



PRIVATE AND CONFIDENTIAL

THE INSTITUTE OF MARINE ENGINEERING, SCIENCE AND TECHNOLOGY

Minutes of the One Hundred and Twenty Seventh Annual General Meeting
held at 11:30 hours on Friday 18 March 2016
at Central Hall Westminster, Storey's Gate, London SW1

The President, Mr Martin Murphy, in the Chair
(43 members present)

INTRODUCTION AND NOTICE OF MEETING

The President, Mr Martin Murphy, opened the meeting by welcoming those members present, especially the representatives from the branches and reported that the Notice of Meeting had been distributed prior to the meeting.

He reminded attendees that, as at recent years' AGMs, the formal business of the AGM would be completed first and then be followed by a more general discussion about the Institute's performance and future plans.

ANNUAL REPORT OF THE BOARD OF TRUSTEES AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

The President highlighted that the main business of the meeting was to receive the Annual Report of the Board of Trustees and the Financial Statements for the year ending 30 September 2015. The Secretary and Chief Executive, Mr David Loosley, reported that 2015 had been a good year for the Institute with both financial and learned society targets delivered. An inflection point had been reached with the focus now firmly on learned society and professional membership activity. The Institute had not yet reached its final goal but was in a strong position to achieve it. All key deliverables for 2014-2015 had been either completed or at least commenced; highlights of the year included:

- Learned Society Statistics
 - 378 PRIs conducted
 - 54 new accreditations
 - 16,432 members at year-end – a net increase of more than 2k over the previous year – 2015 also saw a shift from a strategy of proactively recruiting members to one of proactively increasing the Institute's visibility via technical and learned society activity resulting in organic membership growth.
- Accommodation strategy defined and move to Birdcage Walk implemented
- Renewal of Engineering Council and Science Council licences for 5 years
- Introduction of new membership publication, *The Marine Professional*
- Expanded communication with membership including quarterly From the Desk of...

The Honorary Treasurer, Mr Frank Mungo, reminded attendees that the summary financial statements had been provided to each member electronically or in hard copy prior to the meeting and noted that some members had also requested and received copies of the full Financial Statements. He highlighted the key points from the Financial Statements for the year ending 30 September 2015, specifically:

- The operating budget for 2015 was delivered, for the second consecutive year.

- Financial performance was £129k better than previous year, which more than achieved the key strategic aim of achieving an improvement of at least £100k per annum.
- Incoming resources were £560k lower than the previous year with outgoing resources also reduced by £603k
- The Institute's Retirement Benefit Scheme remained the largest liability and £240k per annum continued to be paid into the Scheme under the terms of the agreed Recovery Plan.
- The Balance Sheet at year end showed a reduction of £1.4M over the previous year including a reduction in the value of investments of £1.358M due largely to the performance of the world financial markets.

Mr Peter Lewis of BDO LLP read the Report of the Auditors contained within the Financial Statements.

Dr Jane Smallman proposed a motion that the Annual Report and Financial Statements for the year ended 30 September 2015 be approved and adopted; it was seconded by Mr William Harris. The motion was approved unanimously.

REAPPOINTMENT OF THE AUDITORS

Mr Roy McLain proposed that the auditors, BDO LLP, be appointed to hold office until the conclusion of the next Annual General Meeting and that the Board of Trustees be authorised to fix their remuneration. The motion was seconded by Mr William Paterson and carried unopposed.

APPOINTMENTS BY THE COUNCIL

The President requested the meeting note the appointments by the Council of the President and President-Elect for the year 2015-2016 and Vice-Presidents of Council:

President:	Dr Jane Smallman
President-Elect:	Prof Christopher Hodge OBE
Vice Presidents:	Mr David H H Gan Dr Omar Abdel Aziz Ismail Eur Ing Jacque Powell Ms Claudene Sharp Ir Ka Sing (Louis) Szeto

COUNCIL ELECTIONS

The Chief Executive read the Report of the Scrutineers.

Mr Francis Byrne (Frank) Mungo was elected Honorary Treasurer unopposed in accordance with By-Law 49(3).

Elections for Corporate Members of Council were held in three of the four electoral divisions and the following were duly elected:

- Asia Pacific Electoral Division - Mr Yves De Leeneer (elected unopposed in accordance with By-Law 49(3))
- Americas Electoral Division – No vacancies
- ANZSPAC Electoral Division - Mr Leonard Michaels
- EMEA Electoral Division - Cdr William Doyle, Mr Paul Fairbrother, Mr Andrew Gilchrist, Mr John Hines, Eur Ing Dr John Lawson, Mr Philip Parvin and Mr William Paterson.

There were no spoiled ballot papers and a total of 6,774 votes were counted.

VOTE OF THANKS TO THE SCRUTINEERS FOR 2015/16 AND ELECTION OF SCRUTINEERS FOR THE YEAR 2016/17

Mr Tim Aston proposed a vote of thanks to the Scrutineers for 2015/16 and moved that Mr Jim Clench, Mr Gordon Evans, Mr John Harrison and Mr Anthony Muncer RD be elected to serve as Scrutineers for 2016/17 with Mr Malcolm Vincent serving as an alternate in case any of the scrutineers proved to be unable to serve. The motion was seconded Mr John Wills. The President put the motion to the meeting and declared it carried unanimously.

DISCUSSION OF THE INSTITUTE'S PERFORMANCE AND FUTURE PLANS

The Chairman of the Board of Trustees, Professor Chris Hodge OBE, reminded attendees that this would be his last report as Board Chairman as he had reached the end of two terms of office at this AGM. His six years in that role had been both challenging and hugely enjoyable. In 2009, the main challenges facing the Institute had been financial viability including the need to reduce the operating deficit, communications and membership/member engagement. Good progress had been made on all these fronts; he concluded by emphasising that the plan was working and the Institute delivering.

The Honorary Treasurer briefed attendees on the operating margin, financial health of the Institute, the retirement benefit scheme and financial stability/projections for the future. He displayed graphs showing the value of the Institute's operating margin and assets over the past decade and highlighted milestones in financial sustainability. One key milestone toward financial sustainability had been achieved this year with the delivery of the agreed budget for the second consecutive year. He noted that financial sustainability (defined as operating loss being less than maximum prudent drawdown from investments) was now expected to be achieved in 2019 with normal operations becoming completely self-sustaining in 2022. However, once financial sustainability had been achieved, a key decision would need to be taken to decide whether to deliver normal operations on a self-sustaining basis or to continue taking the prudent drawdown and applying these extra funds to deliver additional learned society activity. He added that a buy-out of the pension scheme liabilities would be seriously considered as soon as market conditions and the Institute's financial position made it truly affordable.

The Chief Executive reminded members that the Institute was now over halfway through the 5-year corporate plan. To date the Institute had successfully transitioned its operational model from one of vertical integration to one of strategic partnership and the current phase, Phase 4, would conclude the transition to financial sustainability. He displayed a waterfall diagram showing the effect of the outsourcing of publications and options for further improvement with their expected effect on the drive to financial sustainability.

On an operational level, the Chief Executive reported that much positive activity had occurred during financial year 2015 and in the first half of 2016. This placed the Institute in a stronger position going forward, both financially and as a learned society and he drew attendees' attention to some specific highlights. The Marine Professional membership magazine had been introduced following the outsourcing of IMarEST's previous five titles, resulting in an improved member benefit while eliminating both costs and risk to the Institute. The associated reduction in HQ headcount had also enabled the relocation from Aldgate to Birdcage Walk. The move itself had a net cost of £55k but would deliver annual savings in the region of £150k, even before the expected increase in rent for Aldgate House from July 2016 had been factored in. IMarEST TV will support the creation of a virtual branch and enable technical content, including local branch and prestige technical lectures, to be shared widely across the global membership. Phase 1 of the Branch Review had been implemented at the start of the 2016 year and was designed to ensure regular and high quality technical lectures in all branches, to attract and retain student members and to demonstrate value for money; Phase 2 will commence shortly with a branch questionnaire and half-year review. Regional activity in Asia Pacific continues to increase, despite challenges in the oil and gas sector, with a new branch about to be launched in Manila and branches in Myanmar and Thailand expected to follow shortly. A campaign to reengage with and recruit seafarers had been launched and is also supported by IMarEST learning opportunities offered via MLA and the introduction of a new professional development tool which will also assist members fulfil the CPD monitoring requirements to be introduced by Engineering Council shortly. Implementation of IMarEST's Sea Your Future initiative to inspire, support and develop future and early career marine professionals was underway and the further development and promotion of IMarEST's awards portfolio will be started shortly. In addition, IMarEST's technical voice and external influence continued to grow with

the introduction of additional SIGs and the Institute obtaining observer status at additional NGOs, namely GESAMP and the London Convention/London Protocol.

The presentations were followed by a Q&A/Discussion session during which the following points were made by attendees:

- Commended the move from Aldgate House to Birdcage Walk and the associated financial savings as well as the seafarer campaign
- Membership income has decreased over the past four years even though membership numbers have increased
- The losses incurred by events and conferences are unsustainable. In response, the Chief Executive explained that the model under which the Institute delivered events had been changed to one of strategic partnership with the financial risk transferred. However, some events, such as the Institute's prestige lecture series, were considered part of the Institute's learned society activity and budgeted to produce no income.
- Praised the increased profile and international reputation which the Institute was enjoying through its NGO work.
- A lot of work has been done over the past few years to take the Institute forward and the focus should be on looking to the future rather than always revisiting the past and doing so in negative terms.

VOTES OF THANKS

Dr Jane Smallman thanked Mr Martin Murphy on behalf of all members for his service to the Institute highlighting especially his diligence and cheerful dedication to the Institute despite serving as President while still employed in a challenging professional role. A formal vote of thanks was recorded for Mr Murphy.

In response, Mr Murphy thanked Dr Smallman for her kind words and responded that it had been a thoroughly enjoyable and rewarding experience to serve the Institute as President as well as an honour. He added that he had been especially humbled to see the amount of time and the level of dedicated commitment contributed to the Institute by its many volunteers around that world. He also offered his thanks to the Chief Executive and the whole HQ team, especially the Institute Assistant Secretary, for their support during his term of office.

The Immediate Past President, Mr Richard Vie, thanked Prof Chris Hodge OBE, the outgoing Chairman of the Board of Trustees, for steadfastly steering the Institute through challenging times. Massive changes had occurred during his time in office including two moves of HQ, the development and implementation of a 5-Year Corporate Plan, and the appointment of a new Chief Executive and under his leadership, the Board had provided effective oversight of the corporate and the professional affairs of the Institute.

CONCLUSION OF BUSINESS AND CLOSE OF THE 127th ANNUAL GENERAL MEETING

With the business of the meeting concluded, the President declared the 127th Annual General Meeting of the Institute closed at 12:50 hours.

CHAIRMAN.....

DATE.....