

Annual Review 2005

Council has recently published its annual report and financial statements for 2005 that will be considered by members at the AGM to be held on 6 July 2006. The full document is available on the members' website and copies can be obtained from the Institute. This review summarises information contained in the annual report and financial statements. It also contains information about the 2006 AGM and matters discussed at the 2005 AGM.

Our vision

Our vision is to be the leading international professional body for the advancement of materials, minerals and mining technology to governments, industry, academia, the public and the professions.

Our aims

Through our activities, we aim to –

- Increase the visibility of our subject area particularly to government and to young people.
- Improve the technical awareness of our community.
- Expand the networking opportunities of our community to external influences such as design and other industries.
- Demonstrate the importance and relevance of our subject area to affect important global issues such as quality of life, wealth creation and the environment.

Our activities

We promote materials, minerals and mining science, engineering and technology by providing –

- A wide range of member services including professional recognition and networking opportunities through 16 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.

Our plans for 2005

Our plans for 2005 included the expansion of membership through merger, continuing improved financial performance by maximising income from existing activities and maintaining/improving the quality of our services.

Our achievements in 2005

- Agreement reached to merge with the Institute of Packaging and the Institute of Clay Technology.
- Mergers will introduce a further 2,600 members and a range of new services to help the professional development of members.
- Good financial performance maintained.
- Larger conference programme producing excellent technical and financial results.
- Major contribution to the DTI funded 'Materials Innovation and Growth' project resulted in important recommendations for the materials and minerals community.
- Working with the Royal College of Art and the Design Council, we raised the visibility of new materials innovations to the design community through a series of events supported by the DTI.
- Visits to South Africa, Singapore and Florida have reinforced the involvement of overseas members in the Institute's activities.
- The Younger Member's Group has actively promoted links to their overseas counterparts and launched the first Young Persons' World Lecture Competition in 2005.
- The investment in secure access to our web portal and the customisation of electronic delivery from this site during the year is a key strategy for ongoing development of services to members.
- Over 32% more students and 46% more teachers were visited during the last academic year. This continuing development of our successful and popular schools activities has led to the need for increased resourcing over the next year.

Our disappointments in 2005

The uncertainties of future advanced level studies in schools caused through the debate of the Tomlinson Report has resulted in the Institute not being able to proceed with the materials 'A' level project.

We have been unable to dispose of the lease of the Hallam Court premises and it has been necessary to set aside the expected costs to the expiry of the lease to a specific designated fund.



The Institute of Materials, Minerals & Mining



The Packaging Society

A Division of the Institute of Materials, Minerals and Mining



A ceramic activity group within the Institute of Materials, Minerals and Mining



Smart Materials, Surfaces and Structures Network

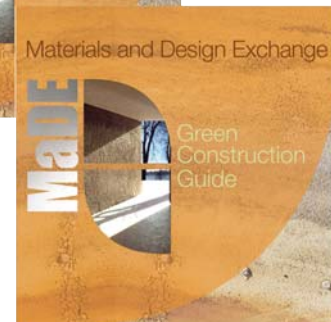
Our finances

- Consolidated operating surplus amounted to £210k being an improvement of £263k over 2004.
- Total income increased by 23%.
- Excellent conference performance.
- Improved result by Materials Information Service.
- Spending on membership and related activities increased by 7%.
- Investment gains amounted to £816k.
- Net assets up from £7.3M to £8.1M after providing for pension liability calculated in accordance with Financial Reporting Standard 17 (FRS17).
- Pension scheme is being kept under review. The next full actuarial valuation will take place on 1 January 2007.

Our staff and members

Council appreciates the valuable contribution made by staff during the year.

The President is grateful to Council and all those members who give their time and expertise freely in furthering the aims of the Institute.



Our plans for 2006

Council has commenced a review of its vision for the Institute and a corporate strategy is expected to be launched in 2006. In the meantime, plans have been made to –

- Develop greater information availability for members via the IOM³ web presence.
- Develop ISO 9000 accreditation for our membership processes.
- Promote links with the design and technology innovation communities.
- Increase activities in our publication areas and provide increased conference production.
- Increase the delivery of government programmes consistent with our community interests.

Summarised consolidated financial statements

STATEMENT OF FINANCIAL ACTIVITIES

	2005 £'000	2004 £'000
Incoming resources		
Membership and related activities	1,186	1,125
Charitable trading activities	2,360	1,603
Voluntary income	23	91
Activities for generating funds	435	391
Investment income	359	332
Total incoming resources	4,363	3,542
Resources expended		
Membership and related activities	1,911	1,789
Charitable trading activities	1,621	1,209
Generating voluntary income	-	28
Activities for generating funds	442	399
Investment management costs	28	27
Governance costs	151	143
Total resources expended	4,153	3,595
Net incoming resources	210	(53)
Other recognised gains/(losses)		
On investment assets	816	469
Defined benefit pension scheme	(213)	(95)
Net movements in funds	813	321
Total funds brought forward	7,308	6,987
Total funds carried forward	8,121	7,308
BALANCE SHEET		
Tangible assets	1,406	1,494
Investments	7,888	7,029
Net current assets	277	49
Pension scheme liability	(1,450)	(1,264)
Net assets	8,121	7,308
Restricted funds	1,675	1,557
Unrestricted funds		
Designated funds	2,368	2,262
General fund	4,078	3,489
	8,121	7,308

CASH FLOW STATEMENT

	2005 £'000	2004 £'000
Operating activities	95	(226)
Interest and dividends received	359	332
Sale of investments	234	209
Purchase of investments	(277)	(204)
Capital expenditure	(50)	(141)
Increase/(decrease) in cash	361	(30)
NOTES		
Charitable trading activities		
<i>Turnover</i>		
Publishing	1,132	1,114
Conferences	819	267
Information services	409	222
	<u>2,360</u>	<u>1,603</u>
<i>Costs</i>		
Publishing	534	500
Conferences	658	305
Information services	429	404
	<u>1,621</u>	<u>1,209</u>
<i>Net contribution</i>		
Publishing	598	614
Conferences	161	(38)
Information services	(20)	(182)
	<u>739</u>	<u>394</u>
Resources expended		
Direct costs	1,922	1,474
Employment costs	1,484	1,407
Establishment costs	501	497
Administration costs	246	217
	<u>4,153</u>	<u>3,595</u>
Net current assets		
Stocks	22	44
Debtors	492	396
Bank balances	521	160
	<u>1,035</u>	<u>600</u>
Current assets	1,035	600
Creditors	(522)	(402)
Advance receipts	(236)	(149)
	<u>277</u>	<u>49</u>

Independent auditors' statement to the trustees of the Institute of Materials, Minerals and Mining

We have examined the summarised consolidated financial statements set out on this page.

Respective responsibilities of trustees and auditors

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

Our responsibility is to report to you our opinion on the consistency of the summarised financial statements with the full financial statements, on which we reported to you on 26 April 2006 and Annual Report. We also read the other information contained in the summarised annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summarised financial statements.

Basis of opinion

We conducted our work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board for use in the United Kingdom.

Opinion

In our opinion the summarised financial statements are consistent with the full financial statements and the annual report of the Institute of Materials, Minerals and Mining for the year ended 31 December 2005.

BAKER TILLY
Registered Auditor
Chartered Accountants
12 Geneagles Court
Brighton Road
Crawley
West Sussex
RH10 6AD
26 April 2006.

Council adopted the full annual report and financial statements of the Institute of Materials, Minerals and Mining on 26 April 2006.

The financial summary may not contain sufficient information to allow for a full understanding of the financial affairs of the Institute. The full annual report and financial statements will be available on the members' website at <http://wam.iom3.org> and can be obtained by contacting Dallas Dinsmore, 1 Carlton House Terrace, London, SW1Y 5DB. Tel: +44 (0)20 7451 7364, fax: +44 (0)20 7839 1702, e-mail dallas.dinsmore@iom3.org.

Copies will be distributed to members attending the AGM on 6 July 2006.

Significant matters raised at the 2005 AGM

Schools Affiliates Scheme

The Schools Affiliates Scheme was praised but did not cover all areas. Was there a maximum capacity for the number of schools in the scheme? Could extra staffing resources be made available to enable the scheme to grow?

We will identify areas where there is still scope for development. The cost of a school joining is £30p.a. which some schools are unable to afford. Local Societies in under-represented areas would be encouraged to take part in marketing the scheme to their local schools and it was suggested they might consider funding school membership. Members might also take a proactive role in increasing membership amongst younger persons by sponsoring schools in their own localities. The Schools Affiliates Scheme is not yet at full capacity but Diane Talbot is constantly striving to offer her services in the classroom and for presentations. Where possible, younger members should go into schools. The Younger Members Group had contributed to the Scheme by visiting schools and museums and establishing contacts in universities. Diane Talbot is raising the profile of science to girls in secondary schools who are currently under represented on university and college courses.

My Materials World

How was the timing of publication of *My Materials World* chosen, as it was often received the day after the receipt of *Materials World*? What was being done to increase the take-up to *My Materials World*?

The intention was to send *My Materials World* out to members before the publication of *Materials World*. Bear in mind that UK members receive the printed publication *Materials World* earlier than overseas members and have received *My Materials World* after *Materials World*. Plans would be made to issue *My Materials World* earlier so that all members receive it prior to *Materials World*. With sufficient news, *My Materials World* could be distributed every two weeks.

My Materials World is promoted at every opportunity particularly on the *Materials World* packaging. Gift incentives have been offered. The web interface, used for signing up, could be a barrier for some members. Some security systems had rejected issues of *My Materials World* as junk mail and members were asked to be aware of this.

Membership

What was being done to address the problem of declining membership? Were existing members being charged relatively more to remain members? Could marketing be targeted at areas to which UK manufacturing had moved? What was the number of members lost as a result of take-overs and mergers?

We are operating in an environment where most professional bodies in our community are experiencing a similar year on year decline of 4 to 5%. It is important that these trends are reversed and Council has set up working groups to investigate the problem and look for solutions. We aim to improve our membership statistics and understanding of the reasons why members are leaving the Institute. The collection of subscriptions has been improved and members who have not paid are contacted to understand the reasons for this.

Apart from understanding the reasons why members leave the Institute, we recognise the need to attract new members. We have reduced the time it takes to process membership applications and most delays are now outside the direct control of Institute staff. Our support of the schools and universities aims to increase membership amongst young people. Likewise, our support of local societies and our divisional activities are aimed at introducing new members. Sharing of contacts with local societies is increasing.

Although the shrinkage in UK manufacturing has caused a fall in membership, one member felt that there were opportunities to attract new members from industries that were changing and growing in the more highly technological and medical sectors.

Increases in membership subscriptions had been limited to the level of inflation, improvement in member benefits or realignment of grades following mergers, and therefore continuing members are not being asked to pay more for the same service.

Take-overs and mergers always cause a dilution which can result in members leaving due to disenfranchisement. A problem of dilution always exists when a smaller organisation, such as the merger with the Institute of Packaging (2,100 members) takes place. Local societies showing decreased membership are those who are not adequately engaging youth. The Younger Members Group has suggested they take over an ailing society, thus making at least one attractive to younger members.

Ray Milbank

Analysis of membership by grade

Grade	31 December 2003		31 December 2004		31 December 2005		Movement in 2005	
	No.	%	No.	%	No.	%	No.	%
Fellows	3,780	19	3,667	20	3,636	21	(31)	(1)
Members	8,032	40	7,626	41	7,045	40	(581)	(8)
Affiliates	1,985	10	1,480	8	1,561	9	81	5
Incorporated engineers	613	3	564	3	463	3	(101)	(18)
Associates	2,455	12	2,020	11	1,681	9	(339)	(17)
Graduates	835	4	742	4	749	9	7	1
Postgraduates	496	2	651	3	800	4	149	23
Students	1,792	9	1,707	9	1,610	4	(97)	(6)
Technicians	179	1	158	1	132	1	(26)	(16)
	<u>20,167</u>	<u>100</u>	<u>18,615</u>	<u>100</u>	<u>17,677</u>	<u>100</u>	<u>(938)</u>	<u>(5)</u>
Former IOP members	-	-	-	-	1,874	11	1,874	
Former ICT members	-	-	-	-	745	4	745	
	<u>20,167</u>		<u>18,615</u>		<u>20,296</u>	<u>115</u>	<u>1,681</u>	

IOP = the Institute of Packaging

ICT = the Institute of Clay Technology