

The Institute of
Materials Minerals and Mining

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 December 2009

CHARITY REGISTRATION NO: 269275

The Institute of Materials Minerals and Mining

TRUSTEES REPORT

for the year ended 31 December 2009

INTRODUCTION

The Institute is a professional body seeking to promote all aspects of materials science, engineering and technology 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 2009.

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.

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

Subject	Contents	Page
Trustees report		
Annual review	An overview of our corporate aims together with our plans for 2009, achievements and performance for the year and our future plans.	2
Financial review	A summary and brief review of our financial position.	5
Structure, governance and management	Information about the council and its main supporting boards with details of internal control and risk management procedures.	7
Objectives and activities	Our formal objectives and the activities we carry out to achieve them.	9
Officers and Council members	Information about the trustees and the interests they represent.	10
Senior boards and professional advisers	Members of the managing board, the board of the charitable trading subsidiary, the audit committee and senior staff together with advisers.	11
Medals and prizes	Winners of the Institute's premier and other awards in 2009.	12
Honours and awards	External honours and awards presented to our members during the year.	13
Auditor's report	Sets out the responsibilities of the trustees and the auditors, the basis of audit opinion and the audit opinion on the financial statements.	14
Consolidated statement of financial activities	The statement summarises the incoming and outgoing resources and other gains and losses for the year.	15
Balance sheets	Contains the Institute's and the consolidated balance sheets.	16
Consolidated cash flow	The statement shows the cash inflow and outflow from operating activities, investments and capital transactions.	17
Accounting policies	Contains the principal accounting policies.	18
Notes to the financial statements	The notes provide detailed information in support of the statement of financial activities, the balance sheets and cash flow statement.	21

The Institute of Materials Minerals and Mining (IOM3) is a registered charity with registration number 269275. The principal office of the Institute is 1 Carlton House Terrace, London SW1Y 5DB.

The Institute of Materials Minerals and Mining

TRUSTEES REPORT

for the year ended 31 December 2009

ANNUAL REVIEW

Public benefit

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

Corporate aims

Our strategic plan contains the following corporate aims:

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

Our plans for 2009

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

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

The Institute of Materials Minerals and Mining

TRUSTEES REPORT

for the year ended 31 December 2009

ANNUAL REVIEW continued

Achievements and performance

The Institute's financial results were badly affected by the worldwide recession. After many years of operating at a surplus, there was an operating deficit of £279k during 2009. Fortunately, the value of investments recovered after the substantial losses in 2008 producing a net investment gain of over £1m. It was disappointing to note the actuarial loss of £500k shown by the FRS 17 valuation. Overall, there was a net surplus for the year of £236k and more details of the results are shown in the financial review on page 5.

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

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

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

Behind the scenes, continued progress was made on the development of web content and functionality. Marketplace, which has online advertising capacity, was commenced and email alert capability was put into place.

The Institute has increasingly embraced social networking with presences on Twitter, Facebook and LinkedIn. Twitter is a high-profile service in which users broadcast short updates or "tweets" telling their followers "what's happening". The Institute tweets articles from *Materials World* and its other publications, its corporate news and updates on conferences and other activities, on a daily basis (See <http://twitter.com/iom3>). Facebook is a massively popular international social networking service, also offering a status update and news feed feature similar to Twitter, but adding many more services such as groups, photo and video-sharing. The Institute has both a "group" which Facebook users can "join" and a "page" where users can access daily updates (See <http://tinyurl.com/iom3facebookpage>). Facebook does have an informal feel whereas LinkedIn is a long-established professional networking service which enables users to connect with existing and new friends, colleagues and companies in order to promote their business, find work or an employee. The Institute has a presence in the form of a "LinkedIn group" which users interested in the Institute and its activities can join, where they can post topics for discussion and link with other professionals in IOM3-related sectors. The Institute's team post regularly to this group about Institute events and member benefits. (See <http://tinyurl.com/iom3linkedin>).

The Institute of Materials Minerals and Mining

TRUSTEES REPORT

for the year ended 31 December 2009

ANNUAL REVIEW continued

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

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

The Institute's learned journals continued to perform well in 2009 despite the recession. Advertising revenue for our magazines continued to be hit hard and there are doubts that it will fully recover. Accordingly, plans are being put in place to cut costs without affecting the quality of output. The magazine team has made a major contribution to the production of both our magazines and other activities of the Institute. In fact, the Institute has a very versatile team that has made a positive impact to all of our activities.

Looking forward to 2010

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

We aim to increase membership through merger and organic growth. An improved package has been developed to attract more members and non-members to become fellows of the Institute and this will be launched in 2010. Continuing web development will provide members with greater knowledge resources and better facilities to record continuing professional development. In March this year, the Institute entered into a joint venture called *Design Pool* with the Institution of Design Engineers and the Chartered Society of Designers. The purpose of *Design Pool* is to enable younger members of the three organisations involved in design and technology to share knowledge and benefits offered by those organisations.

A review of the Institute's governance and structure should also be completed in 2010.

The Institute of Materials Minerals and Mining

TRUSTEES REPORT

for the year ended 31 December 2009

FINANCIAL REVIEW

In a very difficult economic situation, the Institute generated an operating deficit after many years of operating at a surplus. Fortunately, investments regained a significant proportion of value in 2009 and there was an overall surplus of £236k in the year. The following table shows how the surplus was generated together with details of cash outflow, capital expenditure and net assets:

	2009 £'000	2008 £'000
Operating (deficit)/surplus		
General fund	(274)	117
Designated funds	(8)	(94)
Restricted funds	3	154
Net (outgoing)/incoming resources	<u>(279)</u>	<u>177</u>
Gains/(losses) on investment assets	1,042	(2,168)
Actuarial (losses)/gains on defined benefit pension.	(527)	8
Overall surplus/(deficit) – [net movement in funds]	<u>236</u>	<u>(1,983)</u>
Net cash outflow during the year	749	721
Capital expenditure in the year	680	1,710
Net assets at the year-end	<u>9,228</u>	<u>8,992</u>

General fund

The net contribution from the Institute's income generating activities in 2009 was £360k less than 2008. Most activities were directly or indirectly affected by the recession and, in particular, the contribution from information services fell significantly as a result of lower grant income and cost overrun. The net contribution is used to fund membership and related services including those for the public benefit. Total spending on these activities increased by £30k to £2.15m. The combination of lower contribution from income generating activities and increased spending on services led to the general fund operating deficit of £274k.

Designated funds

Movements in designated funds are shown in note 18 to the financial statements. Net expenditure in 2009 was £86k lower than 2008 mainly because of costs relating to the disposal of leasehold premises at Hallam Court in June 2008.

Restricted funds

Movements in restricted funds are shown in notes 16 and 17 to the financial statements. Net income was £151k higher in 2008 than 2009 following the receipt of donated materials valued at £120k for the development of the Grantham premises.

Capital expenditure

Capital expenditure mainly related to the development of the Institute's new premises at Grantham.

Investment returns

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 Institute of Materials Minerals and Mining

TRUSTEES REPORT

for the year ended 31 December 2009

FINANCIAL REVIEW continued

The total gains from investments (income and gains less losses) excluding pension scheme assets amounted to £1,397k in 2009 compared to a total loss of £1,744k in 2008. During 2009, there was a return of 24% (2008 – net deficit of 21%) compared to the benchmark return of 22% (2008 – deficit of 20%).

Actuarial gains/losses on defined benefit pension

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

Major risks faced by the Institute

Council has identified the following major risks facing the Institute:

- Loss of members through reduction in market.
- Increased pension contributions and regulation costs
- Maintaining income in the short and long term
- Major reduction in investment values

The Institute has introduced measures to protect income sources considered to be at risk, particularly member subscriptions and conference income. The Institute continues to take appropriate professional advice to mitigate the impact of investment losses and pension regulation costs.

Net assets

The book value of net assets has increased from £9m to £9.2m during in the year, and the balance sheet continues to show a healthy financial position.

Reserves

Council has reviewed the Institute's reserves and decided that the sum of £460k should be transferred from the general fund to the asset development fund in view of capital expenditure during 2009 and £14k should be transferred from the Hallam Court designated fund to the general fund following the settlement of all liabilities relating to the property. No other transfers are considered necessary.

Council's policy on reserves is to:

Set aside sufficient reserves to fund the net book value of all tangible fixed assets and the cost of future capital expenditure requirements. These amounts are held in the asset development fund and total £3.35m at 31 December 2009.

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 £96k at 31 December 2009.

Retain reserves to cover the future costs of up to one year of charitable costs and expenditure, publicity, management and administration expenditure. The 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. Following the transfer of £460k to the asset development fund, unrestricted reserves fell to £3.9m at the year-end. The unrestricted reserves represent 65% of total budgeted expenditure for 2010.

The Institute of Materials Minerals and Mining

TRUSTEES REPORT

for the year ended 31 December 2009

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

The governance of the Institute is vested in the Council. Members of Council 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 but not exceeding four years. 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.

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);
- for 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 1993, 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.

The Institute of Materials Minerals and Mining

TRUSTEES REPORT

for the year ended 31 December 2009

STRUCTURE, GOVERNANCE AND MANAGEMENT continued

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 11. 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.

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.

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 its 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, professional development, technician activities and external affairs.
- **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.
- **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. During the year, the company was the main contractor for the refurbishment of new premises acquired by the Institute. All costs relating to this project have been paid for by the Institute.

The Institute of Materials Minerals and Mining

TRUSTEES REPORT

for the year ended 31 December 2009

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 monthly members' magazine, a members' business centre and use of facilities, discounted conferences and publications and web-based assistance in careers development. 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. In particular, the local affiliated societies provide an important point of contact for members and deliver a range of valuable services to them. 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 community. A schools affiliate scheme has been set up to provide help, advice and teaching materials to schools. 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 industrial affiliates scheme to provide small and medium sized enterprises with access to its information services.

Through its subsidiary, IOM Communications Ltd, the Institute publishes technical books, learned journals and a members' magazine 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 members' 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. The Institute has developed a procedure for upward feedback for senior management and the trustees. 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.

The Institute of Materials Minerals and Mining

TRUSTEES REPORT

for the year ended 31 December 2009

OFFICERS AND COUNCIL MEMBERS

<i>President</i>	Mr B D Lye	<i>Council members representing all corporate members of the Institute(continued):</i>	
<i>Senior Vice-President</i>	Dr B C Suddell (to December 2009)	Professional Members & Members (continued)	Mr M C Cox (from July 2009)
<i>Honorary Treasurer</i>	Dr M J May	Associate Members	Mr S J Wood Dr S O Matthews (from July 2009)
<i>Vice Presidents</i>	Dr M A Hicks Mr J C H Lewis	Technician Members	Mr S Bellaby
<i>Chairman of Managing Board and Past President</i>	Dr R E Dolby	<i>Council members representing the following disciplines:</i>	
<i>Chairman of Professional Policy Board</i>	Mr P L Huxtable (to July 2009) Dr C Corti (from July 2009)	Metals	Dr K A Ridal
<i>Chairman of Industry and Technology Policy Board</i>	Dr M J Pettifor	Ceramics	Mr C Hallas (to July 2009) Professor J G P Binner (from July 2009)
<i>Chairman of the Local Affairs Board</i>	Dr P J E Bischler	Plastics & Rubber	Mr K L Forsdyke
<i>Chairman of Younger Members Committee</i>	Dr M R Clinch (to March 2009) Dr S Davey (from March 2009)	Minerals & Mining	Eur Ing R G Siddall
<i>Honorary Overseas Secretary</i>	Dr B C Suddell (to December 2009)	<i>Divisional board chairmen:</i>	
<i>Council members representing corporate members from the regions:</i>		Applied Earth Science	Mr M D Forrest
Scotland	Mr C Graham Smith (to July 2009) Mr C S Hindle (from July 2009) Mr C Rhodes	Automotive Applications	Mr P Selwood
North East		Biomedical Applications	Professor S Best
North West	Dr A F Thomas	Castings	Dr P Withey
Midlands	Mr D R Evetts	Ceramics Society	Mr C Hallas
South East	Dr A K Jadoon	British Composites Society	Professor P J Hogg (to July 2009) Dr R H Martin (from July 2009)
Wales & South West	Dr P J Foster (to July 2009) Mr R P Pearce (from July 2009)	Electronic Applications	Dr M Khor
<i>Council members representing all corporate members of the Institute:</i>		Light Metals	Mr M R Jarrett
Honorary Fellow and Fellows	Mr C Husselbury Dr G E Hollox	Materials Science & Technology	Dr D J Gooch
Professional Members & Members	Mr D J Mallett (to July 2009) Dr M B Barker (to July 2009) Dr J R Wilcox (from July 2009)	Mineral Processing & Extractive Metallurgy	Professor J Monhemius
		Mining Technology	Professor R J Pine
		The Packaging Society	Ms H Kendle (to July 2009) Mr K V H Barnes (from July 2009) Mr S Bedford
		Petroleum & Drilling Engineering	
		Polymer Society	Mr S G Patrick
		Iron and Steel Society	Dr K D Walker
		Surface Engineering	Mr K Harrison
		Co-opted Council Members	Mr M Driver Dr S Matthews (to July 2009) Mr C C G Trevor (from July 2009)

The Institute of Materials Minerals and Mining

TRUSTEES REPORT

for the year ended 31 December 2009

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 and Technology Policy Board
Chairman of the Local Affairs Board
Chairman of Younger Members Committee
Chief Executive of the Institute
Deputy Chief Executive
Finance Director

BOARD OF DIRECTORS

IOM Communications Ltd

The following served as directors during the year:

Chairman **Dr E B Farmer**
Directors/trustees **Dr A J Brown**
Mr N E Riley
Dr A T Cole
Prof J G P Binner
Dr M J May

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 J 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 New Change,
London EC4M 9QQ

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

12 Gleneagles Court,
Brighton Road,
Crawley, Sussex RH10
6AD

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

Pension Advisers

Keith Tudor

Financial Services

Yorke House,
Furlong Lane,
Burslem,
Stoke-on-Trent,
Staffordshire ST6 3LF

AUDITOR

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

The Institute of Materials Minerals and Mining

TRUSTEES REPORT

for the year ended 31 December 2009

MEDALS AND PRIZES

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	Giovanni Arvedi, ISP.
IoM Gold Medal	P2i Ltd.
Platinum Medal	Professor J Knott OBE.
IoM Silver Medal	Dr Sophie Williams
Sir Andrew Bryan	Professor A Strang
Chapman Medal	Dr Dennis Smith
Colwyn Medal	Dr James Busfield
Futers Gold Medal	Professor T Napier-Munn
Griffith Medal & Prize	Professor L Greer

Personal achievement awards

Colclough Medal	Mr Phillip Reynolds
Dowding Medal & Prize	Mr James Hogg
Sir Robert Hadfield Medal & Prize	Mr Martin Boul
Holland Award	Mr Keith Shankland
Holliday Prize	Professor J Quinn
Hume-Rothery Prize	Dr Philip Spencer
The Colin Humphreys' Education Award	James Jenner W O'Connell
Grunfield Medal & Prize	Mr Rod Vanstone
International Award	Dr Siobhan Matthews
Ivor Jenkins	Mr Peter Brewin
Kroll Medal & Prize	Professor M Edirisinghe
T B Marsden Award	Mr Austin Matthews
Rosenhain Medal & Prize	Mr Neil Mathur
Rowbotham Medal	Mr Mark White

Personal achievement awards continued

Thomas Medal & Prize	Mr Ian Martin
Thornton Medal	Dr Gerd Schumacher
Verulam Medal & Prize	Dr Markys Cain

Publication awards

Guy Benbough Award	C Lee et al.
Billiton Gold Medal	E Jak, B Zhao, P Hayes
Composite Award	E Harkin-Jones et al.
Cook Ablett Award	M Karlsen et al.
Alan Glanvill Award	H Le et al.
Mann Redmayne Award	M Suput et al.
Materials World Award	J Kell & S Birch
Pfeil Award	R Taylor et al
James S Walker Award	Ms Jennifer Tilley
Wardell Armstrong Prize	S Barnes, C Leshner & R Sproule
Williams Award	S Webster et al.

Other awards

Royal Charter Prize	Grace Smalley
R H Craven	Nanayaa Hughes-Brittain
A T Green Award	Lovoni Rahman
Technician of the Year	Terri Westerman
National Lecture and Young Persons' World Lecture Competitions	Rochelle O'Hara

Joint awards

Beilby Medal & Prize	Zhenan Bao
Harvey Flower Titanium Prize 2008	Professor Xinhau Wu
Charles Hatchett Award	K Alogab et al
Vanadium Award	Dr C Garcia-Mateo et al.

The Institute of Materials Minerals and Mining

TRUSTEES REPORT

for the year ended 31 December 2009

LOCAL SOCIETY OF THE YEAR

During 2009, two new awards were introduced to 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 the Materials Society of Cumbria. The award for a society with an average attendance of 30 or more people went to the Cleveland Institution of Engineers.

HONOURS AND AWARDS

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

OBE

Dr Susan Elizabeth Ion

Dr Margaret Lindsay Faull

Fellowship of the Royal Academy of Engineering

John Douglas Graeme Groom FIMMM CEng MA(Cantab) PhD(Cantab)

John Nicholls CEng FIMMM BSc

International Fellowship of the Royal Academy of Engineering

Professor Seeram Ramakrishna (Singapore) PhD (Cantab) TGMP (Harvard)

UK Resource Centre for Women in Science, Engineering and Technology

Professors Helen Atkinson and Dame Julia Stretton Higgins have been named Women of Outstanding Achievement 2010 for their leadership and inspiration within science, engineering and technology.

This report was approved by Council on 29 April 2010.

Mr B D Lye
President

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

We have audited the financial statements on pages 15 to 35.

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 1993. 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

The trustees' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the trustees' report.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the information given in the annual report is not consistent with those financial statements, if the charity has not kept sufficient accounting records, if the charity's financial statements are not in accordance with those accounting records or if we have not received all the information and explanations we require for our audit.

We read the annual report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of affairs of the group and charity as at 31 December 2009 and of their incoming resources and application of resources in the year then ended; and
- the financial statements have been prepared in accordance with the Charities Act 1993.

BAKER TILLY UK AUDIT LLP

Statutory Auditor
12 Gleneagles Court
Brighton Road
Crawley
West Sussex
RH10 6AD

The Institute of Materials Minerals and Mining
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2009

		Unrestricted funds		Restricted funds	Permanent endowment	Total funds	Total funds
	Notes	General £'000	Designated £'000	£'000	£'000	2009 £'000	2008 £'000
INCOMING RESOURCES							
Incoming resources from charitable activities							
Membership and related activities		1,371	-	-	-	1,371	1,364
Charitable trading activities	1	4,221	-	-	-	4,221	4,104
		<u>5,592</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,592</u>	<u>5,468</u>
Incoming resources from generated funds							
Voluntary income	2	-	-	2	-	2	122
Activities for generating funds	3	503	-	-	-	503	507
Investment income	4	317	2	58	-	377	514
		<u>6,412</u>	<u>2</u>	<u>60</u>	<u>-</u>	<u>6,474</u>	<u>6,611</u>
RESOURCES EXPENDED							
Charitable activities							
Membership and related activities		2,154	10	54	-	2,218	2,247
Charitable trading activities	1	3,903	-	-	-	3,903	3,501
		<u>6,057</u>	<u>10</u>	<u>54</u>	<u>-</u>	<u>6,121</u>	<u>5,748</u>
Cost of generating funds							
Activities for generating funds	3	461	-	-	-	461	507
Investment management costs		26	-	-	-	26	34
Governance costs		142	-	3	-	145	145
		<u>6,686</u>	<u>10</u>	<u>57</u>	<u>-</u>	<u>6,753</u>	<u>6,434</u>
Net (outgoing)/incoming resources before transfers							
		(274)	(8)	3	-	(279)	177
Transfers							
Gross transfers between funds	6	(446)	446	-	-	-	-
		<u>(720)</u>	<u>438</u>	<u>3</u>	<u>-</u>	<u>(279)</u>	<u>177</u>
Net (outgoing)/incoming resources before other recognised gains and losses							
		(720)	438	3	-	(279)	177
Other recognised gains/(losses)							
Gains/(losses) on investment assets		916	10	116	-	1,042	(2,168)
Actuarial gains/(losses) on defined benefit pension scheme	21.7	(527)	-	-	-	(527)	8
		<u>(331)</u>	<u>448</u>	<u>119</u>	<u>-</u>	<u>236</u>	<u>(1,983)</u>
NET MOVEMENT IN FUNDS							
Reconciliation of funds							
Total funds brought forward		4,230	3,183	1,546	33	8,992	10,975
TOTAL FUNDS CARRIED FORWARD		<u>3,899</u>	<u>3,631</u>	<u>1,665</u>	<u>33</u>	<u>9,228</u>	<u>8,992</u>

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

The Institute of Materials Minerals and Mining

BALANCE SHEETS

31 December 2009

	<i>Notes</i>	Group		Institute	
		2009 £'000	2008 £'000	2009 £'000	2008 £'000
FIXED ASSETS					
Tangible assets	8	3,349	2,890	3,349	2,890
Investments	9	7,786	6,744	7,324	6,344
		<u>11,135</u>	<u>9,634</u>	<u>10,673</u>	<u>9,234</u>
CURRENT ASSETS					
Stock and work in progress	11	46	194	16	15
Debtors	12	1,020	860	215	232
Bank balances		-	83	-	83
		<u>1,066</u>	<u>1,137</u>	<u>231</u>	<u>330</u>
CREDITORS: Amounts falling due within one year	13	(2,493)	(1,741)	(2,011)	(1,282)
NET CURRENT (LIABILITIES)/ASSETS		<u>(1,427)</u>	<u>(604)</u>	<u>(1,780)</u>	<u>(952)</u>
NET ASSETS BEFORE PENSION LIABILITY		<u>9,708</u>	<u>9,030</u>	<u>8,893</u>	<u>8,282</u>
Defined benefit pension scheme liability	21.3	(480)	(38)	(480)	(38)
NET ASSETS AFTER PENSION LIABILITY	14	<u>9,228</u>	<u>8,992</u>	<u>8,413</u>	<u>8,244</u>
PERMANENT ENDOWMENT FUND	15	33	33	33	33
RESTRICTED FUNDS					
Subsidiary trust funds	16	486	422	-	-
Other restricted funds	17	1,179	1,124	1,179	1,124
UNRESTRICTED FUNDS					
Designated funds	18	3,631	3,183	3,631	3,183
General fund		3,899	4,230	3,570	3,904
TOTAL FUNDS		<u>9,228</u>	<u>8,992</u>	<u>8,413</u>	<u>8,244</u>

The financial statements on pages 15 to 35 were approved and authorised for issue by the trustees on 29 April 2010 and signed on their behalf by

MR B D LYE - President

DR M J MAY – Honorary Treasurer

The Institute of Materials Minerals and Mining
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2009

	<i>Notes</i>	2009 £'000	2008 £'000
Reconciliation of the net (outgoing)/incoming resources to net cash flow from operating activities			
Net (outgoing)/incoming resources		(279)	177
Depreciation and amortisation (including profits/losses on sale of fixed assets)		221	101
Interest and dividends receivable		(377)	(514)
Pension contributions		(63)	(42)
Decrease/(increase) in stocks		148	(91)
(Increase)/decrease in debtors		(160)	203
Increase in creditors		86	641
		<hr/>	<hr/>
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES		(424)	475
		<hr/> <hr/>	<hr/> <hr/>
CASHFLOW STATEMENT			
Net cash (outflow)/inflow from operating activities		(424)	475
Returns on investments and servicing of finance	22.1	355	424
Capital receipts less expenditure	22.2	(680)	(1,620)
		<hr/>	<hr/>
(DECREASE) IN CASH		(749)	(721)
		<hr/> <hr/>	<hr/> <hr/>
Reconciliation of net cash flow to movement in net funds			
(DECREASE) IN CASH IN THE YEAR		(749)	(721)
Net funds at 1 January 2009		83	804
		<hr/>	<hr/>
NET (DEBT)/FUNDS AT 31 DECEMBER 2009	22.3	(666)	83
		<hr/> <hr/>	<hr/> <hr/>

The Institute of Materials Minerals and Mining

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 received 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. Donated services and materials are analysed in note 2.

The Institute of Materials Minerals and Mining

ACCOUNTING POLICIES

DEPRECIATION AND AMORTISATION

Individual fixed assets are capitalised where the purchase price exceeds £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, service development and Hallam Court 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.

The Institute of Materials Minerals and Mining

ACCOUNTING POLICIES

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.

The Institute of Materials Minerals and Mining

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

1	CHARITABLE TRADING ACTIVITIES	2009 £'000	2008 £'000
	TURNOVER		
	Publishing	1,242	1,345
	Conferences and exhibitions	1,239	612
	Information services	1,421	1,740
	Technology improvement awards	115	168
	Training services	204	239
	INCOMING RESOURCES	4,221	4,104
	COST OF CHARITABLE TRADING ACTIVITIES		
	Publishing	647	734
	Conferences and exhibitions	1,323	678
	Information services	1,559	1,627
	Technology improvement awards	161	265
	Training services	213	197
		3,903	3,501
	NET CONTRIBUTION FROM CHARITABLE TRADING ACTIVITIES		
	Publishing	595	611
	Conferences and exhibitions	(84)	(66)
	Information services	(138)	113
	Technology improvement awards	(46)	(97)
	Training services	(9)	42
		318	603
		318	603
2	VOLUNTARY INCOME	2009 £	2008 £
	Donations for medal funds	2	2
	Donations of materials used in the improvement of leasehold premises at Grantham	-	120
		2	122
		2	122
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.		

The Institute of Materials Minerals and Mining

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

4	INVESTMENT INCOME	2009		2008	
		Unrestricted £'000	Restricted £'000	Unrestricted £'000	Restricted £'000
	Listed securities				
	Fixed interest	90	33	113	33
	UK equities	198	23	190	23
	Overseas equities	9	-	9	-
	Cash and cash equivalents	-	2	48	8
		<u>297</u>	<u>58</u>	<u>360</u>	<u>64</u>
	Return on pension scheme assets	22	-	90	-
		<u>319</u>	<u>58</u>	<u>450</u>	<u>64</u>
		<u><u>319</u></u>	<u><u>58</u></u>	<u><u>450</u></u>	<u><u>64</u></u>
5	TOTAL RESOURCES EXPENDED	2009	2009	2008	2008
		£'000	£'000	£'000	£'000
	SUMMARY				
	Direct charitable costs		3,560		3,299
	Employment costs				
	Salaries	1,776		1,754	
	Social security costs	172		171	
	Pension costs	140		163	
	Temporary and other staff costs	112		140	
	Redundancy costs	-		3	
		<u></u>	2,200	<u></u>	2,231
	Establishment costs				
	Property costs	381		437	
	Information technology	119		125	
	Depreciation	221		101	
		<u></u>	721	<u></u>	663
	Administration costs				
	Travel, meeting and committee expenses	98		94	
	Postage and telecommunications	61		77	
	Printing and stationery	27		19	
	Finance costs	19		7	
	Professional fees	52		33	
	Office and other costs	15		11	
		<u></u>	272	<u></u>	241
			<u>6,753</u>		<u>6,434</u>
			<u><u>6,753</u></u>		<u><u>6,434</u></u>

The Institute of Materials Minerals and Mining

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

5 TOTAL RESOURCES EXPENDED (continued)

BREAKDOWN OF COSTS OF ACTIVITIES

	Direct costs £'000	Support costs £'000	2009 Total £'000	2008 Total £'000
Charitable activities				
Membership and related services	983	1,235	2,218	2,247
Charitable trading activities	2,543	1,360	3,903	3,501
	<u>3,526</u>	<u>2,595</u>	<u>6,121</u>	<u>5,748</u>
Costs of generating funds				
Activities for generating funds	8	453	461	507
Investment management costs	26	-	26	34
Governance costs	-	145	145	145
	<u>3,560</u>	<u>3,193</u>	<u>6,753</u>	<u>6,434</u>

SUPPORT COST BREAKDOWN BY ACTIVITY

	Employment costs £'000	Establishment costs £'000	Administration costs £'000	2009 Total £'000	2008 Total £'000
Membership and related services	905	236	94	1,235	1,194
Charitable trading activities	1,015	247	98	1,360	1,343
Activities for generating funds	211	221	21	453	453
Governance costs	69	17	59	145	145
	<u>2,200</u>	<u>721</u>	<u>272</u>	<u>3,193</u>	<u>3,135</u>

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

	2009 No.	2008 No.
The average number of full time equivalent employees during the year was	<u>55</u>	<u>55</u>
The number of employees who earned more than £60,000 per annum including benefits was:		
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£140,001 - £150,000	1	1

The Institute of Materials Minerals and Mining

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

5 TOTAL RESOURCES EXPENDED (continued)

	2009 No.	2008 No.
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
	<u>2</u>	<u>2</u>
	2009 £'000	2008 £'000
TOTAL EXPENDITURE INCLUDES:		
Auditor's remuneration		
Audit fee – current year	26	24
Accountancy, taxation and other services	12	2
Operating lease rentals		
Land and buildings – leases expiring after five years	152	152
Travel expenses paid to 38 (2008: 32) Council Members for attending Council and other meetings	40	23
	<u>40</u>	<u>23</u>

The future annual commitment in respect of operating leases for land and buildings expiring after five years amounts to £152,000.

TRANSACTIONS WITH TRUSTEES

Mr M D Forrest is the principal of Mining Research Co. UK, a business that has provided commissioning editor services to Institute's subsidiary IOM Communications Ltd for a number of years. Mr Forrest was appointed a trustee in December 2007. During 2009, fees paid to Mining Research Co. UK amounted to £15,000 (2008 - £15,000). No other members of the Council have directly or indirectly received any remuneration during the years ended 31 December 2008 and 2009.

6	TRANSFERS BETWEEN FUNDS	2009 £'000	2008 £'000
	Transfer from unrestricted funds to the asset development designated fund to reflect capital expenditure in the year.	460	990
	Transfer from the Hallam Court designated fund to unrestricted funds on the settlement of all liabilities relating to the property.	(14)	-
		<u>446</u>	<u>990</u>
		<u>446</u>	<u>990</u>
7	EXTRACTS FROM THE INSTITUTE'S STATEMENT OF FINANCIAL ACTIVITIES	2009 £'000	2008 £'000
	Total incoming resources	2,549	3,089
		<u>2,549</u>	<u>3,089</u>
	Net movement in funds	2,832	2,917
		<u>2,832</u>	<u>2,917</u>

The Institute of Materials Minerals and Mining

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

8 TANGIBLE FIXED ASSETS	Freehold property £'000	Short leasehold property £'000	Furniture, fittings & equipment £'000	Total £'000
Group and parent				
Cost				
1 January 2009	405	2,644	889	3,938
Additions in the year	-	673	7	680
Disposals in the year	-	-	-	-
31 December 2009	405	3,317	896	4,618
Depreciation				
1 January 2009	80	306	662	1,048
Provided during the year	8	126	87	221
Disposals in the year	-	-	-	-
31 December 2009	88	432	749	1,269
Net book value				
31 December 2009	317	2,885	147	3,349
31 December 2008	325	2,338	227	2,890

The Institute of Materials Minerals and Mining

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

9 INVESTMENTS	Group		Institute	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Analysis of movements in the year				
Market value at 1 January 2009	6,744	9,002	6,344	8,465
Additions at cost	204	221	204	221
Disposals at opening market value	(208)	(307)	(209)	(328)
Revaluations	1,046	(2,172)	985	(2,014)
Market value at 31 December 2009	<u>7,786</u>	<u>6,744</u>	<u>7,324</u>	<u>6,344</u>
At the balance sheet date, the portfolio was invested as follows				
<i>Listed investments</i>				
Fixed interest	2,016	2,175	1,886	2,040
UK equities	5,223	4,068	4,892	3,803
Overseas equities	385	340	384	340
<i>Unlisted investments</i>				
Cash and cash equivalents	162	161	162	161
Subsidiary undertakings (note 10)	-	-	-	-
Market value at 31 December 2009	<u>7,786</u>	<u>6,744</u>	<u>7,324</u>	<u>6,344</u>
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)	1,932	2,090	1,801	1,955
Charishare (UK equities common investment fund)	5,223	4,058	4,881	3,793
Historical cost at 31 December 2009	<u>6,858</u>	<u>6,863</u>	<u>6,447</u>	<u>6,452</u>

10 SUBSIDIARY UNDERTAKINGS

The Institute has two subsidiary trusts (see note 16 for further details) and the following four 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.

The Institute of Packaging Services Ltd, a company limited by shares.

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

The Institute of Materials Minerals and Mining

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

10 SUBSIDIARY UNDERTAKINGS (continued)

The Institute exercises dominant influence over the Institute of Packaging and its results have been consolidated with effect from 1 January 2007.

IOM Communications Limited undertakes the charitable trading activities of the Institute of Materials, Minerals and Mining. The Institute of Packaging is a professional, educational and qualifying body in the technology of packaging. The Institute of Packaging, Materials Institute Services Limited and the Institute of Packaging Services Ltd did not trade in 2009.

A summary of the 2009 results and balance sheets of IOM Communications Limited together with comparative figures for 2008 is shown below:

Results	2009 Total £'000	2008 Total £'000
Charitable trading activities	4,221	4,104
TOTAL INCOMING RESOURCES	<u>4,221</u>	<u>4,104</u>
Charitable trading activities	3,903	3,501
Donation to the Institute of Materials, Minerals and Mining	315	600
Governance	-	-
TOTAL OUTGOING RESOURCES	<u>4,218</u>	<u>4,101</u>
NET INCOMING/(OUTGOING) RESOURCES	<u>3</u>	<u>3</u>
Balances brought forward	323	320
Balances carried forward	<u>326</u>	<u>323</u>
Balance sheets at 31 December		
Current assets	1,157	818
Creditors: Amounts falling due within one year	(831)	(495)
NET CURRENT ASSETS	<u>326</u>	<u>323</u>
SHAREHOLDERS' FUNDS	<u>326</u>	<u>323</u>

The net assets of Materials Institute Services Limited at 31 December 2008 and 2009 were £3,447.

The Institute of Materials Minerals and Mining

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

11 STOCK AND WORK IN PROGRESS	Consolidated		Institute		
	2009 £'000	2008 £'000	2009 £'000	2008 £'000	
Work in progress	30	179	14	13	
Sundry stocks	16	15	2	2	
	<u>46</u>	<u>194</u>	<u>16</u>	<u>15</u>	
	<u><u>46</u></u>	<u><u>194</u></u>	<u><u>16</u></u>	<u><u>15</u></u>	
12 DEBTORS					
Trade debtors	133	168	43	78	
Taxes recoverable	2	-	-	-	
Other debtors	776	576	63	38	
Prepayments and accrued income	109	116	109	116	
Amounts due from subsidiary companies	-	-	-	-	
	<u>1,020</u>	<u>860</u>	<u>215</u>	<u>232</u>	
	<u><u>1,020</u></u>	<u><u>860</u></u>	<u><u>215</u></u>	<u><u>232</u></u>	
13 CREDITORS: Amounts falling due within one year					
Trade creditors	565	726	222	486	
Taxes and social security costs	106	68	106	68	
Subscriptions and orders paid in advance	687	522	387	332	
Other creditors and accruals	469	425	279	357	
Amounts due to subsidiary companies	-	-	318	39	
Bank overdraft	666	-	699	-	
	<u>2,493</u>	<u>1,741</u>	<u>2,011</u>	<u>1,282</u>	
	<u><u>2,493</u></u>	<u><u>1,741</u></u>	<u><u>2,011</u></u>	<u><u>1,282</u></u>	
14 ANALYSIS OF NET ASSETS BETWEEN FUNDS					
	Unrestricted funds		Restricted	Permanent	Total
	General	Designated	funds	funds	funds
	£'000	£'000	£'000	£'000	£'000
Group					
Tangible fixed assets	-	3,349	-	-	3,349
Investments	6,054	282	1,417	33	7,786
Current assets	818	-	248	-	1,066
Current liabilities	(2,493)	-	-	-	(2,493)
	<u>4,379</u>	<u>3,631</u>	<u>1,665</u>	<u>33</u>	<u>9,708</u>
Net assets before pension liability	4,379	3,631	1,665	33	9,708
Pension liability	(480)	-	-	-	(480)
	<u>3,899</u>	<u>3,631</u>	<u>1,665</u>	<u>33</u>	<u>9,228</u>
	<u><u>3,899</u></u>	<u><u>3,631</u></u>	<u><u>1,665</u></u>	<u><u>33</u></u>	<u><u>9,228</u></u>

The Institute of Materials Minerals and Mining

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

Institute	Unrestricted funds		Restricted funds £'000	Permanent funds £'000	Total funds £'000
	General £'000	Designated £'000			
Tangible fixed assets	-	3,349	-	-	3,349
Investments	6,087	282	922	33	7,324
Current assets	(26)	-	257	-	231
Current liabilities	(2,011)	-	-	-	(2,011)
Net assets before pension liability	4,050	3,631	1,179	33	8,893
Pension liability	(480)	-	-	-	(480)
Total net assets	3,570	3,631	1,179	33	8,413

15 PERMANENT ENDOWMENT FUND

	Balance at 1 January 2009 £'000	Incoming Resources £'000	Resources expended £'000	Investment gains/ (losses) £'000	Transfers between funds £'000	Balance at 31 December 2009 £'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.

16 SUBSIDIARY TRUST RESTRICTED FUNDS

	Balance at 1 January 2009 £'000	Incoming resources £'000	Resources expended £'000	Investment gains/ (losses) £'000	Transfers between funds £'000	Balance at 31 December 2009 £'000
Andrew Carnegie Trust Fund	350	16	(14)	55	-	407
Metals & Metallurgy Trust Fund	72	3	(3)	7	-	79
	422	19	(17)	62	-	486

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.

The Institute of Materials Minerals and Mining

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

17 OTHER RESTRICTED FUNDS

	Balance at 1 January 2009 £'000	Incoming resources £'000	Resources expended £'000	Investment gains/ (losses) £'000	Transfers between funds £'000	Balance at 31 December 2009 £'000
Stanley Elmore Fellowship	630	22	(30)	(11)	-	611
Bosworth Smith Trust	157	6	(4)	25	-	184
Tom Seaman Travelling Scholarship	150	6	(1)	25	-	180
Edgar Pam Fellowship	64	2	(2)	9	-	73
G Vernon Hobson Bequest	39	2	(1)	6	-	46
Other funds	22	-	(2)	-	-	20
Prize funds	62	3	-	-	-	65
	<u>1,124</u>	<u>41</u>	<u>(40)</u>	<u>54</u>	<u>-</u>	<u>1,179</u>

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.

The Institute of Materials Minerals and Mining

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

18 DESIGNATED FUNDS

	Balance at 1 January 2009 £'000	Incoming resources £'000	Resources expended £'000	Investment gains/ (losses) £'000	Transfers between funds £'000	Balance at 31 December 2009 £'000
Asset development fund	2,890	-	-	-	460	3,350
Services development fund	106	-	(10)	-	-	96
Sir Julius Wernher Memorial Fund	82	2	-	10	-	94
Packaging education fund	50	-	-	-	-	50
Materials education	24	-	-	-	-	24
Robert A Moore Fund	17	-	-	-	-	17
Hallam Court fund	14	-	-	-	(14)	-
	<u>3,183</u>	<u>2</u>	<u>(10)</u>	<u>10</u>	<u>446</u>	<u>3,631</u>

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.

Hallam Court fund – representing the amount set aside to pay for the costs of the office until the end of the lease obligation.

19 UNREALISED GAINS/(LOSSES)	Consolidated		Institute	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
General fund	835	(86)	835	(85)
Designated funds	1	(9)	1	(9)
	<u>836</u>	<u>(95)</u>	<u>836</u>	<u>(94)</u>
Restricted funds	92	(24)	40	(14)
	<u>928</u>	<u>(119)</u>	<u>876</u>	<u>(108)</u>

The Institute of Materials Minerals and Mining

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

20 CAPITAL COMMITMENTS

The Institute had no capital commitments at the year end.

21 PENSION SCHEMES

21.1 Introduction

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

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 17 current staff members and 109 deferred members.

Results of the most recent triennial actuarial valuations, at 1 January 2001, 2004 and 2007, showed the following results.

	2001 £'000	2004 £'000	2007 £'000
Market value of the scheme's assets	5,314	4,364	5,065
Liability for projected accrued benefits	(4,787)	(5,235)	(5,311)
(Deficit)/surplus	<u>527</u>	<u>(871)</u>	<u>(246)</u>

Arrangements have been made for the deficit shown by the actuarial (ongoing) valuation at 1 January 2007 to be funded at the rate of £54k p.a. payable in equal monthly instalments from 1 March 2008 to 1 February 2012.

21.2 Principal actuarial assumptions

A valuation of the defined benefit pension scheme assets and liabilities at 31 December 2009 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	2009 % p.a.	2008 % p.a.
Discount rate	5.80	6.00
Price inflation – pre-retirement	3.40	3.10
Price inflation – post-retirement current pensioners	3.70	3.10
Price inflation – post-retirement non-pensioners	4.20	3.10
Future salary increases	4.90	4.60
Rate of increases of pensions in payment – current pensioners	3.50	3.00
Rate of increases of pensions in payment – non-pensioners	4.00	3.00
Rate of increase for deferred pensioners pre 2009	3.40	3.10
Rate of increase for deferred pensioners post 2009	2.50	N.A.
Expected return on scheme assets at 31 December	6.80	6.40

The Institute of Materials Minerals and Mining

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

21 PENSION SCHEMES (continued)

The overall expected return on assets assumption of 6.80% at 31 December 2009 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 3.45% above that available for UK government securities
- Property: Allowance for an additional return of 3.45% 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 31/12/2009		Year ended 31/12/2008	
Pension commutation for cash at retirement	90% of the maximum tax-free cash commuted.			
Mortality pre-retirement	AMCOO/AFCOO			
Mortality post-retirement	S1Amc (yob), minimum		PCAOOmc (yob)	
	improvement = 1% p.a.			
	Males	Females	Males	Females
Life expectancy for a current 65 year old	20.9 years	23.5 years	21.7 years	24.0 years
Life expectancy	22.8 years	25.4 years	22.8 years	24.9 years

21.3 Amounts recognised in the balance sheet for defined benefit scheme

	2009	2008
	£'000	£'000
Present value of liabilities	(6,871)	(5,539)
Market value of scheme assets	6,391	5,501
Pension scheme liability recognised in the balance sheet	<u>(480)</u>	<u>(38)</u>

21.4 Changes in the value of scheme liabilities in the year

Opening liabilities	(5,539)	(5,973)
Service cost	(56)	(91)
Interest cost	(334)	(345)
Member contributions	(52)	(53)
Benefits paid	57	182
Actuarial (losses)/gains	(947)	741
Closing liabilities	<u>(6,871)</u>	<u>(5,539)</u>

21.5 Changes in the market value of scheme assets in the year

Opening scheme assets	5,501	5,795
Expected return	356	435
Actuarial gains/(losses)	420	(733)
Employer contributions	119	133
Member contributions	52	53
Benefits paid	(57)	(182)
Closing scheme assets	<u>6,391</u>	<u>5,501</u>

The Institute of Materials Minerals and Mining

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

21 PENSION SCHEMES (continued)

21.6 Major categories of scheme assets

	%	%
Equities	66	71
Corporate bonds	8	7
Government bonds	12	9
Properties	3	4
Cash	6	5
Other assets	5	4
Total scheme assets	100	100

21.7 Amounts recognised in the statement of financial activities

	£'000	£'000
Amounts recognised in net incoming resources are as follows:		
Current service cost	56	91
Interest on obligations	334	345
Expected return on scheme assets	(356)	(435)
Net charge	34	1

The actual return on scheme assets was £776k (2008 - deficit of £297k).

The Institute expects to contribute £118k to its defined benefit pension scheme in 2009. This is in addition to paying all the expenses of the scheme including fees, levies and life assurance premiums.

The actuarial losses recognised in the statement of financial activities for 2009 were £527k and the cumulative losses recognised from 2002 to 2009 amounted to £680k.

21.8 History of scheme assets, funding obligations, experience gains and losses

	2009 £'000	2008 £'000	2007 £'000	2006 £'000	2005 £'000
Scheme liabilities	(6,871)	(5,539)	(5,973)	(5,203)	(5,701)
Scheme assets	6,391	5,501	5,795	5,033	4,251
Scheme deficit	(480)	(38)	(178)	(170)	(1,450)
Experience adjustments on scheme obligations	-	149	(57)	55	(15)
Change of basis adjustments to scheme obligations	(947)	592	2	841	(683)
Experience adjustments on scheme assets	420	(733)	131	228	485

The Institute of Materials Minerals and Mining

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

21.9 Outstanding pension contributions at the year end

Contributions for the defined benefit scheme amounting to £14k (2008 – nil) were outstanding at the year-end. Contributions for the defined contributions schemes amounting to £5k (2008 - £4k) were outstanding at the year-end.

22	2009	2008		
GROSS CASH FLOWS	£'000	£'000		
22.1 Returns on investments and servicing of finance				
Interest received	2	56		
Dividend income	353	368		
	<u>355</u>	<u>424</u>		
22.2 Capital expenditure				
Payments to acquire tangible fixed assets	(680)	(1,710)		
Purchase of investments	(204)	(221)		
Receipts for sale of investments	204	311		
	<u>(680)</u>	<u>(1,620)</u>		
22.3 Analysis of changes in net funds				
	At 01.01.09 £'000	Cash flows £'000	Other changes £'000	At 31.12.09 £'000
Cash at bank and in hand	83	(749)	-	(666)