

**REPORT OF THE DIRECTORS AND**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**FOR**

**THE INVESTOR RELATIONS SOCIETY**  
**LIMITED BY GUARANTEE**

**THE INVESTOR RELATIONS SOCIETY**  
**LIMITED BY GUARANTEE**

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**FOR THE YEAR ENDED 31 DECEMBER 2011**

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**THE INVESTOR RELATIONS SOCIETY**  
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**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**DIRECTORS:**

John Dawson ~ Chairman  
Karen Keyes ~ Deputy Chairman  
Ian Arnold ~ Treasurer  
Michael Mitchell ~ General Manager  
Emma Brzeskwinski (nee Burdett)  
Richard Carpenter  
Richard Davies  
Rebecca Ford  
Reginald Hoare  
Mark Hynes  
Gillian Karran-Cumberlege  
Karen Keyes  
Alexander Loehnis  
Keith Russell  
Susan Nicola Scholes  
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**  
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**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

The directors present their report with the financial statements of the company for the year ended 31 December 2011.

**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 and best practice, 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

During 2011 we saw a continued improvement in business activity in the UK and the performance of the Society has also been encouraging. Membership numbers have grown during the year and income from our events and professional development programmes has increased. During the year we have invested in a new website and this cost is reflected in the increase in administrative expenses. In line with its objectives, 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 £2,373 (2010: surplus £2,568). Turnover increased by 7% to £617,981 (2010: £579,785). The reserves of the Society remained at a satisfactory level of £241,470 (2010: £240,243) and net cash deposits totalled £299,680 (2010: £307,500). 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 2011.

**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 2011 the Society had 614, an increase of 36 members during the year, mainly as a result of the introduction of new membership subscription packages.

**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 2011 the Society organised 20 events. In addition we organised 2 joint events in Scotland which were very well attended. Our plan for 2012 is to hold 25 events in London and 2 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 2011 we had 125 new CIR students and 337 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 an understanding of the regulatory requirements of the London market or who are involved with companies with London listings. At 31st December 2011 membership was 614 split 50/50 between corporate IROs and service providers. Of our corporate members 49% work for FTSE 100 companies and 27% work for overseas companies.

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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

Approximately half of the Society's gross operating surplus arises from membership subscriptions. This is therefore a key area of focus for the Society. Following the introduction of new membership packages for both in-house IROs and service providers at the beginning of 2011, which offer reductions for multiple memberships, we have seen an increase in membership numbers. The improvement in the economic environment has also helped. The trend in the first part of 2012 has also been encouraging. We will continue our membership recruitment programmes focusing on our target markets to attract new members.

#### Professional Development Programme and Certificate in Investor Relations

The Society's professional development programme has shown strong growth in 2011 and now contributes 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 2011 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; 463 candidates have now successfully completed the examination. We were pleased to attract candidates from Asia, Australia, Africa and countries across Europe..

#### Events

As a service to members, the Society continues to organise an active events programme covering topical and informative issues. 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 2011 which was sponsored by Audi. We were delighted to have Carolyn McCall, CEO of easyJet, and Sir Roger Carr, Chairman of Centrica, as keynote speakers. In June we held our AGM at Sterling Square, courtesy of Citi Depository Receipts Services. In November we held our Annual Dinner and Best Practice Awards at a new venue at the Tower of London.

#### Policy

In 2011, 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. From January 2012 Emma Burdett has taken over the chair of the committee assisted by Richard Knight of the Society's executive team. 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 IRS to highlight IR issues of concern. During 2011 there has continued to be a steady flow of consultations from UK and EU regulators and government and we responded to:

The Financial Reporting Council on 'Effective Company Stewardship - Enhancing Corporate Reporting and Audit' and 'Cutting the Clutter'.

The European Commission on the 'EU corporate governance framework'.

The Department for Business Innovation and Skills on 'A long term focus for corporate Britain' and 'The future of narrative reporting: a new reporting framework'.

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The focus for the attention of the committee in 2012 is likely to be the BIS review of narrative reporting and the establishment of the new regulatory framework to succeed the FRC. 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 2011 we updated 'Informed', the quarterly journal of the Society which has included high quality articles on issues such as regulatory issues for IROs, the challenges of IR in volatile markets and narrative reporting, as well as features on IR in France and Canada. Our weekly Bulletin is distributed to approximately 2,000 subscribers worldwide and we have active LinkedIn discussion groups and Twitter feeds.

#### The Board and employees

At the AGM in June 2011 Richard Davies stepped down as Chairman of the Society to be succeeded by John Dawson. The Board would like to express their thanks to Richard for the time and effort he has committed to the Society and for successfully guiding the Society through the turbulence of the financial crisis and encouraging the development of improved marketing and membership programmes. Also at the AGM, Karen Keyes was appointed Deputy Chairman and Claire Jenkins and Gary Leibowitz retired from the Board. The Board would like to thank both Claire and Gary for their commitment to the Society. We were delighted to welcome Gillian Karran-Cumberlege and Sue Scholes to the Board. Gillian is Chair of the Conference Committee and Sue is Chair of the Education 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 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. Richard Knight, Patrizia Martinoli, Dipty Patel and Robert Dann have continued in their respective roles and we have been joined by Laura Hayter as Head of Professional Development. The directors would like to thank all members of staff for their efforts.

#### Key relationships

We were delighted to attract the following annual sponsors for 2011:

Platinum: Bank of New York Mellon ADR department  
Gold: Richard Davies Investor Relations  
Silver: Capita IR Services. Global3Digital  
Bronze: Black Sun, Investis, Orient Capital  
Professional Development Programme: Deutsche Bank ADR department  
AGM Sponsorship: Citi Depository Receipts

The Society also relies on a large number of individual commercial supporters who contribute both cash sponsorship and provide access to meeting facilities and speak at events and training courses. During 2011 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.

#### 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 and internationally. 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.

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- **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.

**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. 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.

- **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. The lease on our Bedford Street office will expire in March 2015, and at that time we expect to incur an increased level of rent.

- **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.

**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 2011, the Society continued to provide all of its core services for members and expanded its education programme. Turnover increased by 7% to £617,981 (2010: £579,785). Income allocated to membership declined slightly during the year, reflecting the impact of membership packages. This was partially offset by an increase in income allocated to conference and events which increased over the year. Receipts from our annual dinner in November were higher and all tickets were sold. Receipts from the education programmes increased by 12% 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. Income from advertising in Informed and on the website has broadly covered costs.

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Administrative expenses include the cost of setting up a new website for the Society together with increases in office rent and rates and employment costs.

Income from our investments was stable and reflects the continuing low rates of interest payable on deposits. 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.

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 £3,109 (2010: deficit £2,653), and a net surplus after interest and tax of £1,227 (2010: £1,508). At the end of the year the cash balance (net of overdraft) was £299,680 (2010: £307,500).

#### The Future

Whilst we have seen a continued recovery in corporate profitability, economic confidence remains fragile and the squeeze on consumer spending and employment which started to bite in 2011 will undoubtedly continue to impact 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. The Society remains in a healthy financial position but the Board remains cautiously vigilant and will monitor activity carefully during 2012.

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 2011 have been prepared using the going concern basis of accounting.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2011 to the date of this report.

Richard Davies ~ Chairman (until 21 June 2011)  
John Dawson ~ Chairman (from 21 June 2011)  
Karen Keyes ~ Deputy Chairman (from 21 June 2011)  
Ian Arnold ~ Treasurer  
Michael Mitchell ~ General Manager  
Emma Brzeskwinski (nee Burdett)  
Richard Carpenter  
Rebecca Ford  
Reginald Hoare  
Mark Hynes  
Alexander Loehnis  
Keith Russell  
Lisa Williams

Other changes in directors holding office are as follows:

Claire Jenkins - resigned 21 June 2011  
Gillian Karran-Cumberlege - appointed 21 June 2011  
Gary Leibowitz - resigned 21 June 2011  
Susan Nicola Scholes - appointed 21 June 2011

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**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

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

17 April 2012

**THE INVESTOR RELATIONS SOCIETY**  
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**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 £	2010 £
<b>TURNOVER</b>		617,981	579,785
Cost of sales		<u>229,634</u>	<u>222,798</u>
<b>GROSS SURPLUS</b>		388,347	356,987
Administrative expenses		<u>391,455</u>	<u>359,640</u>
<b>OPERATING DEFICIT</b>	2	(3,108)	(2,653)
Interest receivable and similar income		<u>5,482</u>	<u>5,221</u>
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		2,374	2,568
Tax on surplus on ordinary activities	3	<u>1,146</u>	<u>1,060</u>
<b>SURPLUS FOR THE FINANCIAL YEAR</b>		<u><u>1,228</u></u>	<u><u>1,508</u></u>

The notes form part of these financial statements

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**BALANCE SHEET**  
**31 DECEMBER 2011**

	Notes	2011 £	£	2010 £	£
<b>FIXED ASSETS</b>					
Tangible assets	4		7,888		-
<b>CURRENT ASSETS</b>					
Debtors	5	81,695		94,909	
Cash at bank and in hand		<u>300,056</u>		<u>308,474</u>	
		381,751		403,383	
<b>CREDITORS</b>					
Amounts falling due within one year	6	<u>148,168</u>		<u>163,140</u>	
<b>NET CURRENT ASSETS</b>			<u>233,583</u>		<u>240,243</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>241,471</u>		<u>240,243</u>
<b>RESERVES</b>					
Income and expenditure account	8		<u>241,471</u>		<u>240,243</u>
			<u>241,471</u>		<u>240,243</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2011.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2011 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 17 April 2012 and were signed on its behalf by:

Ian Arnold ~ Treasurer - Director

John Dawson ~ Chairman - Director

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 31 DECEMBER 2011**

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 surplus 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 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.

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**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

2. **OPERATING DEFICIT**

The operating deficit is stated after charging:

	2011	2010
	£	£
Depreciation - owned assets	1,061	939
Pension costs	<u>9,179</u>	<u>10,413</u>
Directors' remuneration and other benefits etc	<u>71,013</u>	<u>70,380</u>

3. **TAXATION**

**Analysis of the tax charge**

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

	2011	2010
	£	£
Current tax:		
UK corporation tax	1,110	1,060
Overprovision in prior year	<u>36</u>	<u>-</u>
Tax on surplus on ordinary activities	<u>1,146</u>	<u>1,060</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 £
<b>COST</b>			
At 1 January 2011	18,213	51,631	69,844
Additions	<u>-</u>	<u>8,949</u>	<u>8,949</u>
At 31 December 2011	<u>18,213</u>	<u>60,580</u>	<u>78,793</u>
<b>DEPRECIATION</b>			
At 1 January 2011	18,213	51,631	69,844
Charge for year	<u>-</u>	<u>1,061</u>	<u>1,061</u>
At 31 December 2011	<u>18,213</u>	<u>52,692</u>	<u>70,905</u>
<b>NET BOOK VALUE</b>			
At 31 December 2011	<u>-</u>	<u>7,888</u>	<u>7,888</u>
At 31 December 2010	<u>-</u>	<u>-</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

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

	2011	2010
	£	£
Trade debtors	49,558	51,011
Prepayments and other debtors	32,137	32,326
VAT	-	11,572
	<u>81,695</u>	<u>94,909</u>

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

	2011	2010
	£	£
Bank loans and overdrafts	376	974
Trade creditors	9,931	14,174
Tax	1,110	1,060
Social security and other taxes	5,570	10,644
VAT	5,284	-
Subscriptions and other income in advance	85,391	92,560
Accruals and other creditors	<u>40,506</u>	<u>43,728</u>
	<u>148,168</u>	<u>163,140</u>

**7. OPERATING LEASE COMMITMENTS**

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

	2011	2010
	£	£
Expiring: Between one and five years	<u>31,560</u>	<u>31,560</u>

**8. RESERVES**

	Income and expenditure account £
At 1 January 2011	240,243
Surplus for the year	<u>1,228</u>
At 31 December 2011	<u>241,471</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 £9,179 (2010:£10,413), which represents contributions paid during the year. The ongoing annual commitment payable under these schemes is now £7,855.

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**NOTES TO THE FINANCIAL STATEMENTS - continued**  
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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 £5,400 (2010: £6,058) 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 31 December 2011 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

17 April 2012

**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 31 December 2011 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 31 December 2011 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

Date: 17<sup>th</sup> April 2012