

REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2013

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 2013

	Page
Company Information	1
Report of the Directors	2
Income and Expenditure Account	9
Balance Sheet	10
Notes to the Financial Statements	11
Statement by the Directors	15
Chartered Accountants' Independent Assurance Report	16

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2013

DIRECTORS:

John Dawson ~ Chairman
Susan Scholes ~ Deputy Chairman
Ian Arnold ~ Treasurer
John Gollifer ~ General Manager
Emma Brzeskwinski (nee Burdett)
Richard Carpenter
Sallie Cooke-Pilot
Fay Dodds
Reginald Hoare
Gillian Karran-Cumberlege
Claire Lavery
David Lloyd-Seed
Danielle Poulain
Keith Russell
David Walker

SECRETARY: James Eves

REGISTERED OFFICE:

5th Floor
30 Coleman Street
London
EC2R 5AL

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 2013

The directors present their report with the financial statements of the company for the year ended 31st December 2013.

REVIEW OF BUSINESS

Overview

During 2013 the Society recorded a good overall performance against a mixed economic backdrop for member companies, service providers and other Society sponsors. Membership numbers continued to rise while income from events held up and increased from our professional development programmes on the back of a more benign operating environment in the UK and overseas. Overall, Society turnover increased 17% year on year, including the benefit of investing time to work more closely with overseas' counterparts and members. At the same time the Society continued to invest in the quality of the services and facilities available to its members, while improving back-office systems. Significant investments included the installation and commissioning of a new Customer Relationship Management system which will provide greater integration of activities and improved office efficiency. In addition, work commenced on an office move which was successfully completed in the first quarter of 2014. As a result, the Society recorded a post-tax surplus of £7,665 in 2013 (2012: £36,539 deficit).

Strategy

The mission of the Investor Relations Society is to lead the development of the investor relations profession through promoting best practice, supporting the professional development of its members, representing their views to regulatory bodies, the investment community and government, and to act as a forum for issuers and the investment community. In order to fulfil this objective, the Society sets itself a range of strategic goals and related performance measures against which progress is judged and appropriate incentives are provided. The Board of the Society also uses this framework to appropriately assess future risks and opportunities for the Society, set appropriate budgets and make long-term decisions around financing and services.

Financial performance

During 2013, the Society continued to provide all of its core services for members. Turnover increased to £723,613 (2012: £618,835). Income allocated to membership increased by 12% to £228,833 (2012: £204,666) during the year, reflecting the impact of membership packages and the general increase in members. Receipts from the education programmes increased by 60% to £244,250 on account of a strong take up of our core professional development programme, including the Certificate in IR (CIR) overseas through new partners, like the Middle East IR Society. Moreover, we were able to offer new bespoke courses in Africa, Asia and the Middle East. In the UK, our new Deliver programme, a course in leadership for IROs, added further revenues. While the annual conference produced a healthy surplus, we fell short in numbers at our Best Practice Awards dinner resulting in an overall drop of 5% in events' income.

The gross profit margin improved to 65% (2012: 63%), notwithstanding administrative expenses increasing from £416,703 to £468,603, excluding the exceptional item incurred in 2012 related to the handover of general management responsibilities. This increase was primarily due to the rising cost of running more courses and other general costs, including approximately £14,000 of professional charges relating to our planned office move and an increase of £9,000 in our dilapidation charge relating to our former Bedford Street office. At the operating level before exceptional costs, there was a surplus of £853 (2012: deficit £24,674).

Income from our investments increased in line with the amount of our cash on deposit, albeit relatively low rates of interest payable on deposits prevailed. In order to maximise income from cash deposits the Society has invested in a spread of accounts with a balanced maturity profile of up to 3 years.

The Society has recorded a post-tax surplus of £7,665 (2012: £36,539 deficit). The reserves of the Society at the year-end were correspondingly higher at a level of £212,597 (2012: £204,932) and net cash deposits totalled £320,191 (2012: £266,527).

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2013

Key performance indicators

We measure our success by the following:

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

The directors believe that the Society's 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 reserves should be maintained at or above £200,000. This level has been maintained throughout 2013 with the exception of a brief period at the beginning of the year when the financial position temporarily dipped below the £200,000 threshold following a slow start to the year coupled with a lower opening balance on the back of the 2012 results. The directors accept that occasionally there may exist an element of seasonality in our activities.

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 recruitment of new members. At the end of 2013 the Society had 689 members, an increase of 30 during the year, mainly as a result of the introduction of new membership subscription packages and also personal recommendations.

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 25 events throughout the year. During 2013 the Society organised 30 events. Our plan for 2014 is to hold at least 25 events in London and at least one in Scotland and one in another UK financial centre.

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. We are taking new initiatives, including the successful Deliver programme (DEveloping future Leaders through InVEstor Relations) that started in 2013 and will run again in 2014 as well as other bespoke courses. Our target is to enrol at least 150 new students on our CIR programme each year and to have a total of 220 attendees on our courses during the year. In 2013 we had 173 new CIR students and 234 attendees on our courses, with approximately 20% coming from overseas.

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 in the UK and internationally. 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 stock market or who are involved with companies with London listings. At 31st December 2013 membership was 689 split approximately 50/50 between corporate IROs and service providers. Of our corporate members 45% work for FTSE 100 companies and 11% work for overseas companies.

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 FTSE250 who are not members of the Society, should also be targets for membership. While 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 that 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 other professions. Accordingly, we seek mutually beneficial ways to work with other like-minded organisations.

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2013

Organisational structure

Leadership of the Society is provided by a Board composed of elected members of the Society together with the General Manager. The General Manager also leads a dedicated executive team who support various committees and ensure the provision of high quality services and events to benefit members on a day-to-day basis. Our wider 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 primarily 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.

Membership

Almost half of the Society's gross operating surplus arises from membership subscriptions. As a result, maintaining a strong focus on providing value-added member services and balancing this with appropriately priced membership categories is a key area of focus for the Society. Following the introduction of new membership packages for both in-house IROs and service providers in 2011, which offer reductions for multiple memberships, we have seen a steady increase in membership numbers and this trend continues. We will continue our membership recruitment programmes focusing on our target markets to attract new members. Overseas markets would seem a natural target given the interest in our professional development programme. Accordingly, in 2013 we introduced a new membership category, Premium International, which allows visiting IROs from overseas entry to the annual conference or the Best Practice Awards Dinner.

Professional Development Programme and Certificate in Investor Relations

The Society's professional development programme has shown strong growth in 2013 and contributes approximately half of the gross operating surplus, up from a third a year ago. The operation of a professional development programme is a fundamental part of the Society's service to members. In 2013 we continued to operate our core programme of training courses with new and updated courses. The Certificate in Investor Relations (CIR) has continued to expand with over 700 candidates having successfully completed the examination. We were pleased to be in a position to attract candidates from Africa, Asia, Europe and the Middle East.

A significant development in our offering to more senior IROs has been the new Deliver (DEveloping future Leaders through INVEstor Relations) programme in partnership with UBS. Our activity-based approach to developing participants includes three modules that cover the strategic aspects of IR and other future leadership roles by providing practical insights from those already in senior leadership roles. Speakers on the 2013 programme included Sir Roger Carr, Baroness Bottomley and Martin Greenslade. We will build on the initial success of the Deliver programme by commencing a second year programme in 2014 and forming an alumni group based on the class of 2013 which will continue the regular interactive sessions with key City and industry figures. An important part of this initiative is to raise the profile of the best in the profession, the value they bring and their potential to move beyond IR. We expect this to continue beyond 2014.

Events

As an important service to members, the Society continues to organise an active calendar of events covering regular subject matter and topical issues. We generally aim to present a variety of informative views from across the spectrum of the IR industry. During the year we 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 successful Annual Conference in June 2013 which was sponsored by Barclays. We were delighted to have Sir Nigel Rudd, the Chairman of Invensys, David Lawton, the Director of Markets at the Financial Conduct Authority (FCA) and Helena Morrissey CBE, CEO of Newton Investment Management and founder of The 30% Club, as keynote speakers. In June 2013 we also held our AGM at the London Stock Exchange building in Paternoster Square, courtesy of Espirito Santo Investment Bank. In November 2013 we held our Annual Dinner and Best Practice Awards at the Tower of London.

The Society's Best Practice Committee has undertaken a comprehensive review of the categories, guidance, entry and judging process behind the annual Best Practice Awards. This is in response to several important market-led changes that are changing the way companies provide their communications. The new look awards will be launched in May 2014.

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2013

Policy

In 2013, the Policy Committee continued to monitor and analyse legislation and regulation which may impact members in the course of their work and our thanks go to Emma Burdett for leading this committee. Membership of the committee includes in-house IRO members and members with specialist knowledge. 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 IR Society to highlight IR issues of concern.

During 2013 there has continued to be a steady flow of consultations from UK and EU regulators, government and other bodies we responded to, among others:

Best Practice Principles for the Proxy Advisory industry

CBI/International Institute of Communications roundtable on investors' use of proxy research

FCA consultation on use of dealing commission rules

ICSA in conjunction with the Investor Stewardship Working Party: Improving engagement practices between companies and investors

Takeover Panel consultation on proposed rule changes to Rule 28

Takeover Panel consultation on the role of the proxy advisor during M&A activity

The focus for the attention of the committee in 2014 is likely to be similar to 2013 when we worked hard on the impact of possible changes to and discussion on beneficial ownership, corporate access, independent research, investor engagement and stewardship, proxy advisers and the AGM generally. We will continue to consult with members to obtain their views and alert them to issues of concern as they arise, the new strategic report, remuneration policy and implementation being topical examples. 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. Our responses to the consultations on corporate access and proxy advisers and the 2013 launch of the guidance, 'Enhancing stewardship dialogue', prepared by the Steering Group of the 2020 Investor Stewardship Working Party, of which the Society was an active member, are examples. We started our own IR Forum between senior IROs and fund managers in 2012 and this met three times in 2013 to address topical issues. We plan to continue this engagement process between companies and investors.

Communications

During 2013 we continued to refresh 'Informed', the quarterly journal of the Society, which has included high quality articles and contributions from a wider variety of sources, including from overseas. Our weekly 'Bulletin', a timely update on the market, operating and regulatory landscape, is distributed to approximately 2,000 subscribers worldwide and we have active LinkedIn discussion groups and Twitter feeds. We believe that the use of social media as another dimension to our communications and marketing efforts will continue to grow. We have also introduced a new 'Policy Roundup' - a monthly email newsletter exclusively for our members.

The Board and employees

At the AGM in June 2013 Rebecca Ford, Karen Keyes and Alexander Loehnis retired from the Board. The Board would like to express their thanks to each director for their support and commitment to the Society. Also at the AGM, we were delighted to welcome Fay Dodds and David Walker to the Board. Fay serves on the Finance Committee and David is co-Chair of the Events Committee. Claire Lavery was co-opted on to the Board in September 2013 as the new Chair of the Conference Committee. In any organisation such as the Investor Relations Society, we are heavily dependent on the time and goodwill of members. This is particularly true of 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 efficiently and effectively by the full time executive team under the General Manager. During the course of the year a number of changes occurred within the executive team. Richard Knight and Dipty Patel left to pursue opportunities outside the Society. The on-going team of Alina Ardeleanu, Robert Dann and Laura Hayter were joined by Jan Kelly in 2013 and Alison Hamilton in the first half of 2014. The directors would like to formally record their thanks to all members of staff for their efforts during 2013 which were highly valued by the wider membership.

Key relationships

We were delighted to attract the following annual sponsors for 2013:

Conference sponsor: Barclays

Platinum: Bank of New York Mellon ADR department

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2013

Gold: Richard Davies Investor Relations
Silver: Global3Digital, Orient Capital
Bronze: Black Sun, Capita IR Services, Investis
Professional Development Programme: Deutsche Bank ADR department
AGM Sponsorship: Espirito Santo Investment Bank
Deliver programme: UBS

The Society also relies on a large number of individual commercial supporters who contribute cash sponsorship and provide access to meeting facilities and speak at events and training courses, among other benefits in kind. During 2013 the Society's activities have been publicised through the Financial Times, IR Magazine and other media services. The directors would like to express their thanks to all the organisations that provided support during the year.

Business opportunities

The key business opportunities for the Society are as follows:

- Expansion of membership base. We believe there is further scope to increase the membership of the Society including from representatives of small and medium sized companies and internationally. Our marketing programme is aimed to retain existing members and to target new members. However, it is recognised that increased membership is dependent on making the Society more relevant and vibrant and of course, on the long-term health of the economy and the IR industry.
- Expansion of education and training programmes. Our education programmes have continued to attract new students and we have been particularly pleased with the growing interest we have received from overseas markets. We will actively seek to increase the take up of our programmes, including bespoke courses 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 the broader investment community, government, regulators and the media will help to establish our organisation as the primary source of information for investor relations and enable us to lobby more effectively on behalf of our 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. New initiatives, like the IR Forum, give senior IROs the opportunity to discuss topical issues with their fund management counterparts and serve as an important element of our on-going efforts to promote active investor engagement. Further, our Deliver programme initiative with UBS to launch a new opportunity for senior IROs, with a focus on developing future leaders through investor relations, has provided a promising start in 2013. We believe that we are in a position to build on this in 2014 and take our content and IR expertise to the NED level of Boards of directors.

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 and investor relations is even more necessary in difficult markets, but we recognise that, at times of pressure on corporate expenditure, membership and course income may suffer. We therefore believe that it is important to ensure that the Society is continually striving to ensure that it is offering appropriate and good value services to members and we survey members each year to ensure that our programmes are relevant to their needs.

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2013

- 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 recent 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 to date. We believe that an active and growing corporate membership and a relevant and engaging programme of events are key to retaining and attracting 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. Despite a number of staff changes in 2013, we have benefited from a core, hardworking executive team who have provided valuable continuity and further improvements to working practices.

- 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. The lease on our Bedford Street office ended on 16 March 2014 and we took the opportunity to move to a newly refurbished office at 30 Coleman Street in the heart of the City. We believe that these larger premises, reflecting the more-than-doubling-in size of the Society since moving in to Bedford Street, will suit both staff and members in terms of location and additional space to undertake more activities ourselves. Accordingly, our cost of premises, including rent, service charges and rates, will increase by approximately £2,000 per month from March 2014 onwards based on the comparative total cost of running the new office.

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

- Competition in that we face some commercial operators in the provision of our education programme. This potentially means increasing competition in a core part of our offering to new course attendees.

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.

THE FUTURE

Whilst we have seen a recovery in corporate profitability, economic confidence, while on the mend, remains quite fragile and the squeeze on consumer spending which continued to bite in 2013 will undoubtedly have an impact on certain sectors. Against this background the Board believes that the Society should 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 that appeal to our members. To this end, we have invested in a new customer relationship management system in 2013 to enable us to market our courses and events more effectively to existing and potential attendees and to provide better targeting of activities for our membership base. The Society remains in a healthy financial position but the Board remains cautiously vigilant and will monitor activity carefully during 2014.

The directors have assessed various factors and risks affecting the company and its ability 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 2013 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 2013

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2013 to the date of this report.

John Dawson ~ Chairman
Susan Scholes ~ Deputy Chairman
Ian Arnold ~ Treasurer
John Gollifer ~ General Manager
Emma Brzeskwinski (nee Burdett)
Richard Carpenter
Sallie Cooke-Pilot
Reginald Hoare
Gillian Karran-Cumberlege
David Lloyd-Seed
Danielle Poulain
Keith Russell

Other changes in directors holding office are as follows:

Karen Keyes ~ Deputy Chairman - resigned 25th June 2013
Rebecca Ford - resigned 25th June 2013
Fay Dodds - appointed 25th June 2013
Claire Lavery - appointed 18th September 2013
Alexander Loehnis - resigned 25th June 2013
David Walker - appointed 25th June 2013

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:

John Dawson ~ Chairman - Director

29th April 2014

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2013

	Notes	2013 £	2012 £
TURNOVER		723,613	618,835
Cost of sales		<u>254,157</u>	<u>226,806</u>
GROSS SURPLUS		469,456	392,029
Administrative expenses		<u>468,603</u>	<u>416,703</u>
OPERATING SURPLUS/(DEFICIT)	3	853	(24,674)
Exceptional cost	4	<u>-</u>	<u>16,176</u>
		853	(40,850)
Interest receivable and similar income		<u>8,525</u>	<u>5,379</u>
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		9,378	(35,471)
Tax on surplus/(deficit) on ordinary activities	5	<u>1,713</u>	<u>1,068</u>
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR		<u><u>7,665</u></u>	<u><u>(36,539)</u></u>

The notes on pages 11 to 14 form part of these financial statements

THE INVESTOR RELATIONS SOCIETY (REGISTERED NUMBER: 02294631)
LIMITED BY GUARANTEE

BALANCE SHEET
31ST DECEMBER 2013

	Notes	2013 £	£	2012 £	£
FIXED ASSETS					
Tangible assets	6		25,022		6,238
CURRENT ASSETS					
Debtors	7	102,951		130,976	
Cash at bank and in hand		<u>320,191</u>		<u>272,071</u>	
		423,142		403,047	
CREDITORS					
Amounts falling due within one year	8	<u>235,567</u>		<u>204,353</u>	
NET CURRENT ASSETS			<u>187,575</u>		<u>198,694</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>212,597</u>		<u>204,932</u>
RESERVES					
Income and expenditure account	10		<u>212,597</u>		<u>204,932</u>
			<u>212,597</u>		<u>204,932</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2013.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st December 2013 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 surplus or deficit 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 29th April 2014 and were signed on its behalf by:

Ian Arnold ~ Treasurer - Director

John Dawson ~ Chairman - Director

The notes on pages 11 to 14 form part of these financial statements

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2013

1. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

The directors have assessed various factors and risks affecting the company and its ability in these difficult economic times to continue to trade 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 2013 have been prepared using the going concern basis of accounting.

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 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.

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2013

1. **ACCOUNTING POLICIES - continued**

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 deposits placed for appropriate periods of no more than three years to ensure acceptable levels of liquidity. It does not have significant exposure to interest rate fluctuations or liquidity risk.

2. **DIRECTORS' EMOLUMENTS**

	2013	2012
	£	£
Directors' remuneration and other benefits etc	<u>74,750</u>	<u>65,417</u>

3. **OPERATING SURPLUS/(DEFICIT)**

The operating surplus (2012 - operating deficit) is stated after charging:

	2013	2012
	£	£
Depreciation - owned assets	8,479	3,635
Loss on disposal of fixed assets	529	-
Pension costs	<u>11,128</u>	<u>8,081</u>

4. **EXCEPTIONAL COST**

Towards the end of 2012, the Society's then General Manager, who was also a Director, retired and in anticipation of this his replacement was recruited and started in a few months previously so as to facilitate a smooth and effective hand-over. As a consequence the Society incurred additional costs of £16,176, which, in the context of the Society's results for the year ended 31st December 2012, the directors believed should be given the prominence of being shown on the face of the Income and Expenditure Account to thereby enable the 2012 financial statements to show a true and fair view.

5. **TAXATION**

Analysis of the tax charge

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

	2013	2012
	£	£
Current tax:		
UK corporation tax	1,705	1,068
Under-/over-provision in prior year	<u>8</u>	<u>-</u>
Tax on surplus/(deficit) on ordinary activities	<u>1,713</u>	<u>1,068</u>

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

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2013

6. **TANGIBLE FIXED ASSETS**

	Improvements to property £	Office equipment £	Totals £
COST			
At 1st January 2013	18,213	62,565	80,778
Additions	-	27,263	27,263
Disposals	<u>(18,213)</u>	<u>(19,056)</u>	<u>(37,269)</u>
At 31st December 2013	<u>-</u>	<u>70,772</u>	<u>70,772</u>
DEPRECIATION			
At 1st January 2013	18,213	56,327	74,540
Charge for year	-	8,479	8,479
Eliminated on disposal	<u>(18,213)</u>	<u>(19,056)</u>	<u>(37,269)</u>
At 31st December 2013	<u>-</u>	<u>45,750</u>	<u>45,750</u>
NET BOOK VALUE			
At 31st December 2013	<u>-</u>	<u>25,022</u>	<u>25,022</u>
At 31st December 2012	<u>-</u>	<u>6,238</u>	<u>6,238</u>

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

	2013 £	2012 £
Trade debtors	68,063	93,845
Prepayments and other debtors	32,961	37,131
VAT	<u>1,927</u>	<u>-</u>
	<u>102,951</u>	<u>130,976</u>

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

	2013 £	2012 £
Bank loans and overdrafts	-	5,544
Trade creditors	27,291	8,066
Tax	1,705	1,068
Social security and other taxes	19,178	9,766
VAT	-	6,043
Other creditors	-	1,612
Subscriptions and other income in advance	149,662	147,379
Accruals and other creditors	<u>37,731</u>	<u>24,875</u>
	<u>235,567</u>	<u>204,353</u>

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2013

9. **OPERATING LEASE COMMITMENTS**

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

	2013 £	2012 £
Expiring:		
Between one and five years	-	27,858
In more than five years	<u>70,400</u>	<u>-</u>
	<u>70,400</u>	<u>27,858</u>

The company has committed to a new lease rental on office premises for 10 years at £70,400 per annum.

10. **RESERVES**

	Income and expenditure account £
At 1st January 2013	204,932
Surplus for the year	<u>7,665</u>
At 31st December 2013	<u>212,597</u>

11. **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 £11,128 (2012:£8,081), which represents contributions paid during the year.

12. **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 except as detailed below.

During the year £2,400 (2012: nil) of training services were provided on commercial terms by Split Rock Partners. Keith Russell is the Managing Partner of Split Rock Partners and is 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

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 2013 and of its surplus 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

John Dawson ~ Chairman - Director

29th April 2014

CHARTERED ACCOUNTANTS' INDEPENDENT ASSURANCE REPORT
TO THE BOARD OF DIRECTORS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
THE INVESTOR RELATIONS SOCIETY

We have performed certain procedures in respect of the company's unaudited financial statements for the year ended 31st December 2013 on pages nine to fourteen, 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 fifteen. 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 2013 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 April 2008).

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

29th April 2014