

IoM Communications Limited

COMPANY REGISTRATION No: 3285009

CHARITY REGISTRATION No: 1059475

ANNUAL REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2021

IoM Communications Limited

Year ended 31 December 2021

INDEX

Page

General information	1
Directors' report and trustees' report	2
Independent auditor's report	7
Statement of financial activities (including income and expenditure account)	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 - 20

IoM Communications Limited

Year ended 31 December 2021

GENERAL INFORMATION

Directors	Mr J C H Lewis Dr C A Church	Chairman Chief Executive
Company secretary	Ms J Bugajeva	
Registered office	297 Euston Road London NW1 3AD	
Charity registration number	1059475	
Company registration number	3285009 (England and Wales)	
Bankers	Santander UK plc 4 th Floor 100 Ludgate Hill London EC4M 7RE	
Solicitors	Allen & Overy 1 Bishop's Square London E1 6AD	
Auditors	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB	

DIRECTORS' REPORT AND TRUSTEES' REPORT

INTRODUCTION

The Trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 December 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

This report contains the following information:

- Reference and administrative details of the charity, its trustees and advisers
- Structure, governance and management
- Public benefit, objectives and activities
- Achievements and performance
- Financial review
- Plans for future periods
- Auditors
- Disclosure of information to auditors

IOM Communications Limited is a charitable trading company limited by shares. Names of the directors who served throughout the year are stated on page 1. The directors of the company are also charity trustees for the purpose of Charity Law.

According to the register maintained as required under the Companies Act 2006, none of the directors had any interest in the share capital of the company.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The company was incorporated on 22 November 1996 and commenced trading on 1 January 1999. It operates in accordance with its memorandum and articles of association and is a wholly owned subsidiary of the Institute of Materials, Minerals and Mining.

The governance of the company is vested in the directors who are also trustees. The directors are appointed by either the Council of the Institute of Materials, Minerals and Mining or the current directors of the company. The day to day management of the company is delegated to staff employed by the Institute who report to the chief executive.

Induction meetings are held for new directors to ensure that they understand their responsibilities as trustees of the charity. The induction process provides trustees with information about the role of the board, the organisational structure of the company and its relationship with the Institute. The objects of the company 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 made available to trustees in relation to the individual responsibilities undertaken by them.

The directors have ad hoc meetings to deal with other matters as they arise.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors have overall responsibility for ensuring that the company has appropriate systems of control, financial and otherwise. They are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors have introduced a formal risk management process to enable it to assess business risks and implement risk management strategies on a regular basis.

DIRECTORS' REPORT AND TRUSTEES' REPORT (continued)

It involves identifying the types of risks the company faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the directors review the adequacy of the company'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 the directors;
- regular consideration by the directors of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews;
- delegation of authority and segregation of duties.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources of the charity for that period. In preparing those financial statements, the directors are 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 UK 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 charitable company will continue to operate.

The directors are responsible for:

- preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom accounting standards (FRS 102);
- keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that annual financial statements comply with the Companies Act 2006;
- safeguarding the assets of the charitable company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities;
- The maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

PUBLIC BENEFIT, OBJECTIVES AND ACTIVITIES

Materials form an integral and important part of all our lives. The materials cycle covers the exploration and extraction of raw materials from the earth, processing them into industrial/engineered materials, application of these materials, recycling of waste and the ultimate disposal of waste in an environmentally friendly way. It is more important than ever that the scientists, engineers and technologists involved in the materials cycle are qualified and experienced to make the best use of materials in terms of economics, efficiency and sustainability for the benefit of the public. The charitable company makes a major contribution to this through its objectives and activities.

The charity 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 directors consider how planned activities will contribute to the aims and objectives it has set.

DIRECTORS' REPORT AND TRUSTEES' REPORT (continued)

The objectives of the company are to:-

- Promote and develop all aspects of the “materials cycle”.
- Generate funds to enable the company’s parent organisation to carry out its objects, which are of a similar nature to those of the company.

These objectives are achieved by the following activities that provide information and generate income:-

- The publication of learned journals and books through an outsourcing arrangement. Income is generated from royalties based on any sales revenue received from publishing on paper and electronically.
- The publication of various magazines for members of the Institute. Income is generated from subscriptions, advertising revenue and a contribution from the Institute for supplying copies to its members.
- The organisation of conferences on behalf of the Institute, exhibitions, training services and technology award competitions. Income is generated from registration fees and sponsorship.
- The provision of information, library and consulting services, through the Materials Information Service (MIS), on a wide range of materials, minerals and mining activities. Income is generated from subscriptions, consultancy work and project income from a number of government agencies.

Strategic plan

In the company’s strategic plan are listed the vision, mission and corporate aims.

Vision

To be recognised as the global information provider for everyone involved in the materials cycle.

Mission

To continue to be a major income provider to the Institute of Materials, Minerals and Mining (IOM3) by:

- Maintaining and developing existing revenue streams.
- Developing new revenue streams consistent with the aims and mission of IOM3.

Corporate aims

- Create the necessary internal organisation to manage, develop and increase income from government funded projects.
- Generate income from new areas of the materials cycle.
- Improve profitability through the use of e-deliverables.
- Develop more creative approaches to commercial sponsorship.
- Improve performance of existing activities.

ACHIEVEMENTS AND PERFORMANCE, INCORPORATING FINANCIAL REVIEW

The directors are pleased to report an operating surplus before donations of £80k for the year. This enabled the company to donate £80k (2020 - £816k) to The Institute of Materials Minerals & Mining. The plans for the year were to wind down existing IOM Communications Ltd activities and gradually transfer them to either the parent charity, The Institute of Materials, Minerals and Mining, or fellow group company Materials Institute Services Limited.

IoM Communications Limited

Year ended 31 December 2021

DIRECTORS' REPORT AND TRUSTEES' REPORT (continued)

Publishing and Information Services activities were transferred to The Institute of Materials Minerals & Mining as at 1 January 2021 with 2021 income and costs relating to contracts agreed before the end of 2020.

Due to Covid-19 all of 2020 events were either cancelled or postponed to 2021. Thus 2021 income and costs reflect financial performance of these postponed events, and in particular our triennial PVC event which took place in May 2021 in a virtual format.

Some of the Training Academy courses take place over several months and therefore straddle financial years. As result Training Academy income and costs reflect performance of the courses that commenced in 2020 but were only completed in 2021. All 2021 training courses were administered by The Institute of Materials, Minerals and Mining.

RESERVES POLICY

The board's policy is to retain sufficient reserves to cover the working capital requirements of the company and develop new income generating opportunities when they arise. Surplus funds are distributed to the Institute of Materials, Minerals and Mining (IOM3).

After donating £80k (2020 - £816k) to The Institute of Materials, Minerals and Mining the company ended the financial year with net assets of £343k (2020 - £343k). Having reviewed the company's operating plans and budgets, the directors consider the reserves at 31 December 2021 of £343k (2020 - £343k) to be adequate for the forthcoming year.

PLANS FOR FUTURE PERIODS

After consultation with the trustees of the ultimate parent charity, The Institute of Materials, Minerals and Mining, it was decided to wind down the operations of IOM Communications Ltd. This process started in 2021 and is expected to be completed by the end of 2022. During the year publishing, conference, training and information services activities were being transferred to The Institute of Materials, Minerals and Mining to be managed by it. Marketing, advertising and exhibition activities were being transferred to Materials Institute Services Limited, a wholly owned trading subsidiary, to be managed by it. Shares in Materials Institute Services Limited and other balance sheet items existing at 31 December 2021 will be transferred to The Institute of Materials, Minerals and Mining over the course of 2022. The company will become dormant after this date.

GOING CONCERN

A decision was taken in January 2021 to transfer trade and assets to either the parent charity, The Institute of Materials, Minerals and Mining or a fellow subsidiary, Materials Institute Services Limited. This process started in 2021 and is expected to be completed by the end of the next financial year, from which point the charity will cease to trade. Therefore the financial statements have been prepared on a non-going concern basis. No adjustments are necessary to amounts included in these financial statements as a result of the application of the non-going concern basis of accounting.

AUDITOR

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

DIRECTORS' REPORT AND TRUSTEES' REPORT (continued)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the directors who were in office on the date of approval of these financial statements are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions applicable to companies entitled to the small companies' exemption.

This report was approved by the board on 23 May 2022.



Dr C A Church
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IOM COMMUNICATIONS LIMITED

Opinion

We have audited the financial statements of IOM Communications Limited (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – non going concern basis of accounting

We draw attention to note 2b of the financial statements which describes the preparation of the financial statements on a non-going concern basis. As described in note 2b, the directors took the decision to transfer the trade and assets to either the parent charity, The Institute of Materials, Minerals and Mining or a fellow subsidiary, Materials Institute Services Limited. This process started in 2021 and is expected to be completed by the end of the next financial year, from which point the charity will cease to trade. Therefore the financial statements have been prepared on the non-going concern basis of accounting. Our opinion is not modified on this matter.

Other information

The other information comprises the information included in the Directors' Report and Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Directors' Report and Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report and Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Directors' Report and Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Directors' Report and Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report and Trustee's report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 3, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

IoM Communications Limited

Year ended 31 December 2021

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Directors' Report and Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

There were no significant laws and regulations that have an indirect impact on the financial statements.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

NICHOLAS SLADDEN (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
Date 8 June 2022

IoM Communications Limited**Year ended 31 December 2021****STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

		Unrestricted Funds	
	Notes	2021	2020
		£	£
Income			
Charitable activities	3	334,660	1,827,446
Total income		<u>334,660</u>	<u>1,827,446</u>
Expenditure			
Charitable activities	3	254,915	1,011,288
Donation to The Institute of Materials, Minerals and Mining		79,745	816,000
Total expenditure	4	<u>334,660</u>	<u>1,827,288</u>
Net income and net movement in funds for the year	7	-	158
Reconciliation of funds			
Total funds brought forward		342,506	342,348
Total funds carried forward		<u>342,506</u>	<u>342,506</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

IoM Communications Limited

Year ended 31 December 2021

As at 31 December 2021

BALANCE SHEET

Company number 03285009

	Notes	2021 £	2020 £
Fixed assets			
Intangible assets	8	10,895	15,930
Investments	9	2	2
Total fixed assets		<u>10,897</u>	<u>15,932</u>
Current assets			
Work in progress	10	41,730	258,317
Debtors	11	419,181	665,434
Cash at bank and in hand		93,182	36,898
Total current assets		<u>554,093</u>	<u>960,649</u>
Liabilities			
Creditors: Amounts falling due within one year	12	222,384	633,975
Net current assets		<u>331,709</u>	<u>326,674</u>
Total net assets		<u>342,606</u>	<u>342,606</u>
The funds of the charity			
Called up share capital	14	100	100
Unrestricted revenue reserves		342,506	342,506
Total charity funds	15	<u>342,606</u>	<u>342,606</u>

The Trustees have prepared accounts in accordance with section 399 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes at pages 13 to 20 form part of these accounts.

Approved by the Trustees on 23 May 2022 and signed on behalf of the Trustees



Dr C A Church
Director

IoM Communications Limited**Year ended 31 December 2021****STATEMENT OF CASHFLOWS**

	Notes	2021 £	2020 £
Cash flows from/(used in) operating activities	17	56,284	(38,181)
Increase/(decrease) in cash and cash equivalents in the year		<u>56,284</u>	<u>(38,181)</u>
Cash and cash equivalents at the beginning of the year		36,898	75,079
Total cash and cash equivalents at the end of the year		<u><u>93,182</u></u>	<u><u>36,898</u></u>

1. **Status**

IoM Communications Limited is a charitable trading company limited by shares (Registered Charity number 1059475, Company Registration number 3285009). The company's registered office is 297 Euston Road, London, NW1 3AD.

2. **Accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) **Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

IoM Communications Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

b) **Going concern**

A decision was taken in January 2021 to transfer trade and assets to either the parent charity, The Institute of Materials, Minerals and Mining or a fellow subsidiary, Materials Institute Services Limited. This process started in 2021 and is expected to be completed by the end of the next financial year, from which point the charity will cease to trade. Therefore the financial statements have been prepared on a non-going concern basis. No adjustments are necessary to amounts included in these financial statements as a result of the application of the non-going concern basis of accounting.

c) **Income**

Income is recognised when the charity has entitlements to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

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

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

Subscription income from magazines, industrial affiliates and information services represents the amount receivable 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.

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

d) **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

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

- e) **Allocation of support costs**
Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel and governance costs which support IOM Communications Ltd activities. These costs have been allocated to the expenditure on charitable activities. The basis on which support costs are allocated is set out in note 5.

The charity does not directly employ any staff. All personnel working on the company's activities are employed by The Institute of Materials, Minerals and Mining and their salaries are recharged to the charity at cost. The company operates from premises owned by the Institute and reimburses the Institute for the use of the premises, services and fixed assets at cost.

- f) **Intangible fixed assets**
Intangible fixed assets, including patents, are amortised at rates calculated to write off the assets on a straight line basis over their estimated useful economic lives. Where it is not possible to make a reliable estimate of the useful life of an intangible asset, the life shall not exceed five years. Impairment of intangible assets is only reviewed where circumstances indicate that the carrying value of an asset may not be fully recoverable.

- g) **Work in progress**
Work in progress is valued at cost and includes labour and overhead costs.

- h) **Debtors**
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

- i) **Cash at bank and in hand**
Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

- j) **Creditors and provisions**
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

- k) **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 income and expenditure account.

- l) **Reserves policy**
The board's policy is to retain sufficient reserves to cover the working capital requirements of the company and develop new income generating opportunities when they arise. Surplus funds are distributed to the Institute of Materials, Minerals and Mining.

- m) **Financial instruments**
The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

n) **Judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The directors do not consider that there are any areas of key judgements or estimation uncertainty within these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3.	Income from charitable activities		2021	2020
			£	£
	Publishing		8,054	1,534,010
	Conferences		225,147	9,530
	Information services		3,833	96,623
	Training services		97,626	187,283
			334,660	1,827,446
	Cost of charitable trading activities			
	Publishing		16,958	495,321
	Conferences		199,511	244,364
	Information services		5,565	37,612
	Training services		32,881	233,991
			254,915	1,011,288
	Net contribution from trading activities			
	Publishing		(8,904)	1,038,689
	Conferences		25,636	(234,834)
	Information services		(1,732)	59,011
	Training services		64,745	(46,708)
			79,745	816,158
4.	Breakdown of costs of activities		Total	Total
			2021	2020
			£	£
		Direct costs		
		£	Selling & distribution	Support costs
		£	£	£
	Charitable activities			
	Publishing	16,958	-	-
	Conferences	128,823	3,130	67,558
	Information services	531	-	5,034
	Training services	1,923	-	30,958
	Donation to the Institute	-	-	-
		148,235	3,130	103,550
		148,235	3,130	103,550
			334,660	1,827,288
			334,660	1,827,288

5	Support cost breakdown by activity	Labour costs £	Establishment costs £	Administration costs £	Total 2021 £	Total 2020 £
	Publishing	-	-	-	-	360,442
	Conferences	48,296	14,566	4,696	67,558	218,595
	Information services	-	5,034	-	5,034	30,194
	Training services	22,131	6,675	2,152	30,958	189,291
		<u>70,427</u>	<u>26,275</u>	<u>6,848</u>	<u>103,550</u>	<u>798,522</u>

Labour 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 labour costs. All employees are employed by the parent charity, The Institute of Materials, Minerals & Mining. Audit fees are borne by the parent charity, The Institute of Materials, Minerals & Mining.

6. Directors' remuneration, trustee remuneration and expenses and cost of key management personnel

During the year no trustees were reimbursed for travel, meeting and related expenditure (2020 – none).

The company's parent, The Institute of Materials, Minerals and Mining, paid £nil (2020 - £nil) on behalf of the trustees for attending directors and other meetings.

The Charity considers its key management personnel comprise of the Trustees. No trustees have received any remuneration during the years ended 31 December 2021 and 2020.

Dr C A Church and Ms J Bugajeva are employed by the company's parent, The Institute of Materials, Minerals and Mining.

7.	Operating surplus	2021 £	2020 £
	Publishing	(8,904)	1,038,689
	Conferences	25,636	(234,834)
	Information services	(1,732)	59,011
	Training services	64,745	(46,708)
	Other	(79,745)	(816,000)
		<u>-</u>	<u>158</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

8.	Intangible fixed assets	Patent and software costs £	Total £
	Cost		
	At 1 January 2021	41,087	41,087
	Disposals in the year	(15,906)	(15,906)
	At 31 December 2021	25,181	25,181
	Amortisation		
	At 1 January 2021	25,157	25,157
	Charge for the year	5,035	5,035
	Accumulated amortisation on disposals	(15,906)	(15,906)
	At 31 December 2021	14,286	14,286
	Net book value		
	31 December 2021	10,895	10,895
	31 December 2020	15,930	15,930
	The directors reviewed intangible fixed assets for impairment and consider that no impairment provision is required.		
9.	Investment in subsidiary		
	IoM Communications Ltd has one wholly owned subsidiary organisation: Materials Institute Services Ltd (company number 2882544), a company limited by shares. IoM Communications Ltd holds 2 shares of £1 each in Materials Institute Services Ltd, which were transferred from The Institute of Materials, Minerals & Mining in the 2017. No premium was paid on acquisition.		
10.	Work in progress	2021 £	2020 £
	Publishing	-	13,385
	Conferences	41,730	243,401
	Information services	-	-
	Training services	-	1,531
		41,730	258,317
11.	Debtors		
	Trade debtors	2,531	107,741
	The Institute of Materials, Minerals and Mining	416,650	518,896
	VAT recoverable	-	13,997
	Prepayments and other accrued income	-	24,800
		419,181	665,434

NOTES TO THE FINANCIAL STATEMENTS (continued)

	2021	2020
	£	£
12. Creditors		
Trade creditors	67,134	62,353
Subscriptions and orders paid in advance	64,041	296,953
Other creditors and accruals	4,902	201,263
VAT payable	899	-
Materials Institute Services Ltd	85,408	73,406
	<u>222,384</u>	<u>633,975</u>
Subscriptions and orders paid in advance	2021	2020
	£	£
At 1 January	296,953	387,165
Recognised in year	(239,274)	(122,877)
Provided for in year	6,362	32,665
At 31 December	<u>64,041</u>	<u>296,953</u>

13. Corporation taxation

The company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

14. Share capital

	Number	Nominal value
		£
Authorised, allotted, issued and fully paid		
Ordinary shares of £1 each	100	100

The company's issued share capital is wholly owned by the Institute of Materials, Minerals and Mining.

15. Reconciliation of movements in shareholders' funds	2021	2020
	£	£
As at 1 January 2021	342,606	342,448
Surplus for the financial year	-	158
	<u>342,606</u>	<u>342,606</u>
As at 31 December 2021	<u>342,606</u>	<u>342,606</u>

16. Ultimate controlling party

The Institute of Materials, Minerals and Mining (charity registration number 269275), a charity registered in England, is the ultimate controlling party. The Institute's registered office address is 297 Euston Road, London. NW1 3AD. Consolidated financial statements for the group, which include the subsidiary charity's accounts and list the principal activities and purposes of the Institute, are publicly available via the Institute's website www.iom3.org

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. Reconciliation of net movement in funds to net cash flow from operating activities	2021	2020
	£	£
Net movement in funds	-	158
Add back amortisation charge	5,035	5,037
Decrease/(increase) in stock	216,587	(43,629)
Decrease in debtors	246,253	19,819
Decrease in creditors	(411,591)	(19,566)
Net cash from/(used in) operating activities	<u>56,284</u>	<u>(38,181)</u>