

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2008
FOR
THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

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FOR THE YEAR ENDED 31ST DECEMBER 2008

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THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2008

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

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2008

The directors present their report with the financial statements of the company for the year ended 31st December 2008.

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 a very successful year for the Society in 2008. Membership has grown and we have been able to expand the Society's activities based on the firm foundations established during the previous year. Clearly the current economic conditions will have an impact on the Society's activities in 2009 but the directors remain confident that the Society is properly financed to withstand the downturn. 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 £28,593 (2007: £9,481). The benefits of our improved membership management process have shown through in the increased level of membership and annual subscriptions. Our education programmes continue to grow in the UK and overseas and we have expanded our publications for members through the IR Essentials guides. The reserves of the Society are at a very satisfactory level of £262,195 (2007: £236,574) and net cash deposits total £319,416 (2007: £313,787). 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 2008.

2. Level of membership of the Society

The directors have established a base level of membership of 600 with the objective of growing it 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 and this grew to 643 by the end of 2008, an increase of 7%.

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 2008 the Society organised 25 events. Our budget for 2009 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 2008 we had 130 new CIR students and 238 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. At 31 December 2008 membership was 643 and we had representatives from approximately 70% of the FTSE 100.

THE INVESTOR RELATIONS SOCIETY
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REPORT OF THE DIRECTORS-continued
FOR THE YEAR ENDED 31ST DECEMBER 2008

BUSINESS REVIEW (continued)

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 we were able to increase the number of members through improved targeting and use of the new customer relationship management system which was put in place in 2007. At the end of 2008 we had 643 members of which 312 were corporate and 331 were service providers. Since the year end we have seen a reduction in membership due to the impact of the more difficult economic environment and the loss of a number of members through take-overs and mergers. We will continue our membership recruitment programme and we will be developing targeted offers to retain and 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 30% of the gross operating surplus. The operation of a professional development programme is a fundamental part of the Society's service to members. In 2008 we continued to operate our core programme of training courses and new courses covering press relations and annual report writing. The Certificate in Investor Relations (CIR) has continued to expand; 211 candidates have now successfully completed the examination. We were delighted with the success of candidates from Russia, and a number of other countries.

Events

Our events programme, including the Conference and Annual Dinner, contributes approximately 20% of our gross operating surplus. As a service to members, the Society continues to organise an active events programme covering topical and informative issues with particular emphasis in the last twelve months on dealing with issues arising from the more difficult market conditions. During the year we also continued the programme of popular monthly lunchtime 'webinars' which enable people to listen to, and participate in, discussions without leaving their desks.

We had a record attendance at the Annual Conference in May 2008 which was sponsored by Credit Suisse. Sir Stuart Rose was a timely speaker who grasped the nettle of city criticism of corporate governance issues. In June we were privileged to hold our AGM at the BT Tower, courtesy of BT Conferencing. The Annual Dinner in November was the venue for the Society's new Best Practice Awards and the Extel UK IR Grand Prix awards. A capacity audience attended the event which was held at the Royal Hospital Gardens, Chelsea.

Policy

In 2008, the Policy Committee has continued to monitor and analyse legislation and regulation which may impact members in the course of their work. It was particularly satisfying that the Financial Services Authority (FSA) announced proposals for enhanced disclosure of interests in derivative instruments including Contracts for Difference (CFDs) which substantially reflected the submissions of the Society based on our consultation with members. Members of the Committee continue to attend the IR and Markets Committee of the 100 Group to discuss areas of mutual interest.

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REPORT OF THE DIRECTORS-continued
FOR THE YEAR ENDED 31ST DECEMBER 2008

BUSINESS REVIEW (continued)

This influential group of FTSE 100 Finance Directors says it relies heavily on the IRS to highlight IR issues of concern. In addition the Committee has arranged discussions with Sir Christopher Hogg of the Financial Reporting Council, and the Association of Investment Companies. We have found that this is a very valuable way of sharing experience with other organisations working in the same field as our members and further meetings are planned for 2009. We have responded to Treasury and FSA consultations and we will consult with members to obtain their views and alert them to issues of concern as they arise. 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.

Publications

During 2008 we continued to develop our publications for members. 'Informed', the quarterly journal of the Society, is well regarded by readers and has been expanded to include regular features on overseas financial markets as well as technical updates, news and comment. We also published four new IR Essentials Guides which are available free to members on our website and also for sale in hard copy form. Our weekly Bulletin has been reformatted for easier reading on-line and is now distributed to approximately 2,500 subscribers worldwide.

The Board and employees

There have been no changes to the board of directors during the year. Since the year end Peregrine Riviere has indicated his intention to resign as Chairman and from the Board with effect from the AGM in June 2009. The Board would like to express their thanks to Peregrine for his commitment to the Society as both Treasurer and Chairman. The Board has appointed Richard Davies, currently Deputy Chairman, as Chairman and John Dawson as deputy Chairman with effect from June 2009. In addition, on 11 May, Emma Burdett of Maitland and Lisa Williams of Debenhams were appointed to the Board. They will stand for election to the Board at the AGM in June 2009. 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 continue to be run by the full time executive team under Michael Mitchell. The success of the Society in 2008 in increasing its membership and developing its education programme and events was due to the hard work of the executive team of Rachael Simmonds, Richard Knight, Marise Higgs and Patrizia Martinoli. At the end of 2008 Marise left the Society, and Sara Abuzaid joined the team. The directors would like to thank all members of staff 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 online corporate communications consultancy. We recognise that this constitutes a major contribution to the Society. The Society's activities have been publicised through PR Newswire services and our events and webinars are recorded and broadcast by PrecisionIR. 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 noted above, membership has declined in the first part of 2009, but we will continue our proactive membership recruitment and marketing programmes with the objective of retaining existing members and attracting new 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 is significantly dependent upon cash sponsorship to maintain the viability of its major events (Conference, Annual Dinner) and the education and events programmes. In 2008, we were very successful in achieving a high level of sponsorship but this level has not been maintained in 2009. 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. However, the Society will need to keep its cost base under review and will take appropriate action to mitigate the impact of any longer term shortfall in sponsorship.

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REPORT OF THE DIRECTORS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2008

BUSINESS REVIEW (continued)

- **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.
- **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. We have successfully renegotiated the lease on our Bedford Street office, which expired in March 2009, at a reduced rental for the next five years.
- **Changing the timing of major events.** The Society changed the date of the Best Practice Awards in 2008 and combined this event with the Annual Dinner in the autumn. The attendance at this event was very satisfactory and it is intended to maintain the timing of this event in future.

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 from representatives of medium sized companies. Our marketing programme is targeted at such new members. However it is recognised that this target may be difficult to achieve in the short term until the economy shows signs of recovery.
- **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 2008, the Society continued to invest in and develop its services for members. Turnover increased by 9% to £684,440 (2007: £628,598). The benefit of the improved membership marketing programme has been seen in the increase in the number of members and the consequent increase in membership income of 33%. This includes the impact of a £50 increase in the standard membership fee, the first increase for 3 years. There was no increase in the standard plus membership rate. Revenue from conferences and the annual dinner was down by 6% following the combination of the annual dinner with the awards dinner. Income from the education programmes increased by 16%.

The Certificate in Investor Relations syllabus has been updated and the on-line exam facility improved. During 2008, we successfully agreed bi-lateral programmes with organisations in Russia and Egypt which enabled candidates to take the CIR examinations in these countries.

Direct costs increased by 5% reflecting, predominantly, the increased costs of the publication of four editions of the new IR Essentials guides. 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 9%, reflecting mainly increases in office service charges, employment costs and postage. Director's emoluments in note 2 relate to the General Manager of the Society who is the only paid director.

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REPORT OF THE DIRECTORS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2008

BUSINESS REVIEW (continued)

At the operating level there was a surplus of £14,273 (2007:£208 deficit), and a net surplus after interest and tax of £25,621 (2007: £7,543).

At the end of the year the cash balance (net of overdraft) was £319,416 (2007: £313,787)

The Future

The impact of the turbulence in the financial markets during 2008 and 2009 has been much more serious than anyone predicted. Against this background the Society performed very well in 2008. However the impact of reduced sponsorship budgets and a number of company mergers and takeovers has already impacted the revenues of the Society in 2009. The Board of directors believe that it is particularly important that the Society should continue to maintain services to members in these difficult times. The Society entered 2009 in a strong financial position and is therefore able to utilise some of its reserves to continue to maintain member services. However we will also examine ways in which we can make savings in our cost base to mitigate the impact of the lower levels of income. The Board remains confident that the Society is well funded and will be able to ride out the current market uncertainty and looks forward to continuing to make sure that the Society develops and expands in the interests of all its members.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2008 to the date of this report.

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

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 – Director

Date: 11th May 2009

THE INVESTOR RELATIONS SOCIETY
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INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2008

	Notes	2008 £	2007 £
TURNOVER		684,440	628,598
Cost of sales		<u>(299,100)</u>	<u>(284,232)</u>
GROSS SURPLUS		385,340	344,366
Administrative expenses		<u>(371,067)</u>	<u>(344,574)</u>
OPERATING SURPLUS/(DEFICIT)	2	14,273	(208)
Interest receivable		<u>14,320</u>	<u>9,689</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		28,593	9,481
Tax on surplus on ordinary activities	3	<u>(2,972)</u>	<u>(1,938)</u>
SURPLUS FOR THE FINANCIAL YEAR AFTER TAXATION		<u><u>25,621</u></u>	<u><u>7,543</u></u>

The notes form part of these financial statements

THE INVESTOR RELATIONS SOCIETY
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BALANCE SHEET
31ST DECEMBER 2008

		2008		2007	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	4		5,389		10,964
CURRENT ASSETS					
Debtors	5	108,672		69,132	
Cash at bank and in hand		<u>319,504</u>		<u>336,791</u>	
		428,176		405,923	
CREDITORS					
Amounts falling due within one year	6	<u>(171,370)</u>		<u>(180,313)</u>	
NET CURRENT ASSETS			<u>256,806</u>		<u>225,610</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>262,195</u>		<u>236,574</u>
RESERVES					
Income and Expenditure Account	8		262,195		236,574
			<u>262,195</u>		<u>236,574</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31st December 2008.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st December 2008 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 11th May 2009 and were signed on its behalf by:

.....
Ian Arnold - Director

.....
Peregrine Riviere - Director

The notes form part of these financial statements

THE INVESTOR RELATIONS SOCIETY
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CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2008

	2008		2007	
	£	£	£	£
Cash generated from operations				
Operating surplus/(deficit)	14,273		(208)	
Reconciliation to cash generated from operations:				
Depreciation	6,074		8,695	
Deficit on disposal of fixed assets	-		481	
(Increase)/decrease in debtors	(39,540)		30,563	
Increase in creditors	<u>12,916</u>		<u>60,520</u>	
		(6,277)		100,051
 Cash from other sources				
Interest received	14,320		9,689	
Sale of tangible fixed assets	<u>-</u>		<u>2,041</u>	
		14,320		11,730
 Application of cash				
Taxation paid	(1,915)		(607)	
Purchase of tangible fixed assets	<u>(499)</u>		<u>(7,408)</u>	
		<u>(2,414)</u>		<u>(8,015)</u>
 Net increase in cash		5,629		103,766
Cash at bank and in hand less overdraft at beginning of year		<u>313,787</u>		<u>210,021</u>
 Cash at bank and in hand less overdraft at end of year		<u><u>319,416</u></u>		<u><u>313,787</u></u>
 Consisting of:				
Cash at bank and in hand		319,504		336,791
Overdraft included in "creditors falling due within one year"		<u>(88)</u>		<u>(23,004)</u>
		<u><u>319,416</u></u>		<u><u>313,787</u></u>

The notes form part of these financial statements

THE INVESTOR RELATIONS SOCIETY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2008

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 SURPLUS/(DEFICIT)**

The operating surplus (2007 - operating deficit) is stated after charging:

	2008	2007
	£	£
Depreciation - owned assets	6,074	8,695
Deficit on disposal of fixed assets	-	481
Pension costs	<u>7,558</u>	<u>6,877</u>
Directors' emoluments and other benefits	<u>69,514</u>	<u>62,874</u>

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:

	2008	2007
	£	£
Current tax:		
UK corporation tax	<u>2,972</u>	<u>1,938</u>

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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2008

4. **TANGIBLE FIXED ASSETS**

	Improvements to property £	Office equipment £	Totals £
COST			
At 1st January 2008	18,213	51,032	69,245
Additions	—	499	499
At 31st December 2008	<u>18,213</u>	<u>51,531</u>	<u>69,744</u>
DEPRECIATION			
At 1st January 2008	15,939	42,342	58,281
Charge for year	1,821	4,253	6,074
At 31st December 2008	<u>17,760</u>	<u>46,595</u>	<u>64,355</u>
NET BOOK VALUE			
At 31st December 2008	<u>453</u>	<u>4,936</u>	<u>5,389</u>
At 31st December 2007	<u>2,274</u>	<u>8,690</u>	<u>10,964</u>

5. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008 £	2007 £
Trade debtors	81,365	42,265
Prepayments and other debtors	27,307	19,092
VAT	—	7,775
	<u>108,672</u>	<u>69,132</u>

6. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008 £	2007 £
Bank loans and overdrafts	88	23,004
Trade creditors	26,443	28,468
Tax	2,995	1,938
Social security and other taxes	13,172	10,251
VAT	145	—
Subscriptions and other income in advance	99,017	92,252
Accruals and other creditors	<u>29,510</u>	<u>24,400</u>
	<u>171,370</u>	<u>180,313</u>

THE INVESTOR RELATIONS SOCIETY
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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2008

7. OPERATING LEASE COMMITMENTS

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

	2008	2007
	£	£
Expiring:		
Within one year	7,705	-
Between one and five years	<u>-</u>	<u>37,500</u>
	<u>7,705</u>	<u>37,500</u>

Since the balance sheet date, the Society has contracted a new five year lease in respect of its offices within Bedford House, Bedford Street, London at £31,560 per annum

8. RESERVES

	Income and expenditure account £
At 1st January 2008	236,574
Surplus for the year	<u>25,621</u>
At 31st December 2008	<u>262,195</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 £7,558 (2007:£6,877), 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 £3,700 (2007: £3,200) 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
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 2008 and of its surplus for that period in accordance with the Standard for Smaller Entities (effective January 2007); and
- 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 -Director

.....
Peregrine Riviere - Director

Date: 11th May 2009

CHARTERED ACCOUNTANTS' INDEPENDENT ASSURANCE REPORT
TO THE BOARD OF DIRECTORS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
THE INVESTOR RELATIONS SOCIETY
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We have performed certain procedures in respect of the company's unaudited financial statements for the year ended 31st December 2008 on pages seven to twelve, 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 thirteen. 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 risks 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 Companies Act 1985 the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2008 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: 11th May 2009

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2008

	2008		2007	
	£	£	£	£
Turnover				
Annual subscriptions	212,949		160,175	
Meetings, conference & annual dinner	274,080		292,240	
Publications, and website advertising	36,961		37,472	
Education and professional development	<u>160,450</u>		<u>138,711</u>	
		684,440		628,598
Cost of sales				
Meetings, conference & annual dinner	199,972		199,487	
Publications, and website advertising	53,884		32,207	
Education and professional development	<u>45,244</u>		<u>52,538</u>	
		<u>299,100</u>		<u>284,232</u>
GROSS SURPLUS		385,340		344,366
Other income				
Deposit account interest		<u>14,320</u>		<u>9,689</u>
		399,660		354,055
Expenditure				
Rent & rates	70,720		56,169	
Insurance	3,285		2,647	
Directors' salaries	66,000		60,500	
Directors' social security	7,855		7,075	
Directors' pension contributions	2,750		2,063	
Wages	140,699		120,449	
Pensions	4,808		4,814	
Health insurance	1,342		652	
Telephone	2,365		3,060	
Post and stationery	21,944		15,924	
Travelling	3,948		6,600	
Temporary staff	2,415		18,335	
Subscriptions & memberships	883		803	
Repairs and renewals	11,271		8,100	
AGM & Annual Report expenses	73		928	
Sundry expenses	10,450		10,775	
Accountancy	2,310		8,370	
Advertising	5,200		11,100	
Bad debts incurred/(recovered)	<u>2,583</u>		<u>(6,396)</u>	
		<u>360,901</u>		<u>331,968</u>
		38,759		22,087
Finance costs				
Bank charges		<u>4,092</u>		<u>3,430</u>
Carried forward		34,667		18,657

This page does not form part of the statutory financial statements

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

INCOME AND EXPENDITURE ACCOUNT - continued
FOR THE YEAR ENDED 31ST DECEMBER 2008

	2008		2007	
	£	£	£	£
Brought forward		34,667		18,657
Depreciation				
Improvements to property	1,821		1,821	
Office equipment	<u>4,253</u>		<u>6,874</u>	
		6,074		8,695
		<hr/>		<hr/>
		28,593		9,962
Deficit on disposal of fixed assets				
Office equipment		<hr/>		<hr/>
		-		481
NET SURPLUS		<u>28,593</u>		<u>9,481</u>