christopher P Hall

PERSONAL ACHIEVEMENT AWARDS

Colclough Medal
Dowding Medal/Prize
Sir Robert Hadfield Medal & Prize
Holliday Prize
Hume-Rothery Prize
Colin Humphreys Education Award
Kroll Medal & Prize
Outstanding Contribution Award

Mr Steven Brett
Professor Zhongyung Fan
Dr J Malcolm Gray
Professor Michael Wisnom
Professor Gunter Effenberg
Ms A Laferrer and Mr J Smith
Professor J Coleman
Mr J Brazier and
Mr D Woodbridge
Dr Philip Bischler
Professor Stephen Eichhorn
Mr Steve Vanes
Mr Douglas A Jones
Mr Karl-Henrick Robert
Dr Richard Todd

T B Marsden Award
Rosenhain Medal/ Prize
Rowbotham Medal
Thomas Medal/Prize
Thornton Medal
Verulam Medal/Prize

PUBLICATION AWARDS

Alan Glanvill Award
Guy Bengough Award
Billiton Gold Medal
Composite Award
Douglas Hay Medal
Mann Redmayne Award
Pfeil Award

James S Walker Award
Wardell Armstrong Prize

Dr L Q Zhang
Dr M J Robinson and
Dr K Alawadhi
Dr H Y Sohn
Dr Kristina Oksman
Dr F T Suorineni
Dr Xin L Ge
A Covill, N C Hyatt,
J Hill and N C Collier
Mr Samuel Halliday
Dr John Clout and
Mr W G Rowley

OTHER AWARDS

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

Mr Ieuan Seymour
Mr Thomas Lane
Ms Afiya Chohollo

Ms Erica Gateley
Ms Kate MacGregor
Mr Abbas Delavarmogh
Mr Brian Weden

JOINT AWARDS

Beilby Medal & Prize
Harvey Flower Titanium Prize
Charles Hatchett Award

Vanadium Award

Professor Adam Lee
Mr Brad Wynne
R Bodnar, T Nelson, K Taylor,
P Nash, S Mostovoy,
Z Hu and H Tsosie
B Mintz, K Banks, A Tuling



Winners of the Institute's Premier Awards gathered at 1 Carlton House Terrace for the award ceremony in July.

LOCAL SOCIETY OF THE YEAR

Two awards made by the Local Affairs Board recognise the work of local societies affiliated to the Institute. The award for a society with an average attendance of less than 30 people went to ICTa North Staffordshire. The award for a society with an average attendance of 30 or more people went to the Western Institute of Mining and Metallurgy.

Outstanding service awards were made by the Local Affairs Board to David Gooch, Stuart Patrick and Keith Barnes.

HONOURS AND AWARDS

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

OFFICER OF THE ORDER OF THE BRITISH EMPIRE:

Emeritus Professor William Bonfield CBE FREng FRS FIMMM
 Peter Latham FIMMM
 Roy Wakeman MIMMM

DAME COMMANDER OF THE ORDER OF THE BRITISH EMPIRE:

Professor Julia King CBE FREng FIMMM

FELLOWSHIP OF THE ROYAL ACADEMY OF ENGINEERING:

Professor Serena Best CEng FIMMM
 Dr Peter Bonfield CEng FIMMM
 Cynthia Carroll FIMMM
 Professor William Lee CSci FIMMM
 Professor Allan Matthews FIMMM
 Professor Jane Plant CBE FRSE FIMMM
 Professor Eric Morgan Yeatman FIMMM

OTHER AWARDS

Professor Lindsay Greer FIMMM received the TMS Bruce Chalmers Award for 2012.

David G Meadows FIMMM won the Arthur F Taggart Award from the Society for Mining, Metallurgy and Exploration.

Dr Laxman Amaratunga PEng CEng MIMMM FCIM was honoured with the Lifetime Achievement Award from the Canadian Institute of Mining, Metallurgy and Petroleum (CIM).



On 31 October 2012 the Institute welcomed Professor Sir Colin Humphreys (pictured above left, with IOM3 President Jan Lewis) to present the Finniston Lecture. The Lecture was inaugurated in 1992 and is held every two years in memory of Sir Harold Montague (Monty) Finniston, a British industrialist who helped produce the Finniston Report, a Government initiative to evaluate the British engineering industry. Sir Colin's lecture, Exploiting Materials Research – A Case Study in Gallium Nitride LEDs, and What Monty Finniston Might be Saying Today, gave a case study on materials for LEDs, which were invented 50 years previously, in 1952.



California finalist, Brian Weden, was awarded first prize in the Young Persons' World Lecture Competition, which took place on 5 July 2012 at 1 Carlton House Terrace, London, for his talk, High Performance Impact-Tolerant and Abrasion-Resistant Materials: Lessons From Nature.

FINANCIAL REVIEW

We are pleased to report an overall surplus of £310k for 2012 compared to an overall deficit of £1.1m in 2011. The improvement came from a turnaround in investment and actuarial gains of £1.76m but was reduced by an increase in expenditure of £400k in support of our plans for the year.

At the start of 2012, the Institute faced a number of financial challenges. Our main government funded contract had been extended for a further nine months to 30 June 2013 but at a lower grant level. Trading conditions had deteriorated in the early part of 2012 and, in particular, it was anticipated that conferences would fall well below budget expectations. A 20 year rent review was due on our London offices and a significant increase was expected. Priority was therefore being given to increasing membership numbers and the development of new income generating activities commensurate with the Institute's objectives.

Total incoming funds of £6.1m were 1% higher than 2011. A profit on the disposal of freehold property and increases in both membership and trading income were partly offset by a reduction of £113k in investment income relating to the defined benefit pension scheme. Our main government contract was extended to 31 March 2014 and with the addition of some new European contracts, income from information services increased by 17%. The conference programme was substantially reduced but the bottom line was not as bad as we had anticipated.

The increase in total expenditure came from an investment in staff and other resources to begin two major projects to promote membership and to put in practice our plans to deter metal theft. Negotiations for the rent review are on going and provision for the increase in 2012 has been incorporated in the accounts on the basis of professional advice. For this reason, there was an increase in property costs of 20% during the year.

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 £842k in 2012 compared to a deficit of £78k in 2011. During 2012, there was a return of 10.5% (2010: negative return of 0.9%) compared to the benchmark return of 9.5% (2011: 1.6%).

The actuarial gains/losses arise from the valuation required by Financial Reporting Standard 17 (FRS17) and are detailed in note 22. 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 market;
- maintaining income in the short and long term;
- major reduction in investment values;
- impact of rent review in 2012;
- 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 £9.4m to £9.7m 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:

1. 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 2012.
2. 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 2012.
3. 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 reserve is considered appropriate to allow the Institute to be managed efficiently, to provide a buffer for uninterrupted services and to achieve the long-term objectives of the Institute. The unrestricted reserves total £4.2m at the year-end and represent 69% of total budgeted expenditure for 2013.

Council has set a budget for net expenditure of £170k during 2013 to support initiatives for the development of membership, conferences and the metal theft programme

STRUCTURE, GOVERNANCE & 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;
- 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.

TRUSTEES' REPORT

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 18. 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.

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.
- **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.
- **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.

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 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.

OFFICERS AND COUNCIL MEMBERS (FROM 1 JANUARY 2012 TO MAY 2013)

President	Mr J C H Lewis (to December 2012) Professor J G P Binner (from January 2013)	North East	Mr C Rhodes (to January 2013)	Automotive Applications	Mr A Haggie
Senior Vice-President	Dr M A Hicks	North West	Vacancy	Biomedical Applications	Professor S Best
Honorary Treasurer	Dr M J May	Midlands	Mr D R Evetts	British Composites Society	Dr R H Martin
Vice Presidents	Dr P J E Bischler Professor J G P Binner (to December 2012) Mr M Cox (from January 2013)	South East	Dr A K Jadoon (to March 2012)	Casting	Dr P Withey Professor Z Fan (from April 2013)
Chairman of Managing Board and Past President	Mr B D Lye (to December 2012) Mr J C H Lewis (from January 2013)	South West & Wales	Mr R P Pearce	Ceramics Society	Mr C Hallas (to November 2012) Professor J G P Binner (from November 2012)
Chairman of Professional Policy Board	Dr C W Corti	Honorary Fellow and Fellows	Mr C Husselbury (to January 2012) Dr G E Hollox (to October 2012)	Electronic Applications	Dr M Khor
Chairman of Industry and Technology Policy Board	Dr M J Pettifor (to June 2012) Dr D J Gooch (from July 2012)	Professional Members & Members	Dr J R Wilcox Mr M C Cox (to January 2013)	Light Metals	Mr M R Jarrett
Chairman of the Local Affairs Board	Dr P J E Bischler	Associate Members	Mr S J Wood Dr S O Matthews	Materials Science & Technology	Dr M R Winstone (from January 2012)
Chairman of Younger Members Committee	Dr I Akagwu (to November 2012) Dr J Forsdike (from November 2012)	Technician Members	Mr S Bellaby	Mineral Processing & Extractive Metallurgy	Mr A Francis
Honorary Overseas Secretary	Mr B D Lye	COUNCIL MEMBERS REPRESENTING THE FOLLOWING DISCIPLINES			
COUNCIL MEMBERS REPRESENTING CORPORATE MEMBERS FROM THE REGIONS		Metals	Dr K A Ridal	Mining Technology	Dr P J Foster
Scotland	Dr C S Hindle	Ceramics	Professor J G P Binner	The Packaging Society	Mr K V H Barnes
DIVISIONAL BOARD CHAIRMEN		Plastics & Rubber	Mr K L Forsdyke	Petroleum & Drilling Engineering	Eur Ing S Bedford
Applied Earth Science	Mr M D Forrest (to March 2013) Ms L Carroll (from March 2013)	Minerals & Mining	Mr R G Siddall	Polymer Society	Mr S G Patrick
COUNCIL MEMBERS REPRESENTING ALL CORPORATE MEMBERS		DIVISIONAL BOARD CHAIRMEN			
Honorary Fellow and Fellows	Mr C Husselbury (to January 2012) Dr G E Hollox (to October 2012)	Applied Earth Science	Mr M D Forrest (to March 2013) Ms L Carroll (from March 2013)	Surface Engineering	Mr K Harrison
Professional Members & Members	Dr J R Wilcox Mr M C Cox (to January 2013)	DIVISIONAL BOARD CHAIRMEN		The Wood Society	Mr A Pitman
Associate Members	Mr S J Wood Dr S O Matthews	DIVISIONAL BOARD CHAIRMEN		Co-opted Council Member	Mr M Driver
Technician Members	Mr S Bellaby	DIVISIONAL BOARD CHAIRMEN			

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

During the year, the following Council members were co-opted to the managing board:

Messrs Cox, Harrison, Hollox and Siddall.

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
Chief Executive and trustee	Dr B A Rickinson

AUDIT COMMITTEE

Chairman	Mr P J K Haslehurst
	Dr D Elliott
	Mr B J Breen
	Mr C Hallas

SENIOR STAFF

Chief Executive	Dr B A Rickinson
Deputy Chief Executive	Dr G Woodrow
Finance Director	Mr R Milbank

PROFESSIONAL ADVISERS

Bankers	Lloyds Bank plc 39 Threadneedle Street, London EC2R 8AU 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	firstactuarial 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 28 May 2013.

Mr Jan Lewis, President 2011-12

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 2012 on pages 20 to 39. 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 14 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 APB's website at:

www.frc.org.uk/apb/scope/private.cfm

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 2012 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

29 May 2013

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	Unrestricted funds		Restricted funds	Permanent endowment	Total funds 2012	Total funds 2011
		General £'000	Designated £'000	£'000	£'000	£'000	£'000
INCOMING RESOURCES							
Incoming resources from charitable activities							
Membership and related activities		1,395	-	-	-	1,395	1,352
Charitable trading activities	1	3,897	-	-	-	3,897	3,848
		5,292	-	-	-	5,292	5,200
Incoming resources from generated funds							
Voluntary income	2	24	4	1	-	29	2
Activities for generating funds	3	402	-	-	-	402	415
Investment income	4	278	2	58	-	338	445
Other incoming resources	5	53	-	-	-	53	-
Total incoming resources		6,049	6	59	-	6,114	6,062
RESOURCES EXPENDED							
Charitable activities							
Membership and related activities		2,489	8	47	-	2,544	2,233
Charitable trading activities	1	3,195	-	-	-	3,195	3,054
		5,684	8	47	-	5,739	5,287
Cost of generating funds							
Activities for generating funds	3	402	-	-	-	402	460
Investment management costs		30	-	-	-	30	32
Governance costs		134	-	3	-	137	129
Total resources expended	6	6,250	8	50	-	6,308	5,908
Net (outgoing)/incoming resources before transfers		(201)	(2)	9	-	(194)	154
Transfers							
Gross transfers between funds	7	-	-	-	-	-	-
Net (outgoing)/incoming resources before other recognised gains and losses		(201)	(2)	9	-	(194)	154
Other recognised gains/(losses)							
Gains/(losses) on investment assets		410	5	62	-	477	(437)
Actuarial gains/(losses) on defined benefit pension scheme	22.7	27	-	-	-	27	(823)
NET MOVEMENT IN FUNDS		236	3	71	-	310	(1,106)
Reconciliation of funds							
Total funds brought forward		4,008	3,631	1,732	33	9,404	10,510
TOTAL FUNDS CARRIED FORWARD		4,244	3,634	1,803	33	9,714	9,404

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

BALANCE SHEETS FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	Group		Institute	
		2012 £'000	2011 £'000	2012 £'000	2011 £'000
FIXED ASSETS					
Tangible assets	9	2,720	2,966	2,720	2,966
Investments	10	8,536	8,059	8,029	7,581
		11,256	11,025	10,749	10,547
CURRENT ASSETS					
Stock and work in progress	12	17	19	8	8
Debtors	13	1,668	806	349	200
Bank balances		125	93	4	3
		1,810	918	361	211
CREDITORS: Amounts falling due within one year	14	(2,681)	(1,841)	(1,594)	(1,493)
NET CURRENT (LIABILITIES)		(871)	(923)	(1,233)	(1,282)
NET ASSETS BEFORE PENSION LIABILITY		10,385	10,102	9,516	9,265
Defined benefit pension scheme liability	22.3	(671)	(698)	(671)	(698)
NET ASSETS	15	9,714	9,404	8,845	8,567
PERMANENT ENDOWMENT FUND					
	16	33	33	33	33
RESTRICTED FUNDS					
Subsidiary trust funds	17	531	501	-	-
Other restricted funds	18	1,272	1,231	1,272	1,231
UNRESTRICTED FUNDS					
Designated funds	19	3,634	3,631	3,634	3,631
General fund		4,244	4,008	3,906	3,672
TOTAL FUNDS		9,714	9,404	8,845	8,567

The financial statements on pages 20 to 39 were approved and authorised for issue by the trustees on 28 May 2013 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>2012</i> £'000	<i>2011</i> £'000
Reconciliation of the net (outgoing)/incoming resources to net cash flow from operating activities			
Net (outgoing)/incoming resources		(194)	154
Depreciation and amortisation (including profits/losses on sale of fixed assets)		106	190
Interest and dividends receivable		(338)	(445)
Pension contributions		(27)	(39)
Decrease in stocks		2	22
(Increase)/decrease in debtors		(862)	107
(Decrease)/increase in creditors		631	(154)
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES		(682)	(165)

CASHFLOW STATEMENT

Net cash (outflow) from operating activities		(682)	(165)
Returns on investments and servicing of finance	23.1	365	359
Capital receipts less expenditure	23.2	139	(17)
(DECREASE)/INCREASE IN CASH		(178)	177

Reconciliation of net cash flow to movement in net funds

(Decrease)/increase in cash in the year		(178)	177
Net (debt) at 1 January 2012		(57)	(234)
NET (DEBT) AT 31 DECEMBER 2012	23.3	(235)	(57)

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.

GROUP FINANCIAL STATEMENTS

The financial statements consolidate the results of the wholly owned subsidiary companies and companies over which the Institute exercise 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.

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.

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.

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.

NOTES TO FINANCIAL STATEMENTS

1 CHARITABLE TRADING ACTIVITIES	2012 £'000	2011 £'000
TURNOVER		
Publishing	1,402	1,423
Conferences and exhibitions	263	541
Information services	2,338	2,005
Technology improvement awards	103	103
Training services	246	221
	4,352	4,293
Internal contribution for costs included in sales	(455)	(445)
Incoming resources	3,897	3,848
COST OF CHARITABLE TRADING ACTIVITIES		
Publishing	700	705
Conferences and exhibitions	287	451
Information services	2,328	1,999
Technology improvement awards	119	144
Training services	216	200
	3,650	3,499
Internal contribution to sales	(455)	(445)
	3,195	3,054
NET CONTRIBUTION FROM CHARITABLE TRADING ACTIVITIES		
Publishing	702	718
Conferences and exhibitions	(24)	90
Information services	10	6
Technology improvement awards	(16)	(41)
Training services	30	21
	702	794

2 VOLUNTARY INCOME

	2012 £	2011 £
Donations for medal funds	5	2
Donations from The Institute of Vitreous Enamellers	24	-
	29	2

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

	2012		2011	
	<i>Unrestricted</i> £'000	<i>Restricted</i> £'000	<i>Unrestricted</i> £'000	<i>Restricted</i> £'000
Listed securities				
Fixed interest	93	33	95	33
UK equities	206	24	196	23
Overseas equities	8	-	7	-
Cash and cash equivalents	-	1	4	1
	307	58	302	57
(Deficit)/return on pension scheme assets	(27)	-	86	-
	280	58	388	57

5 OTHER INCOMING RESOURCES

During the year the Institute sold its freehold property in Doncaster and generated a surplus of £53k

FINANCIAL STATEMENTS

6 TOTAL RESOURCES EXPENDED

SUMMARY	2012 '000	2012 £'000	2011 £'000	2011 £'000
Direct charitable costs		2,782		2,673
Employment costs				
Salaries	1,909		1,726	
Social security costs	187		171	
Pension costs	174		183	
Temporary and other staff costs	139		131	
Redundancy costs	3		74	
		2,412		2,285
Establishment costs				
Property costs	534		363	
Information technology	136		139	
Depreciation	159		190	
		829		692
Administration costs				
Travel, meeting and committee expenses	118		122	
Postage and telecommunications	59		52	
Printing and stationery	33		27	
Finance costs	19		18	
Professional fees	47		30	
Office and other costs	9		9	
		285		258
		6,308		5,908

BREAKDOWN OF COSTS OF ACTIVITIES	Direct costs £'000	Support costs £'000	2012 Total £'000	2011 Total £'000
Charitable activities				
Membership and related services	1,070	1,474	2,544	2,233
Charitable trading activities	1,612	1,583	3,195	3,054
	2,682	3,057	5,739	5,287
Costs of generating funds				
Activities for generating funds	70	332	402	460
Investment management costs	30	-	30	32
Governance costs	-	137	137	129
	2,782	3,526	6,308	5,908

SUPPORT COST BREAKDOWN BY ACTIVITY	<i>Employment costs</i> £'000	<i>Establishment costs</i> £'000	<i>Admin costs</i> £'000	<i>2012 Total</i> £'000	<i>2011 Total</i> £'000
Membership and related services	980	400	94	1,474	1,261
Charitable trading activities	1,149	325	109	1,583	1,469
Activities for generating funds	221	91	20	332	376
Governance costs	62	13	62	137	129
	2,412	829	285	3,526	3,235

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>2012 No.</i>	<i>2011 No.</i>
The average number of full time equivalent employees during the year was	55	52
The number of employees who earned more than £60,000 per annum including benefits was:		
£60,001 - £70,000	-	1
£70,001 - £80,000	2	1
£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>2012</i> £'000	<i>2011</i> £'000
Auditor's remuneration		
Audit fee – current year	28	27
Accountancy, taxation and other services	7	3
Operating lease rentals		
Land and buildings – leases expiring after five years	280	152
Travel expenses paid to 31 (2010: 33) Council Members for attending Council and other meetings	26	41

The future annual commitment in respect of operating leases for land and buildings expiring after five years amounts to £280k.

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 2012, fees paid to Mining Research Co. UK amounted to £15,000 (2011 £15,000). Mr K Harrison provided technology expertise to IOM Communications Ltd during the year and was paid fees of £15,389 (2011: £11,982). No other members of the Council have directly or indirectly received any remuneration during the years ended 31 December 2011 and 2012.

FINANCIAL STATEMENTS

7 TRANSFERS BETWEEN FUNDS

There were no transfers between funds during 2012.

8 EXTRACTS FROM THE INSTITUTE'S STATEMENT OF FINANCIAL ACTIVITIES

	2012 £'000	2011 £'000
Total incoming resources	2,898	2,985
Net movement in funds	277	(1,083)

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 2012	405	3,336	906	4,647
Additions in the year	-	72	19	91
Disposals in the year	(247)	-	-	(247)
31 December 2012	158	3,408	925	4,491
Depreciation				
1 January 2012	104	700	877	1,681
Provided during the year	7	137	16	160
Disposals in the year	(70)	-	-	(70)
31 December 2012	41	837	893	1,771
Net book value				
31 December 2012	117	2,571	32	2,720
31 December 2011	301	2,636	29	2,966

10 INVESTMENTS

	<i>Group</i>		<i>Institute</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Analysis of movements in the year				
Market value at 1 January	8,059	8,495	7,581	7,989
Additions at cost	-	64	-	63
Disposals at opening market value	-	(63)	-	(62)
Revaluations	477	(437)	448	(409)
Market value at 31 December	8,536	8,059	8,029	7,581
At the balance sheet date, the portfolio was invested as follows				
<i>Listed investments</i>				
Fixed interest	2,202	2,169	2,059	2,028
UK equities	5,691	5,293	5,327	4,956
Overseas equities	481	435	481	435
<i>Unlisted investments</i>				
Cash and cash equivalents	162	162	162	162
Subsidiary undertakings (note 11)	-	-	-	-
Market value at 31 December	8,536	8,059	8,029	7,581
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)	2,124	2,091	1,981	1,950
Charishare (UK equities common investment fund)	5,680	5,282	5,317	4,946
Blackrock International Equity Fund	481	435	481	435
Historical cost at 31 December	6,891	6,891	6,481	6,481

11 SUBSIDIARY UNDERTAKINGS

The Institute has two subsidiary trusts (see note 17 for further details) and the following 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 2012.

A summary of the 2012 results and balance sheets of IOM Communications Limited together with comparative figures for 2011 is shown below.

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

	2012 <i>Total</i> £'000	2011 <i>Total</i> £'000
Results		
Charitable trading activities	4,352	4,293
Total incoming resources	4,352	4,293
Charitable trading activities	3,650	3,499
Donation to the Institute	700	790
Total outgoing resources	4,350	4,289
Net incoming resources	2	4
Balances brought forward	333	329
Balances carried forward	335	333
Balance sheets at 31 December		
Current assets	1,570	996
Creditors: amounts falling due within one year	(1,235)	(663)
Net current assets	335	333
Shareholders' funds	335	333

The net assets of Materials Institute Services Limited at 31 December 2011 and 2012 were £3,447.

12 STOCK AND WORK IN PROGRESS

	<i>Consolidated</i>		<i>Institute</i>	
	<i>2012</i> £'000	<i>2011</i> £'000	<i>2012</i> £'000	<i>2011</i> £'000
Work in progress	15	17	6	6
Sundry stocks	2	2	2	2
	17	19	8	8

13 DEBTORS

Trade debtors	212	189	51	43
VAT recoverable	1	-	1	-
Other debtors	70	46	20	47
Prepayments and accrued income	1,385	571	156	110
Amounts due from subsidiary companies	-	-	121	-
	1,668	806	349	200

14 CREDITORS: Amounts falling due within one year

Trade creditors	871	416	304	132
Taxes and social security costs	135	143	135	143
Subscriptions and orders paid in advance	674	729	353	393
Other creditors and accruals	641	403	442	358
Amounts due to subsidiary companies	-	-	-	317
Bank overdraft	360	150	360	150
	2,681	1,841	1,594	1,493

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	-	2,720	-	-	2,720
Investments	6,087	914	1,502	33	8,536
Current assets	1,509	-	301	-	1,810
Current liabilities	(2,681)	-	-	-	(2,681)
Net assets before pension liability	4,915	3,634	1,803	33	10,385
Pension liability	(671)	-	-	-	(671)
Total net assets	4,244	3,634	1,803	33	9,714

Institute	Unrestricted funds		Restricted	Permanent	Total
	General £'000	Designated £'000	funds £'000	funds £'000	funds £'000
Tangible fixed assets	-	2,720	-	-	2,720
Investments	6,087	914	995	33	8,029
Current assets	84	-	277	-	361
Current liabilities	(1,594)	-	-	-	(1,594)
Net assets before pension liability	4,577	3,634	1,272	33	9,516
Pension liability	(671)	-	-	-	(671)
Total net assets	3,906	3,634	1,272	33	8,845

16 PERMANENT ENDOWMENT FUND

Mining Club	Balance at	Incoming	Resources	Investment	Transfers	Balance at
	1 January 2012 £'000	resources £'000	expended £'000	gains/ (losses) £'000	between funds £'000	31 December 2012 £'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 SUBSIDIARY TRUST RESTRICTED FUNDS	<i>Balance at 1 January 2012 £'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 2012 £'000</i>
Andrew Carnegie Trust Fund	421	16	(14)	25	-	448
Metals & Metallurgy Trust Fund	80	3	(4)	4	-	83
	501	19	(18)	29	-	531

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

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

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

18 OTHER RESTRICTED FUNDS	<i>Balance at 1 January 2012 £'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 2012 £'000</i>
Stanley Elmore Fellowship	651	22	(20)	6	-	659
Bosworth Smith Trust	191	6	(4)	10	-	203
Tom Seaman Travelling Scholarship	187	7	(3)	11	-	202
Edgar Pam Fellowship	78	2	(3)	3	-	80
G Vernon Hobson Bequest	48	2	(1)	3	-	52
Other funds	20	-	-	-	-	20
Prize funds	56	1	(1)	-	-	56
	1,231	40	(32)	33	-	1,272

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.

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.

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).

FINANCIAL STATEMENTS

	<i>Balance at 1 January 2012 £'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 2012 £'000</i>
19 DESIGNATED FUNDS						
Asset development fund	3,350	-	-	-	-	3,350
Services development fund	90	4	(8)	-	-	86
Sir Julius Wernher Memorial Fund	100	2	-	5	-	107
Packaging education fund	50	-	-	-	-	50
Materials education	24	-	-	-	-	24
Robert A Moore Fund	17	-	-	-	-	17
	3,631	6	(8)	5	-	3,634

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.

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.

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

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>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
20 UNREALISED GAINS/(LOSSES)				
General fund	1,427	1,017	1,427	1,017
Designated funds	7	3	7	3
	1,434	1,020	1,434	1,020
Restricted funds	211	148	114	80
	1,645	1,168	1,548	1,100

21 CAPITAL COMMITMENTS

The Institute had no capital commitments at the year-end (2011: £14,000)

22 PENSION SCHEMES

22.1 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 12 current staff members and 89 deferred members.

Results of the most recent triennial actuarial valuations, at 1 January 2004, 2007 and 2010, showed the following results.

	2004 £'000	2007 £'000	2010 £'000
Market value of the scheme's assets	4,364	5,065	6,404
Liability for projected accrued benefits	(5,235)	(5,311)	(6,925)
(Deficit)/surplus	(871)	(246)	(521)

Arrangements have been made for the deficit shown by the actuarial (ongoing) valuation at 1 January 2010 to be funded at the rate of:

- £54k p.a. payable in equal monthly instalments from 1 January 2010 to 31 March 2011.
- £29k p.a. payable in equal monthly instalments from 1 April 2011 to 30 June 2022.

22.2 PRINCIPAL ACTUARIAL ASSUMPTIONS

A valuation of the defined benefit pension scheme assets and liabilities at 31 December 2012 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	2012 % p.a.	2011 % p.a.
Discount rate	4.40	4.90
Price inflation – pre-retirement (RPI)	3.00	2.80
Consumer Prices Inflation – pre-retirement (CPI)	2.20	1.80
Future salary increases	3.50	3.30
Rate of increases of pensions in payment – current pensioners (RPI)	2.90	2.80
Rate of increases of pensions in payment – non-pensioners (RPI)	2.90	3.70
Rates of increases of pensions in payment – non-pensioners (CPI)	1.90	1.20
Rate of increase for deferred pensioners pre 2009	2.20	1.80
Rate of increase for deferred pensioners post 2009	2.20	1.80
Expected return on scheme assets at 31 December	6.30	5.00

22 PENSION SCHEMES *(continued)*

The overall expected return on assets assumption of 6.3% at 31 December 2012 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 5.4% above that available for UK government securities
- Property: Allowance for an additional return of 5.4% 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 31/12/2012		Year ended 31/12/2011	
	Males	Females	Males	Females
Mortality pre-retirement	AMC00/AFC00 combined			
Mortality post-retirement	SIPA CIMA 2011 M/F 1% (job)			
Life expectancy for a current 65 year old in 2012	22.0 years	24.2 years	21.2 years	23.8 years
Life expectancy at age 65 for an individual aged 45 in 2012	23.3 years	25.8 years	23.1 years	25.7 years

22.3 AMOUNTS RECOGNISED IN THE BALANCE SHEET FOR DEFINED BENEFIT SCHEME

	2012 £'000	2011 £'000
Present value of liabilities	(8,008)	(7,429)
Market value of scheme assets	7,337	6,731
Pension scheme liability recognised in the balance sheet	(671)	(698)

22.4 CHANGES IN THE VALUE OF SCHEME LIABILITIES IN THE YEAR

	2012 £'000	2011 £'000
Opening liabilities	(7,429)	(6,823)
Service cost	(78)	(73)
Interest cost	(363)	(361)
Member contributions	(44)	(48)
Benefits paid	156	383
Actuarial (losses)/gains	(250)	(507)
Closing liabilities	(8,008)	(7,429)

22.5 CHANGES IN THE MARKET VALUE OF SCHEME ASSETS IN THE YEAR	2012 £'000	2011 £'000
Opening scheme assets	6,731	7,210
Expected return	336	447
Actuarial gains/(losses)	277	(703)
Employer contributions	105	112
Member contributions	44	48
Benefits paid	(156)	(383)
Closing scheme assets	7,337	6,731
Amount recognised in balance sheet	7,337	6,731

22.6 MAJOR CATEGORIES OF SCHEME ASSETS	%	%
Equities	64	58
Corporate bonds	21	13
Government bonds	3	10
Properties	2	2
Cash	6	13
Other assets	4	4
Total scheme assets	100	100

22.7 AMOUNTS RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	£'000	£'000
Amounts recognised in net incoming resources are as follows:		
Current service cost	78	73
Interest on obligations	363	361
Expected return on scheme assets	(336)	(447)
Net credit/(charge)	105	(13)

The actual return on scheme assets was a gain of £613k (2011: deficit of £256k)

The Institute expects to contribute £102k to its defined benefit pension scheme in 2013. 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 2012 were £27k and the cumulative losses recognised from 2002 to 2012 amounted to £1,093k.

FINANCIAL STATEMENTS

22 PENSION SCHEMES (continued)

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

	2012 £'000	2011 £'000	2010 £'000	2009 £'000	2008 £'000
Scheme liabilities	(8,008)	(7,429)	(6,823)	(6,871)	(5,539)
Scheme assets	7,337	6,731	7,210	6,391	5,501
Scheme surplus / (deficit)	(671)	(698)	387	(480)	(38)
Experience adjustments on scheme obligations	1	(1)	246	-	149
Change of basis adjustments to scheme obligations	(251)	(506)	258	(947)	592
Experience adjustments on scheme assets	277	(703)	286	420	(733)

22.9 OUTSTANDING PENSION CONTRIBUTIONS AT THE YEAR END

Contributions for the defined benefit scheme amounting to £12k (2011 – £13k) were outstanding at the year-end. Contributions for the defined contributions schemes amounting to £5k (2011 - £5k) were outstanding at the year-end.

23 GROSS CASH FLOWS

23.1 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	2012		2011	
	£'000	£'000	£'000	£'000
Interest received	1		5	
Dividend income	364		354	
		365		359

23.2 CAPITAL EXPENDITURE

Payments to acquire tangible fixed assets	(91)		(16)	
Purchase of investments	-		(64)	
Payments for sale of fixed assets	230		-	
Receipts for sale of investments	-		63	
		139		(17)

23.3 ANALYSIS OF CHANGES IN NET FUNDS

	At 01.01.12 £'000	Cash flows £'000	Other changes £'000	At 31.12.12 £'000
Cash at bank and in hand	93	32	-	125
Bank overdraft	(150)	(210)	-	(360)
	(57)	(178)	-	(235)

