



Report of the Directors
and Financial Statements for
the year ended 31st December 2007
*Promoting commerce through fostering
relations with investment audiences for
the benefit of members*

The Investor Relations Society



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Company information

Directors:

Peregrine Riviere - Chairman

Richard Davies - Deputy Chairman

Ian Arnold - Treasurer

Michael Mitchell - General Manager

Richard Carpenter

John Dawson

Rebecca Ford

Reginald Hoare

Mark Hynes

Claire Jenkins

Karen Keyes

Gary Leibowitz

Alexander Loehnis

Keith Russell

Secretary:

Hazel Jarvis

Registered office:

Bedford House

3 Bedford Street

London

WC2E 9HD

Registered number:

2294631 (England and Wales)

Accountants:

Cook and Partners Limited

Chartered Accountants

108 High Street

Stevenage

Hertfordshire

SG1 3DW

Report of the Directors

The Directors present their report with the Financial Statements of the company for the year ended 31st December 2007.

Principal activity

The principal activity of the company in the year under review was that of the promotion of commerce by fostering and improving good relations, for the benefit of its members, between companies quoted on the stock exchanges throughout the world and their investors and potential investors.

Business Review

Overview and strategy

The directors are pleased to report another successful year for the Society in 2007. The year has been one of change and development to set the groundwork for the future of the Society. During the year there were a number of changes in the Executive team at Bedford Street and on the Society's Board. We have put in place a much more robust membership management process, expanded our education and training programmes in the UK and overseas, invested in an updated website and corporate identity and relaunched the Best Practice Awards programme. The strategy of the Investor Relations Society is to develop and disseminate best practice in investor relations, to represent the views of members of the Society to governmental and regulatory bodies and to provide members with a range of educational and professional services which assist them in their roles.

Operating performance

The Society delivered another sound operating performance, generating a pre tax surplus of £9,481 (2006: £20,844). In line with our strategy of investing in members' services we have updated the Society's website, rewritten the Certificate in Investor Relations examination syllabus and installed a new on-line examination system. The reserves of the Society remain very sound at £236,574 (2006: £229,031) and net cash deposits total £313,787 (2006: £210,021). It is the objective of the Society to be self-funding, while maintaining adequate reserves for the maintenance of services to members.

The key performance indicators by which we measure our success are:

1. Maintenance of adequate reserves for the Society to continue in operation

The directors believe that the Society's cash reserves should be maintained at a level which would permit the Society to continue in operation for a reasonable period if its income was significantly impaired. The directors consider that cash reserves should be maintained at or above £200,000. This level has been maintained throughout 2007.

2. Level of membership of the Society

The membership of the Society has increased over the last four years to approximately 600. The directors consider that this should be established as a base level with the objective of growing membership by 5% per annum. It is recognised that economic circumstances may impact on the potential for new members.

At the end of 2007 the Society had 599 members.

3. Provision of an active events programme

The events programme is considered to be an integral part of the benefits of membership of the Society. As a minimum, the directors believe that the Society should organise an annual conference and an annual dinner/awards event. In addition the society should organise at least 20 events throughout the year. During 2007 the Society organised 19 events. Our budget for 2008 is 25.

4. Support for our education programme through attendance on training courses and registrations for the Certificate in Investor Relations examination

The Society's education programmes have continued to expand and are now an important element of the Society's reputation as a professional organisation. Our target is to enrol at least 90 new students on our CIR programme each year and to have a total of 200 attendees on our courses during the year. In 2007 we had 94 new CIR students and 198 attendees on our courses.

Our market

The Society's core market for membership and services is professionals involved in investor relations, either in-house working for listed companies, or as providers of investor relations services. We believe that the services the Society provides are also of value and relevance to other professionals who may not be involved in investor relations as their primary activity. We believe that there is scope for the Society to provide services, particularly in education and training, for people working overseas who require to understand the regulatory requirements of the London market or who are involved with companies with London listings. Our membership currently stands at 599 and we have representatives from approximately 75% of the FTSE 100. We have a much smaller percentage of members from medium and smaller sized companies and we believe that people working for these companies, together with those working for the remainder of the FSTE 100, should be our key targets for increased membership. Whilst the Society is the only UK organisation working solely for those in investor relations in quoted companies, many of our members are also members of other professional bodies and a number of these organisations provide events which cover topics related to investor relations. There are also other organisations which provide training programmes in investor relations. We believe that most of these are complementary to our member services and are useful in increasing the profile of investor relations to professional people.

Organisational structure

Our membership is actively involved in running the Society through the committee structure which has continued to work very effectively during the year. The committees, which are all composed of full members of the Society, have powers delegated by the Board, but report to the Board regularly and are a valuable way of drawing on additional expertise from outside the Board and the Executive team. All the committees are chaired by a Board member. The members of the Board all act in a non-executive capacity and we rely heavily on the dedication of the small executive team for the operation of the Society on a day-to-day basis.

Membership

Approximately half of the Society's gross operating surplus arises from membership subscriptions. This is therefore a key area of focus for the executive team. During the year a thorough review of the membership database was undertaken to identify and eliminate dormant accounts. A much more robust system of database maintenance has now been put in place and a new customer relationship management system has been installed which will enable us to identify our members' needs and keep in touch with them more proactively. At the end of 2007 we had 599 members of which 300 were corporate and 299 were service providers. Since then we have seen an encouraging increase, despite the loss of a number of members through take-overs and mergers. We have initiated a membership recruitment programme and we are developing marketing activities to attract new members.

Professional Development Programme and Certificate in Investor Relations

The Society's professional development programme has grown in importance and now contributes approximately 25% of the gross operating surplus. The operation of a professional development programme is a fundamental part of the Society's service to members. In 2007 we continued to operate our core programme of training courses and we introduced two new courses covering press relations and annual report writing. The Certificate in Investor Relations (CIR) has continued to expand; 101 candidates have now successfully completed the examination. We have now signed agreements to enable candidates to study for and sit the CIR in a number of developing economies. During the year the syllabus was substantially rewritten to take into account the requirements of the Companies Act 2006 and to update best practice.

Events

Our events programme, including the Conference and Annual Dinner, contributes approximately 27% of our gross operating surplus. As a service to members, the Society continues to organise an active events programme covering topical and informative issues such as public speaking, shareholder transparency and mergers and acquisitions. During the year we also launched a programme of monthly lunchtime 'webinars' which enable people to listen to, and participate in, discussions without leaving their desk. These have been well received and have covered a number of issues such as Interim Management Statements, trends in CSR reporting and IR for smaller companies.

We had an excellent attendance at the Annual Conference in April 2007 which was sponsored by UBS. David Cameron, the keynote speaker, was undoubtedly a draw. We also introduced breakout sessions specifically for corporate and service provider members and interactive voting, both of which were considered to be successful innovations. The year ended with our Annual Dinner, sponsored once again by Thomson Financial, which this year was held at the Science Museum. In 2008 our Annual Dinner will also be the venue for the Society's new Best Practice Awards and the Extel UK IR Grand Prix awards.

Policy

In 2007 the Policy Committee was heavily involved in discussions with the Financial Services Authority (FSA) about their proposals for a revision to the rules for disclosure of interests in Contracts for Difference (CFDs). We consulted widely with our members and interested parties and were able to make a robust case for enhanced disclosure at the FSA Listings Conference which we addressed. During this process we believe that we have established our credibility as the voice of investor relations professionals with the FSA and we await the outcome of their deliberations with interest. Additionally, members of the Committee have attended the IR and Markets Committee of the 100 Group to discuss areas of mutual interest. This influential group of FTSE 100 Finance Directors says it relies heavily on the IRS to highlight IR issues of concern. We have continued to scrutinise new regulations and provided input to the emerging Companies Act changes, and to the Treasury review of Market Abuse and other legislation which affects IROs in their daily role. We will consult with members to obtain their views and alert them to issues of concern. When required we will develop positioning papers on issues which are important to our members and use them to obtain a higher profile for the industry with commentators and the financial press.

The Board and employees

On 1 March 2007 Lynda Ashton retired as Chairman of the Society and from the Board; Peregrine Riviere, who was previously Treasurer, took over from Lynda, and Ian Arnold became Treasurer. On 24 April 2007 John Dawson of ICI, Reginald Hoare of Smithfield Consultants and Karen Keyes of Logica joined the Board. They have already made a substantial contribution to the Society. At the Annual General Meeting on 26 June Ragnall Craighead, Andrew Mann and Jill Sherratt resigned from the Board. We would like to thank them for their support for the Society over a number of years. All three are still active in investor relations and remain members of the Society. In any organisation such as the Investor Relations Society we are heavily dependent on the time and goodwill of members. This is particularly true for Board members who make a substantial time commitment to the Society, for which thanks are due.

The day to day operations of the Society are run by the full time executive team under Michael Mitchell who joined as General Manager in January 2007. Michael is a seasoned IR practitioner and has brought excellent knowledge, experience and judgement to this important role. Rachael Shaw continues to make an invaluable contribution developing the Society's Education and Events programmes, which are now a very important part of the Society's activities. In August Richard Knight joined as Communications Manager. He has made a substantial contribution in sorting out the membership database and developing our website. In January 2008 Marise Higgs joined as Conference and Marketing manager and she has already shown her ability in organising events. We were also pleased to welcome back Patrizia Martinoli, our Financial Controller, after her maternity leave. The directors would like to thank all members of the team for their efforts.

Key contractual relationships

The Society relies on a large number of individual commercial supporters who contribute both cash sponsorship for our programmes and events and provide access to meeting facilities and other business services. The Society's website is designed and maintained by The Group. The Society has made a contribution to the upgrade of the site, but we recognise that this constitutes a major contribution to the commercial activities of the Society. During the year the corporate identity was redesigned on behalf of the Society by Radley Yeldar. The Society's activities have been publicised through PR Newswire services. The directors would like to express their thanks to all these organisations.

Business risks and opportunities

The key business risks for the Society are as follows:

Decline in membership arising from a downturn in economic activity. The Society believes that its core membership has some resilience against an economic downturn as the need for good communications is even more necessary in difficult markets, but we recognise that, at times of pressure on corporate expenditure, membership income may suffer. As outlined above, we are developing more proactive membership recruitment and marketing programmes with the objective of increasing the number of members. In addition we survey members each year to ensure that our programmes are relevant to their needs.

Inability to maintain sponsorship at current levels. The Society has been successful in attracting key sponsorships for its major events (Conference, Annual Dinner) and the education and events programmes. We believe that an active and growing corporate membership and a relevant and engaging programme of events are key to continuing to attract corporate sponsors. These requirements are addressed in our ongoing marketing and development programmes.

Loss of key staff. In any small office the loss of an individual member of staff can have a disproportionate effect. The Society aims to offer competitive remuneration packages and career development opportunities for its staff. We have effectively managed a change of three out of five members of staff in the last 12 months without impacting our services to members.

Major increase in overhead costs. Most of the Society's overhead costs are fairly predictable. We are not significantly exposed to raw material cost increases apart from electricity. In 2009 the lease on our Bedford Street office expires; while we will be taking steps to minimise any increase, this will undoubtedly impact overhead costs adversely.

Changing the timing of major events. The Society has changed the date of the Best Practice Awards in 2008 and combined this event with the Annual Dinner in the autumn. There is a risk that the income from this event will not equal the combined income of the previous Awards Dinner and Annual Dinner. In preparing the budget for 2008 the directors have taken this risk into account but believe that the timing of the Awards ceremony at the end of the year is more appropriate for the majority of UK listed companies and will add to the credibility of the awards going forward and hence the popularity of the Awards Dinner.

The key business opportunities for the Society are as follows:

Expansion of membership base. As discussed above we believe there is further scope to increase the membership of the Society particularly with medium sized companies. Our marketing programme is targeted at such new members.

Expansion of education and training programmes. Our education programmes have continued to attract new students and we have been particularly pleased with the interest we have received from overseas markets. We will actively seek to increase the take up of our programmes and to develop further overseas markets.

Promotion of the Society as the leader in investor relations expertise. We believe that increasing the visibility of the Society with regulators, legislators and the media will help to establish our organisation as the primary source of information on investor relations and enable us to lobby more effectively on behalf of members. This will in turn increase the Society's relevance to those working in investor relations and encourage membership growth.

Development of attractive programmes for senior investor relations officers. Our aim is to provide events for staff at all levels in investor relations. We believe that newer entrants to the profession are well served by our entry level training and examination programmes, however we consider that there is a need to provide more relevant activities for more experienced members to enable them to network and share knowledge with their peers. We also think that there may be an opportunity to work more closely with other investor relations Societies in Europe and North America to provide events for members with international interests.

Environmental

Although we are a small organisation it is our objective that we should contribute, where possible to a sensible use of resources, both from a cost and environmental point of view. All waste paper generated in the office is recycled and printing is kept to a minimum to reduce usage of inks and papers.

Development and performance of the Company's business during the year

During 2007 the Society continued to invest in and develop its services for members. The Society's website has been redeveloped and was relaunched in the spring of 2008. The Certificate in Investor Relations syllabus has been updated and the on-line exam facility improved. We have continued to expand our education and training programmes and we are installing a new membership database management system. At the operating level the Society incurred a small deficit of £208 (2006:£16,601 surplus), and recorded a net surplus after interest and tax of £7,543 (2006: £20,237).

Turnover increased by 4% to £628,598 (2006: £606,746). The increase comprises: an 8% decrease in annual subscriptions, due predominantly to the elimination of a number of old outstanding membership subscription balances; an 8% increase in conference and events revenues resulting from our very successful conference and annual dinner; a 14% increase in education revenues mainly through the growth in the Certificate in Investor Relations (CIR) programme; and a 9% decrease in publications and advertising.

Direct costs increased by 8% reflecting, predominantly, the increased costs of the expanded events and education programmes, including the syllabus update and exam system upgrade. As always, we are reliant on a number of regular supporters of the Society who continue to give us access to meeting facilities and we are grateful for this continued support.

Administrative expenses rose by 5%, reflecting mainly increases in employment costs. Directors' emoluments in note 2 relate to the General Manager of the Society who is the only paid director. In 2006 the General Manager was not a director of the Society.

At the end of the year the cash balance (net of overdraft) was £313,787, an increase of £103,766 from December 2006.

The Future

The upheavals in the financial markets in the last six months have created a very much more challenging climate for investor relations professionals. More than ever, their skills and expertise are needed to help to steer their management teams through the market turbulence. The Board believes that the Investor Relations Society is even more relevant to its members in these difficult times. The Society is in a sound financial position. We will continue to invest in member services and develop our education and training programmes. We will be publishing guides covering relevant topics for members and we will be upgrading the Knowledge Bank on the members' zone of the website. We have developed an active marketing programme to attract new members and we have expanded the CIR programme to include students in developing economies. Above all, we will be striving to make sure that the Society continues to develop and expand in the interests of its members.

Directors:

The directors shown below have held office during the whole of the period from 1st January 2007 to the date of this report.

Peregrine Riviere - Chairman
Richard Davies - Deputy Chairman
Ian Arnold - Treasurer
Michael Mitchell - General Manager
Richard Carpenter
Rebecca Ford
Mark Hynes
Claire Jenkins
Gary Leibowitz
Alexander Loehnis
Keith Russell

Other changes in directors holding office are as follows:

Lynda Ashton - resigned 1st March 2007
Ragnall Craighead – resigned 26th June 2007
John Dawson - appointed 24th April 2007
Reginald Hoare - appointed 24th April 2007
Karen Keyes - appointed 24th April 2007
Andrew Mann – resigned 26th June 2007
Jill Sherratt – resigned 26th June 2007

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board:

Peregrine Riviere

Peregrine Riviere - Chairman - Director

Date: 20th May 2008

Income and expenditure account

Income and expenditure account for the year ended 31st December 2007

| | Notes | 2007 £ | 2006 £ |
|--|-------|-----------|-----------|
| Turnover | | 628,598 | 606,746 |
| Cost of sales | | (284,232) | (262,826) |
| Gross surplus | | 344,366 | 343,920 |
| Administrative expenses | | (344,574) | (327,319) |
| Operating surplus (Deficit) | 2 | (208) | 16,601 |
| Interest receivable | | 9,689 | 4,243 |
| Surplus on ordinary activities before taxation | | 9,481 | 20,844 |
| Tax on surplus on ordinary activities | 3 | (1,938) | (607) |
| Surplus for the the financial year after taxation | | 7,543 | 20,237 |

Balance sheet

Balance sheet 31st December 2007

| | Notes | 2007 £ | 2006 £ |
|---|-------|----------------|----------------|
| Fixed assets: | | | |
| Tangible assets | 4 | 10,964 | 14,773 |
| Current assets: | | | |
| Debtors | 5 | 69,132 | 99,695 |
| Cash at bank and in hand | | 336,791 | 212,229 |
| | | 405,923 | 311,924 |
| Creditors | | | |
| Amounts falling due within one year | 6 | (180,313) | (97,666) |
| Net current assets: | | 225,610 | 214,258 |
| Total assets less current liabilities: | | 236,574 | 229,031 |
| Reserves: | | | |
| Income and Expenditure Account | 8 | 236,574 | 229,031 |

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31st December 2007.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st December 2007 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the Board of Directors on 20th May 2008 and were signed on its behalf by:

Ian Arnold

Ian Arnold - Director

Peregrine Riviere

Peregrine Riviere - Director

Cash flow statement

Cash flow statement for the year ended 31st December 2007

| | 2007 | | 2006 | |
|--|---------|----------|----------|---------|
| | £ | £ | £ | £ |
| Cash generated from operations | | | | |
| Operating (deficit)/surplus | (208) | | 16,601 | |
| Reconciliation to cash generated from operations: | | | | |
| Depreciation | 8,695 | | 8,272 | |
| Deficit on disposal of fixed assets | 481 | | 126 | |
| Decrease in debtors | 30,563 | | 80,252 | |
| Increase/(decrease) in creditors | 60,520 | | (59,867) | |
| | | 100,051 | | 45,384 |
| Cash from other sources | | | | |
| Interest received | 9,689 | | 4,243 | |
| Sale of tangible fixed assets | 2,041 | | - | |
| | | 11,730 | | 4,243 |
| Application of cash | | | | |
| Taxation paid | (607) | | - | |
| Purchase of tangible fixed assets | (7,408) | | (5,507) | |
| | | (8,015) | | (5,507) |
| Net increase in cash | | 103,766 | | 44,120 |
| Cash at bank and in hand less overdraft at beginning of year | | 210,021 | | 165,901 |
| Cash at bank and in hand less overdraft at end of year | | 313,787 | | 210,021 |
| Consisting of | | | | |
| Cash at bank and in hand | | 336,791 | | 212,229 |
| Overdraft included in "bank loans and overdrafts falling due within one year" | | (23,004) | | (2,208) |
| | | 313,787 | | 210,021 |

Notes to the financial statements

Notes to the financial statements for the year ended 31st December 2007

1. Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Turnover

Turnover represents net invoiced sales of memberships and services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|--------------------------|---------------|
| Improvements to property | - 10% on cost |
| Office equipment | - 33% on cost |

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the income and expenditure account.

2. Operating (deficit)/surplus

The operating deficit (2006 - operating surplus) is stated after charging:

| | 2007 | 2006 |
|--|--------|--------|
| | £ | £ |
| Depreciation - owned assets | 8,695 | 8,272 |
| Deficit on disposal of fixed assets | 481 | 126 |
| Pension costs | 6,877 | 11,676 |
| Directors' emoluments and other benefits etc | 62,874 | - |

3. Taxation

Analysis of the tax charge

As a not for profit organisation, the company is not liable to corporation tax on its ordinary activities, though it is so liable in respect of its interest received.

The tax charge on interest received for the year was as follows:

| | 2007 | 2006 |
|--------------------|-------|------|
| | £ | £ |
| Current tax | | |
| UK corporation tax | 1,938 | 607 |

4. Tangible fixed assets

| | Improvements to property | Office equipment | Totals |
|------------------------|-----------------------------|---------------------|----------|
| | £ | £ | £ |
| Cost | | | |
| At 1st January 2007 | 18,213 | 55,528 | 73,741 |
| Additions | - | 7,408 | 7,408 |
| Disposals | - | (11,904) | (11,904) |
| At 31st December 2007 | 18,213 | 51,032 | 69,245 |
| Depreciation | | | |
| At 1st January 2007 | 14,118 | 44,850 | 58,968 |
| Charge for year | 1,821 | 6,874 | 8,695 |
| Eliminated on disposal | - | (9,382) | (9,382) |
| At 31st December 2007 | 15,939 | 42,342 | 58,281 |
| Net book value | | | |
| At 31st December 2007 | 2,274 | 8,690 | 10,964 |
| At 31st December 2007 | 4,095 | 10,678 | 14,773 |

5. Debtors: amounts falling due within one year

| | 2007 | 2006 |
|-------------------------------|--------|--------|
| | £ | £ |
| Trade debtors | 42,265 | 51,908 |
| Prepayments and other debtors | 19,092 | 39,218 |
| VAT | 7,775 | 8,569 |
| | 69,132 | 99,695 |

6. Creditors: amounts falling due within one year

| | 2007 | 2006 |
|---|---------|--------|
| | £ | £ |
| Bank loans and overdrafts | 23,004 | 2,208 |
| Trade creditors | 28,468 | 30,662 |
| Tax | 1,938 | 607 |
| Social security and other taxes | 10,251 | 9,924 |
| Subscriptions and other income in advance | 92,252 | 44,157 |
| Accruals and other creditors | 24,400 | 10,108 |
| | 180,313 | 97,666 |

7. Operating lease commitments

The following operating lease payments are committed to be paid within one year:

| | 2007 | 2006 |
|----------------------------|--------|--------|
| | £ | £ |
| Expiring: | | |
| Between one and five years | 37,500 | 37,500 |

8. Reserves

| | <u>Income and expenditure account</u> |
|-----------------------|---------------------------------------|
| | £ |
| At 1st January 2007 | 229,031 |
| Surplus for the year | 7,543 |
| At 31st December 2007 | <u>236,574</u> |

9. Pension commitments

During the year, the Society operated a defined contribution pension scheme for three of its employees. The assets of the scheme are held separately from those of the Society in an independently administered fund.

The aggregate pension charge for the year was £6,877 (2006:£11,676), which represents contributions paid during the year. The ongoing annual commitment payable under these schemes is now £7,480.

10. Related party disclosures

The Directors of the Society are subscriber members of the Society. The only transactions involving the Directors are those in connection with their membership subscriptions or attendance at Society activities.

During the year £3,200 (2006: £2,800) of teaching services were provided on commercial terms by Transparency Matters Limited. Mark Hynes is the Managing Director of Transparency Matters Limited and a member of the Board of The Investor Relations Society.

Ultimate control of the Society is considered to be in the hands of the subscriber members.

11. Liability of members

The Society is limited by guarantee without a share capital and has obtained special dispensation not to use the word 'Limited' in its title. In the event of the Society being wound-up, each member is liable to contribute for payment of the debts and liabilities of the Society such amounts as may be required, but not exceeding £1.

Statement by the Directors

Statement by the Directors on the unaudited financial statements of the Investor Relations Society limited by guarantee.

We confirm that as directors we have met our duty in accordance with the Companies Act 1985 to:

- ensure that the company has kept proper accounting records;
- prepare financial statements which give a true and fair view of the state of the company as at 31st December 2007 and of its surplus for that period in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007);
- follow the applicable accounting policies, subject to any material departures disclosed and explained in the notes to the financial statements.

On behalf of the board:

Ian Arnold

Ian Arnold -Director

Peregrine Riviere

Peregrine Riviere - Director

Date: 20th May 2008

Chartered Certified Accountants' Independent Assurance Report

Chartered Certified Accountants' Independent Assurance Report to the Board Of Directors on the unaudited financial statements the Investor Relations Society limited by guarantee.

We have performed certain procedures in respect of the company's unaudited financial statements for the year ended 31st December 2007 on pages eighteen to twenty seven, made enquiries of the company's directors and assessed accounting policies adopted by the directors, in order to gather sufficient evidence for our conclusion in this report.

This report is made solely to the company's directors, as a body, in accordance with our terms of engagement. It has been released to the directors on the basis that this report shall not be copied, referred to or disclosed, in whole (save for the directors' own internal purposes or as may be required by law or by a competent regulator) or in part, without our prior written consent. Our work has been undertaken so that we might state to the directors those matters that we have agreed to state to them in this 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 company and the company's directors as a body for our work, for this report or the conclusions we have formed.

Respective responsibilities

You have confirmed that you have met your duty as set out in the directors' statement on page twenty eight. You consider that the company is exempt from the statutory requirement for an audit for the year. Our responsibility is to form and express an independent conclusion, based on the work carried out, to you on the financial statements.

Scope

We conducted our engagement in accordance with the Institute of Chartered Accountants in England & Wales Interim Technical Release AAF 03/06. Our work was based primarily upon enquiry, analytical procedures and assessing accounting policies in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007). If we considered it to be necessary, we also performed limited examination of evidence relevant to certain balances and disclosures in the financial statements where we became aware of matters that might indicate a risk of material misstatement in the financial statements.

The terms of our engagement exclude any requirement to carry out a comprehensive assessment of the risk of material misstatement, a consideration of fraud, laws, regulations or internal controls, and we have not done so. We are not required to, and we do not, express an audit opinion on these financial statements.

Conclusion

Based on our work, nothing has come to our attention to refute the directors' confirmation that in accordance with the the Companies Act 1985 the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2007 and of its surplus for the year then ended and have been properly prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Cook and Partners Limited
Chartered Accountants
108 High Street
Stevenage
Hertfordshire
SG1 3DW

Date: 20th May 2008