

REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2010

FOR

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2010

	Page
Company Information	1
Report of the Directors	2
Profit and Loss Account	8
Balance Sheet	9
Cash Flow Statement	10
Notes to the Financial Statements	11
Statement by the Directors	14
Chartered Accountants' Independent Assurance Report	15
Trading and Profit and Loss Account	16

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2010

DIRECTORS:

Richard Davies ~ Chairman
John Dawson ~ Deputy Chairman
Ian Arnold ~ Treasurer
Michael Mitchell ~ General Manager
Emma Brzeskwinski (nee Burdett)
Richard Carpenter
Rebecca Ford
Reginald Hoare
Mark Hynes
Claire Jenkins
Karen Keyes
Gary Leibowitz
Alexander Loehnis
Keith Russell
Lisa Williams

SECRETARY: Hazel Jarvis

REGISTERED OFFICE: Bedford House
3 Bedford Street
London
WC2E 9HD

REGISTERED NUMBER: 02294631 (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 2010

The directors present their report with the financial statements of the company for the year ended 31st December 2010.

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.

REVIEW OF BUSINESS

Overview

2010 was a more encouraging year for corporate UK as business activity recovered slowly from the recession. This has been reflected in the fortunes of the Society. Membership numbers have stabilised during the year and we have seen a recovery in the overall levels of sponsorship and income from our professional development programmes. We have continued to control our administrative expenses while maintaining core services for members. Overall it is pleasing to note that the Society broke even for the year.

Strategy

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.

Financial performance

The Society has recorded a pre-tax surplus of £2,568 (2009: deficit £22,436). Turnover increased by 4% to £579,785 (2009: £556,290). The reserves of the Society remained at a satisfactory level of £240,243 (2009: £238,735) and net cash deposits totalled £307,500 (2009: £341,849). It is the objective of the Society to be self-funding, while maintaining adequate reserves.

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 2010.

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 2009 the Society had 578 members and this level was the same at the end of 2010 after falling and recovering during the year. The recovering trend has continued in 2011 and this, coupled with our new membership subscription packages, gives us confidence that we will meet our target membership level in 2011.

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 2010 the Society organised 17 events but 3 were carried forward into early 2011. In addition we organised 4 joint events in Scotland which were very well attended. Our plan for 2011 is to hold 20 events in London and two in Scotland.

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 2010 we had 97 new CIR students and 294 attendees on our courses.

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2010

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 an understanding of the regulatory requirements of the London market or who are involved with companies with London listings. At 31st December 2010 membership was 578 and we had representatives from approximately 66% 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 committee chairpersons are either Board members or attend Board meetings in that capacity.

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

Over 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 first part of the year we experienced a reduction in membership due to the impact of the continuing difficult economic environment, but the decline was reversed in the last quarter of the year as the economic outlook for companies improved. This trend has continued into the first part of 2011 when we have introduced new membership packages for both in-house IROs and service providers which offer reductions for multiple memberships. These have resulted in a further increase in members from some of our existing subscribers. 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 one third of the gross operating surplus. The operation of a professional development programme is a fundamental part of the Society's service to members. In 2010 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; 384 candidates have now successfully completed the examination. We were pleased to attract candidates from Russia, Malaysia and a number of other countries including Nigeria, Taiwan, UAE and countries across Europe.

Events

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 very successful Annual Conference in May 2010 which was sponsored by Bank of New York Mellon. We were delighted to have Xavier Rolet CEO of the London Stock Exchange and Sir David Walker author of the Walker review of banking governance as keynote speakers. In June we held our 30th Anniversary AGM at Sterling Square, courtesy of Citi Depository Receipts. The Annual Dinner in November was also the venue for the Society's Best Practice Awards. Tickets were sold out several weeks before the event which was hosted by Angela Rippon at the Royal Hospital Gardens, Chelsea.

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2010

Policy

In 2010, the Policy Committee has continued to monitor and analyse legislation and regulation which may impact members in the course of their work and our thanks go to Mark Hynes for leading this committee. Membership of the committee has been extended to include more in-house IRO members as it is important that their views are fully represented. Sub groups of the committee focus on different aspects of regulation and compliance. Members of the Committee continue to attend 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.

During 2010 there have been a large number of consultations from UK and EU regulators and government and we responded to: the BIS reviews on 'The future of narrative reporting' and a 'Long term focus for corporate Britain'; the Institutional Investor Council on underwriting fees; the EU on the operations of the Transparency Obligations Directive; the Takeover Panel on Certain Aspects of the Regulation of Takeover Bids; the FRC on the UK Corporate Governance Code and the Stewardship Code for Institutional Investors and CESR on 'Proposals to extend major shareholding notifications to instruments of similar economic effect to holding shares and entitlements to acquire shares' and 'Consultation on the Development of Pan-European Access to Financial Information Disclosed by Listed Companies'. The flow of consultations appears likely to continue and it appears that narrative reporting is firmly on the agenda for review. In addition we have consulted members on matters of best practice including the issue of consensus earnings estimates. We will continue to 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.

Communications

During 2010 we formed a new Corporate Affairs Committee chaired by Reg Hoare of MHP Communications with the objective of raising the Society's profile with the regulators and the media. 'Informed', the quarterly journal of the Society included high quality articles on issues such as IR in the boardroom, the post credit crunch financial outlook, best practice reporting and developments in corporate governance, as well as features on IR in the Nordics, USA and India. Our weekly Bulletin is distributed to approximately 2,500 subscribers worldwide and we have active LinkedIn discussion groups and Twitter feeds.

The Board and employees

There have been no changes to the composition of the Board during the year. We were delighted to welcome Gillian Karran-Cumberlege as the Chairman of the Conference Committee for 2011 and she has attended Board meetings in this capacity. 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 very efficiently and effectively by the full time executive team under Michael Mitchell. The operational resilience of the Society in 2010, against a continuing difficult economic background for voluntary organisations, was due to the hard work of the executive team. Rachael Simmonds, who has worked for the Society eight years went on maternity leave in May and has been very ably covered by Daisy Pashley. Richard Knight, Patrizia Martinoli and Dipty Patel have continued in their respective roles and we have been supported by Robert Dann as marketing consultant. 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. During 2010 the Society's website was maintained by The Group, the online corporate communications consultancy and the Society's activities have been publicised through PR Newswire services. The directors would like to express their thanks to all the organisations which provided support during the year.

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2010

Business opportunities

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 small and medium sized companies. Our marketing programme is targeted at such new members. However it is recognised that increased membership is also dependent on the long term health of the economy.
- **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.
- **International development.** We 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.

Business risks

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 declined during the first part of 2010 but recovered in the final quarter of the year. We have developed new membership programmes for both in-house and service provider members which take effect from 2011 with the objective of rebuilding the membership base. 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. The economic recession has put significant pressure on the level of sponsorship. To counter this we have increased our marketing resources and developed new sponsorship packages which offer increased visibility for sponsors throughout the year and reward them for their commitment to the Society through added benefits. This programme has been successful in arresting the decline in sponsorship income. 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. The Society will continue to keep its cost base under review and will take appropriate action to mitigate the impact of any longer term shortfall in sponsorship.
- **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 together with an open and consensual working environment. We have been very fortunate to have maintained a loyal and hardworking executive team.
- **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.
- **Loss of support for major events.** The Society is significantly dependent on the success of the conference and dinner each year. If support for these events declines, either through lack of bookings or sponsorship, such that we are not able to cover our fixed costs, we would not be able to run them and we would need to consider other ways of raising funds or reducing the operations of the Society. The best way of retaining the attractiveness of these events

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2010

is though the quality of the speakers and efficient organisation. We will also actively explore ways of improving the marketing of these events.

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. We use paper sourced from sustainable forests and all waste paper generated in the office is recycled. Printing is kept to a minimum to reduce usage of inks and papers. We are increasingly making use of the internet to communicate with members to reduce paper usage and postage costs.

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

During 2010, the Society continued to provide all of its core services for members and expanded its education programme. Turnover increased by 4% to £579,785 (2009: £556,290). Membership income remained static during the year, reflecting a decline in membership in the first half and recovery in the last quarter supplemented by an increase in subscription rates. The surplus from events, conference and annual dinner declined in 2010 reflecting lower receipts at the annual conference caused by travel disruption from the Icelandic volcanic eruption which prevented a number of delegates attending. Receipts from our annual dinner in November were higher and all tickets were sold. The surplus from the education programmes increased by 20% reflecting the strong performance of our core education programmes and the continued success of our CIR programme in Russia and Malaysia. Further discussions are taking place to develop other overseas relationships for the CIR. The loss on publications and Informed has been reduced as advertising revenues have recovered.

Administrative expenses declined by 2%, mainly due to tighter credit control and a reduction in temporary staffing. As part of our programme to offset the decline in sponsorship support through the recession we initiated a proactive marketing programme designed to develop longer term relationships with our service provider supporters.

We were delighted to attract the following annual sponsors for 2010:

Platinum: Bank of New York Mellon ADR department

Gold: Richard Davies Investor Relations

Silver: Black Sun, Global3Digital

Bronze: Investis

Copper: Broadridge, Capita Registrars, Luminous

Professional Development Programme: Deutsche Bank ADR department

Consequently marketing spend increased as we developed the new marketing initiatives and sponsorship programmes.

Income from our investments showed a small increase, reflecting efforts to obtain better rates of interest on our surplus cash. Directors' emoluments in note 2 relate to the General Manager of the Society who is the only paid director.

At the operating level there was a deficit of £2,653 (2009: deficit £27,427), and a net surplus after interest and tax of £1,508 (2009: deficit £23,460). At the end of the year the cash balance (net of overdraft) was £307,500 (2009: £341,849).

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.

The Future

Whilst we are seeing a welcome recovery in corporate profitability, economic confidence remains fragile and the squeeze on consumer spending and employment which will start to bite in 2011 will undoubtedly impact certain sectors. Against this background the Board believes that the Society will have to continue to offer relevant services to our members and excellent value to our sponsors. To do this we will need to be proactive with our marketing, keep our professional education programme up to date and continually search for new and attractive ideas for events. The Society remains in a healthy financial position and the Board remains confident that the Society will be able to continue to develop and expand in the interests of all its members. The directors feel encouraged by the start to 2011.

As described, the directors have assessed various factors and risks affecting the company and its ability in these difficult economic times to continue to operate as a going concern. They have not identified any material uncertainties or risks related to events or conditions that could cast significant doubt about the company's ability to continue as a going concern and therefore the financial statements for the year ended 31st December 2010 have been prepared using the going concern basis of accounting.

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2010

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2010 to the date of this report.

Richard Davies ~ Chairman
John Dawson ~ Deputy Chairman
Ian Arnold ~ Treasurer
Michael Mitchell ~ General Manager
Emma Brzeskwinski (nee Burdett)
Richard Carpenter
Rebecca Ford
Reginald Hoare
Mark Hynes
Claire Jenkins
Karen Keyes
Gary Leibowitz
Alexander Loehnis
Keith Russell
Lisa Williams

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

.....
Richard Davies ~ Chairman - Director

Date: 12th April 2011

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2010

	Notes	2010 £	2009 £
TURNOVER		579,785	556,290
Cost of sales		<u>222,798</u>	<u>215,082</u>
GROSS PROFIT		356,987	341,208
Administrative expenses		<u>359,640</u>	<u>368,635</u>
OPERATING LOSS	2	(2,653)	(27,427)
Interest receivable and similar income		<u>5,221</u>	<u>4,991</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		2,568	(22,436)
Tax on profit/(loss) on ordinary activities	3	<u>1,060</u>	<u>1,024</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>1,508</u>	<u>(23,460)</u>

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

BALANCE SHEET
31ST DECEMBER 2010

	Notes	2010 £	£	2009 £	£
FIXED ASSETS					
Tangible assets	4		-		939
CURRENT ASSETS					
Debtors	5	94,909		75,064	
Cash at bank and in hand		<u>308,474</u>		<u>341,849</u>	
		403,383		416,913	
CREDITORS					
Amounts falling due within one year	6	<u>163,140</u>		<u>179,117</u>	
NET CURRENT ASSETS			<u>240,243</u>		<u>237,796</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>240,243</u>		<u>238,735</u>
RESERVES					
Profit and loss account	8		<u>240,243</u>		<u>238,735</u>
			<u>240,243</u>		<u>238,735</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2010.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st December 2010 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 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 profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 12th April 2011 and were signed on its behalf by:

.....
Ian Arnold ~ Treasurer - Director

.....
Richard Davies ~ Chairman - Director

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2010

	2010	£	2009	£
Cash generated from operations				
Operating loss	(2,653)		(27,427)	
Reconciliation to cash generated from operations:				
Depreciation	939		4,550	
(Increase)/Decrease in debtors	(19,845)		33,608	
(Decrease)/Increase in creditors	<u>(16,963)</u>		<u>9,782</u>	
		(38,522)		20,513
Cash from other sources				
Interest received	<u>5,221</u>		<u>4,991</u>	
		5,221		4,991
Application of cash				
Taxation paid	(1,048)		(2,971)	
Purchase of tangible fixed assets	<u>-</u>		<u>(100)</u>	
		<u>(1,048)</u>		<u>(3,071)</u>
Net (decrease)/increase in cash		(34,349)		22,433
Cash at bank and in hand less overdraft at beginning of year		<u>341,849</u>		<u>319,416</u>
Cash at bank and in hand less overdraft at end of year		<u><u>307,500</u></u>		<u><u>341,849</u></u>
Consisting of:				
Cash at bank and in hand		308,474		341,849
Overdraft included in "bank loans and overdrafts falling due within one year"		<u>(974)</u>		<u>-</u>
		<u><u>307,500</u></u>		<u><u>341,849</u></u>

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2010

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 April 2008).

Recognition of income and expenditure

a) Subscriptions - Annual subscriptions are recognised over the period to which they relate.

b) Publications - All expenditure arising from the printing and publication of Informed magazine are accounted for in the period in which the publication is mailed out. Income from Informed and website advertising is accounted for in the period(s) to which it relates. The cost of production of other publications - IR Essentials - is spread over a period of 12 months from the date of publication.

c) Conferences - Income and expenditure arising from conferences and dinners are recognised wholly within the accounting period in which the event takes place. Any fees received relating to conferences and dinners taking place post year end is included within deferred income.

d) Educational activities - Income arising from educational activities consists of examination fees, sale of course manuals and course fees. Expenditure relates to the cost of setting and holding examinations, preparation of course material and holding meetings and courses. Income and expenditure are taken to the Income and Expenditure account on a receipts and payments basis. The Society also receives sums from prominent International IR organisations to finance the preparation and presentation of professional exams and symposia. These receipts, together with the costs of presentation, are spread over 12 months.

e) Bank interest - Deposit interest is accounted for on a receipts basis.

f) Sponsorship income - Sponsorship income is recognised over the period or event to which they relate.

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	- Over the term of the lease
Office equipment	- 33% on cost

Pensions

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

Leased assets

All leases currently in operation are regarded as operating leases and the total payments made under them are charged to the income and expenditure account on a straight line basis over the lease term.

Tax

Current tax is the tax payable on taxable profit for the year. As the Society is a non-profit making organisation tax is only charged on Bank deposit interest.

Financial risk management

a) Credit risk - Working capital and longer term funds are held in interest-bearing investments with approved issuing banks with at least an AA rating. The credit risk for cash is considered to be negligible, since counterparties are reputable banks which are all covered by UK or EU deposit guarantees. In respect of trade and other receivables, the Society is not exposed to any significant credit risk from any single customer or group of customers. The majority of the Society's customers are members.

b) Liquidity and interest rate risk - The Society policy is to maintain a strong balance sheet with cash balances placed for appropriate periods to ensure acceptable levels of liquidity. It does not have significant exposure to interest rate fluctuations or liquidity risk.

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2010

2. **OPERATING LOSS**

The operating loss is stated after charging:

	2010	2009
	£	£
Depreciation - owned assets	939	4,550
Pension costs	<u>10,413</u>	<u>9,105</u>
Directors' remuneration and other benefits etc	<u>70,380</u>	<u>64,260</u>

3. **TAXATION**

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2010	2009
	£	£
Current tax:		
UK corporation tax	<u>1,060</u>	<u>1,024</u>
Tax on profit/(loss) on ordinary activities	<u>1,060</u>	<u>1,024</u>

The company is established as a not-for-profit organisation and as such its non trading income is chargeable to corporation tax.

4. **TANGIBLE FIXED ASSETS**

	Improvements to property £	Office equipment £	Totals £
COST			
At 1st January 2010 and 31st December 2010	<u>18,213</u>	<u>51,631</u>	<u>69,844</u>
DEPRECIATION			
At 1st January 2010	18,213	50,692	68,905
Charge for year	<u>-</u>	<u>939</u>	<u>939</u>
At 31st December 2010	<u>18,213</u>	<u>51,631</u>	<u>69,844</u>
NET BOOK VALUE			
At 31st December 2010	<u>-</u>	<u>-</u>	<u>-</u>
At 31st December 2009	<u>-</u>	<u>939</u>	<u>939</u>

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

	2010	2009
	£	£
Trade debtors	51,011	45,517
Prepayments and other debtors	32,326	27,396
VAT	<u>11,572</u>	<u>2,151</u>
	<u>94,909</u>	<u>75,064</u>

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2010

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

	2010	2009
	£	£
Bank loans and overdrafts	974	-
Trade creditors	14,174	41,548
Tax	1,060	1,048
Social security and other taxes	10,644	9,381
Subscriptions and other income in advance	92,560	82,276
Accruals and other creditors	<u>43,728</u>	<u>44,864</u>
	<u>163,140</u>	<u>179,117</u>

7. **OPERATING LEASE COMMITMENTS**

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

	2010	2009
	£	£
Expiring:		
Between one and five years	<u>31,560</u>	<u>31,560</u>

8. **RESERVES**

		Profit and loss account £
At 1st January 2010		238,735
Profit for the year		<u>1,508</u>
At 31st December 2010		<u>240,243</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 £10,413 (2009:£9,105), which represents contributions paid during the year. The ongoing annual commitment payable under these schemes is now £7,855.

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 £6,058 (2009: £3,335) 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.

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 2006 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 2010 and of its profit for that period in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008); 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 ~ Treasurer - Director

.....
Richard Davies ~ Chairman - Director

Date: 12th April 2011

CHARTERED ACCOUNTANTS' INDEPENDENT ASSURANCE REPORT
TO THE BOARD OF DIRECTORS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
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 2010 on pages eight to thirteen, 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 fourteen. 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 April 2008). 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 2006 the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2010 and of its profit for the year then ended and have been properly prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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

Date: 12th April 2011