

**REPORT OF THE DIRECTORS AND**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**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 2019**

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**THE INVESTOR RELATIONS SOCIETY**  
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**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**DIRECTORS:** David Walker : Chairman  
David Lloyd-Seed  
Sallie Cooke-Pilot  
Ross Hawley  
Claire Lavery  
Alison Owers  
Douglas Radcliffe  
Fraser Thorne  
Helen Parris  
Laura Hayter

**SECRETARY:** James Eves

**REGISTERED OFFICE:** 5th Floor  
30 Coleman Street  
London  
EC2R 5AL

**REGISTERED NUMBER:** 02294631 (England and Wales)

**ACCOUNTANTS:** Barker Wilkinson Limited  
108 High Street  
Stevenage  
Hertfordshire  
SG1 3DW

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**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

## **REVIEW OF BUSINESS**

### **Overview**

We are living through unprecedented times, as nations around the world struggle to cope with the far-reaching implications of the coronavirus pandemic for their economies and societies. Like many organisations, the pandemic will impact many aspects of the IR Society's business in the coming months, although of course the quantum of this impact is unknown. However, we entered this year in a strong financial position, and we are grateful to have a loyal and supportive membership. We also believe we are innovative, agile and capable of adapting rapidly to these new and emerging circumstances and therefore remain confident that we are well-placed for the future to continue promoting excellence in investor relations.

During 2019, the Investor Relations Society, a not-for-profit member organisation, made further good progress against a mixed economic backdrop for member companies, service providers and Society sponsors. Membership numbers remained broadly unchanged and we had a satisfactory year for our events and professional development programmes, both of which helped increased turnover of £899,149 (2018: £858,804; 2017: £863,914).

In 2019, we had mixed results against our key performance indicators (KPIs). While membership was below our target of 907, it remained broadly in line with our 2018 level at 851 (2018: 856). On professional development, the Certificate in Investor Relations (CIR) and International Certificate in Investor Relations (ICIR) saw strong growth in the number of candidates (246 candidates vs 200 target; 2018:187). However, professional development course attendance fell short of an ambitious target of 390 at 337 delegates, though this was still an increase on the prior year (2018: 320 delegates). Finally, 23 other events in our calendar were delivered versus a target of 30. Although this was slightly below target due to unforeseen short-term staffing constraints, the events generally saw active participation and engagement levels.

Generally, in keeping with our not-for-profit status, we believe that we should continue to invest as needed, and that the Society would, over time, expect to use any surplus position in the provision of services for its members. For 2019, the Society recorded a post-tax deficit of £6,140 (2018: £12,913 deficit; 2017: £17,790 surplus), with the closing reserve position of £214,716 (2018: £220,856; 2017: £233,769). This reserve position is slightly above the target figure of £200,000 that the Board recommends as a KPI and will provide some protection for our members and staff in the current period of uncertainty.

In October 2019, Gary Davies announced his retirement as Chief Executive Officer for personal reasons. Laura Hayter, formerly Head of Policy and Communications, succeeded him. While Laura took on the role with effect from 11 October 2019, there was a transition period until the end of the year. The Board thank Gary for his contribution over his tenure as CEO and wish him the very best for the future.

### **Strategy**

The mission of the Investor Relations Society is to lead the development of the IR profession through championing best practice, supporting the professional development of its members, representing their views to regulatory bodies, the investment community and government, and acting as a forum for issuers and the investment community. In order to fulfil this purpose, the Society sets itself a range of strategic goals and related KPIs against which progress is judged and appropriate incentives for the executive team are provided. The Board of the Society also uses this framework to assess future risks and opportunities for the Society, set appropriate budgets and make long-term decisions around financing and provision of services. Ambitious KPIs were set in 2018 for the period 2019-2021 and these are outlined in the KPI section below.

### **Financial performance**

During 2019, the Society continued to provide all of its core services for members, including membership subscription and benefits, education, events, advertising, publications and sponsorship. Turnover increased by 5% year-on-year to £899,149 (2018: £858,804; 2017: £863,914).

Membership: Turnover from membership increased 4% year-on-year to £283,377 in 2019 (2018: £272,478; 2017: £251,691). The total number of members remained broadly unchanged at 851 (2018: 856) from a combination of individual members and continued use of group membership and sponsorship packages.

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Professional development: Turnover from professional development as a whole increased by 12% to £298,506 (2018: £265,600; 2017: £294,577). While actual course registrations were down, the Certificate in IR enjoyed a strong year with 246 registrations in 2019 compared to 188 in 2018, with growth from UK members and non-members CIR. We also benefited from our CIR partnership in the Middle East region, including Dubai, Abu Dhabi and Qatar. Due to Brexit and the UK political environment, the DELIVER (DEveloping future Leaders through InVEstor Relations) programme was not run as scheduled in late 2019 but has been subsequently launched in January 2020, although given the current environment is now likely to see delays.

Events: Both the Annual Conference and our Best Practice Awards (BPA) dinner, along with other events, continued to maintain good registration levels. In 2019, the BPA dinner returned to the previous venue at the Tower of London where we could enjoy a larger capacity and thus stronger ticket sales. Sponsorship levels were, however, down for 2019. As a result, turnover from events was maintained at a similar level to 2018 at £281,308 (2018: £281,866; 2017: £277,101).

The gross margin increased to 64.6% (2018: 62.8%; 2017: 64.3%). This can be attributed to the strong growth in CIR registrations, both in the UK and internationally. Administrative expenses were up by 6.3% in 2019. This was impacted by the double running of our outgoing CEO and our new CEO between October and December and legal fees related to the break clause in our lease of the Coleman Street office. At the operating level, we ran a deficit of £7,694 (2018: £14,282; 2017: £16,584 surplus).

Income from our investments increased slightly in line with the level of rates of interest payable on deposits. It should be noted that the landlord of our Coleman Street office requires us to set aside 12 months' rent in a landlord's escrow account, being £70,400 plus VAT. This amount of £84,480 is shown as a prepayment under the debtors on the Balance Sheet and is not included as part of the net cash deposits. At 31 December 2019, the latter totalled £325,989 (2018: £247,389), benefiting from timing of payments. In March 2020, we agreed a renewed annual rent rate, effective from February 2019, of £81,300 per annum. It has been agreed we were not required to top up the landlord's escrow account.

The Society recorded a post-tax deficit of £6,140 (2018: £12,913; 2017: £17,790 surplus). The reserves of the Society at the year-end were at a level of £214,716 (2018: £220,856; 2017: £233,769).

### **Key performance indicators**

We measure our success against the following KPIs:

#### **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. The Directors are pleased to see that the Society's reserves of £214,716 (2018: £220,856; 2017: £233,769) at 31 December 2019 have been maintained at above the target level. The Directors do not propose revising this KPI, while recognising that the prevailing economic environment - particularly against the backdrop of the coronavirus pandemic - could have an adverse impact on this particular KPI in 2020.

#### **2. Level of membership of the Society**

At the end of 2019, the Society had 851 members, a decrease of 0.5% on the previous year (2018: 856; 2017: 811). While it is recognised that membership numbers may fluctuate as a result of the economic backdrop in order to encourage membership and event participation, we continue to offer group membership and sponsorship packages which include membership. Where there has been no activity or contact with the member over the previous 12 months, we have also closed those accounts.

About a third of the Society's recurring turnover 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. New member recruitment remains strong and while total member numbers did not grow in 2019, over 70% of the cancellations were due to reasons beyond our control (leaving the company, moving out of IR, companies being privatised, etc.). We plan to focus on increased member engagement and value, as well as targeting potential members from the core target groups of the FTSE100 and FTSE250 again in 2020.

#### **3. Provision of an active events programme**

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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 and target up to 30 additional events throughout the year. During 2019, the Society organised 23 events which, generally saw active participation and engagement levels. This was slightly below target as a result of unforeseen short-term staffing constraints. We continued the programme of popular monthly lunchtime webinars as well as a programme of Senior IRO dinners and IRO working lunches at which peers could network and discuss topical issues of concern. Additionally, we ran two half-day governance-themed masterclasses for our membership. In 2019, we also continued with our small-cap and growth company initiative, supported by an experienced panel of members specialising in smaller, growth companies.

We had a successful annual conference in June 2019 entitled 'IR: Leading Change; Driving Value' attended by over 350 delegates alongside conference sponsors and exhibitors. We were again delighted to have Evan Davis of the BBC as our host along with a keynote presentation by Sir John Allan, Chair of Tesco, Barratt Developments and President of the CBI and a session in which Evan interviewed Sarah Bates, Chair of Merian Global Investors.

In June 2019, we held our AGM, once again kindly hosted at the office of FleishmanHillard Fishburn. In November 2019, we held our Annual Dinner and Best Practice Awards ceremony returning to the Tower of London, with a strong turnout of around 480 guests.

Our plan for the period 2020 to 2021 is to hold 30 high quality events per annum in London and continue our regional programme with events held at three other financial centres outside London, although this is likely to be challenging given the ongoing crisis.

#### 4. Support for our professional development programme through attendance on training courses and registrations for the CIR examination

The Society's professional development programme has continued to expand and is an important element of our reputation as a professional organisation and currently contributes about a third of turnover. In 2019, we had 246 (2018:188) new students register for our Certificate in IR, and 337 (2018: 320) attendees on our other courses, including registrations from overseas.

In 2019, we continued to operate our core programme of training courses while adding new and updated courses. We also continue to add to our roster of trainers. The CIR has continued to appeal, with more than 1,650 candidates having successfully completed the examination by the end of 2019. In addition to our home market of UK candidates, we are pleased to be in a position to attract candidates from Africa, Asia, Europe, the Middle East and most recently, Latin America. In early 2020 we launched our updated CIR and ICIR study guide has been brought up to date with the latest regulatory and best practice principles.

In 2019, we added four additional geographies to our 'CIR family' which were Romania, The Netherlands, Denmark and Spain. We will embark on collaborations with societies and companies that can help us offer the CIR in at least one new country per year in the period 2020 to 2021.

In 2019, a third cohort of candidates embarked on our Diploma in IR programme, the Society's senior level qualification. We may run this programme for a fourth time in the second half of 2020, and then possibly twice a year going forward.

We plan to add two new courses to our professional development offerings for 2020, as well as completing our DELIVER leadership programme in partnership with a new sponsor, Bank of America. With the increasing focus on digital communications, and an increasingly agile workforce, the Society will be looking at ways to support our professional development programme with online learning resources.

#### 5. Raising the Society's profile

Given all the excellent content that the Society provides through its Best Practice guidelines and annual Awards process, together with other supporting policy committee work, the Board thinks it appropriate to consider further efforts to raise the Society's profile.

In 2019, as well as our regular contributions to other trade publications, we were invited to participate in a number of panels and had quotes from, and mentions of, the Society in a number of articles, including the Financial Times.

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For the period 2020 to 2021, we aim to noticeably step up our use of social media and monitor the number and type of invitations the Society receives to participate in external discussions, interviews, presentations and publications. We also aim to strengthen our relationships with regulators/agencies, the buy-side, as well as specialist ESG specialists and consultants, where we are seeing a growing interest in developing IR best practice guidelines.

In response to feedback and ongoing trends in the way that companies provide investor communications, the Society's Best Practice Committee undertook a further review of the self-entry categories, the guidance and supporting criteria and the entry and judging process behind the annual Best Practice Awards. We continue to add to the judging panels and make use of Business School research as part of the assessment process for all entries. For the self-entry categories, we maintained a solid number of entries. For our voted awards, we continued to work in partnership with Extel, an Institutional Investor company.

### **Our market**

The Society's core market for membership and services is professionals involved in IR, either in-house working for listed companies, or as providers of IR services, both in the UK and internationally. We believe that the services the Society provides are also of value and relevance to other professionals who may be involved in IR but not as their primary activity. Following implementation of MiFID II in 2018, which continues to drive change across equity capital markets, we also continue to see the growing importance of ESG and stewardship amid our changing regulatory landscape and the Society firmly believes that the role of IR continues to grow within organisations. We have an important part to play in serving our members and the broader IR community and helping them respond to these changing market dynamics.

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 31 December 2019, membership of 851 was split approximately 50/50 between in-house corporate IROs and service providers. Of our corporate members, approximately 40% work for FTSE100 companies and approximately 12% work for overseas companies. The other corporate members come from a broad cross-section of other companies from the FTSE250 to the AIM market.

Given that we have a lower proportional take-up of membership from medium and smaller-sized companies, we believe that people working for these companies, including those working in other communications roles and functions for the FTSE350 who are not members of the Society, should be targets for membership. While the Society is the only UK organisation working solely for those in IR 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 IR. There are also other organisations that provide training programmes in IR. We believe that most of these are complementary to our member services and are useful in increasing the profile of IR to other professions.

We also seek mutually beneficial ways to work with other like-minded organisations, overseas. For example, in 2019 we continued to work with our CIR partners in Asia, Europe, the Middle East and Latin America. In 2019, we worked with the Qatar Stock Exchange and delivered a successful training course and we hope to repeat this in 2020.

### **Organisational structure**

Leadership of the Society is provided by a Board composed of elected, voluntary non-executive members of the Society, together with the Chief Executive Officer who is an Executive Director. The CEO leads a dedicated executive team who support various voluntary committees and ensure the provision of high-quality services and events to benefit members on a day-to-day basis.

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 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 across the membership.

Gender diversity is very important to the Board and the Executive Team. Across the board and the executive team, of which there are 10 directors on the current Board, and 8 members of the executive team, 6 are male and 12 are female.

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**Policy**

The policy committee is responsible for keeping abreast of changes in legislation and regulation and engaging with regulators and other professional bodies on these changes and any other wider issues which may affect the IR Society's members in the course of their work.

During 2019, the IR Society hosted a number of events for members, addressing key topics such as ESG, shareholder activism and MiFID II. Our events include small group roundtable discussions, panel sessions, presentations and informal networking and social gatherings. These are a useful way to bring together IROs and industry representatives for discussion, to aid professional development and to enable the Society to represent the views of its members.

Over the past year, there were a number of consultations from, and discussions with, UK and EU regulators, government and other bodies. The policy committee provided formal responses to the FRC's consultations on the proposed revisions to the UK Stewardship Code and business reporting of intangibles,

On a quarterly basis, members of the policy committee attend the IR and Markets Committee of the 100 Group to discuss areas of mutual interest. This influential group of FTSE 100 Finance Directors confirms that it relies heavily on the Society to highlight IR issues of concern.

In 2020, the committee will continue to monitor, contribute to and, where necessary, challenge regulatory and legislative developments. We anticipate that ESG will remain at the heart of the agenda, with the introduction of additional reporting requirements such as the FCA's proposals for new climate-related disclosures. Recent changes to the UK Corporate Governance Code and the UK Stewardship Code will also be of particular interest to our members. We also expect to actively engage with the relevant bodies on the recommendations from three recent landmark reviews into the audit market and will continue to assess the ongoing impact on our members of MiFID II legislation, introduced in January 2018, through a joint research project between the IR Society, London School of Economics and Glasgow University.

**Communications**

During 2019, we continued to seek to position the Society as an authority on IR in the UK and beyond through a variety of communications channels, including press coverage among the UK financial press such as the Financial Times, The Times and other trade journals. While ensuring that our website remains updated with events, courses and changes, we continued to refresh 'Informed', the popular quarterly journal of the Society, which 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 around 3,000 subscribers worldwide, achieving an impressive 30% click-through rate. We believe that the growing use of social media and platforms such as LinkedIn add another dimension to our communications and marketing efforts for courses and events. We continue to see a positive response from members to our regular snap polls, surveys and monthly 'Policy Roundup' - an email newsletter sent to all members with a 25% click-through rate.

**Sponsorship**

The Society also relies on a large number of individual commercial supporters who contribute cash sponsorship, provide access to meeting facilities and speak at events and training courses, among other benefits in kind. The Directors would like to express thanks to all the organisations that provided support during the year.

**Key relationships**

We were delighted to retain and attract the following annual sponsors for 2019:

Gold: RD:IR

Silver: Equiniti, Investis Digital, Q4

Annual events programme: Orient Capital

AGM: FleishmanHillard Fishburn

Professional Development Programme: Deutsche Bank Depositary Receipts

Conference: LSEG Issuer Services, Nasdaq, Teneo, West Digital



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Annual sponsors: Berenberg, Black Sun, Carter Murray, FourthQuarter, ingage, Institutional Investor, MerchantCantos, Jefferies and Zebra

In addition, other key partners included BRR Media, Emperor, Fidelio Partners, Finsbury, Instinctif Partners, Invicomm, Master Investor, QuantiFire and WorkCast.

In 2019, we were delighted to find a new sponsor for our DELIVER programme and thank Bank of America for their generous support as we embark on the next programme in 2020.

**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 (SMEs) as well as internationally. Our marketing programme aims to retain existing members and to target new members, including key influencers like corporate brokers, financial PR and other service providers. However, it is recognised that increased membership is dependent on making the Society more relevant and vibrant, as well as on the long-term health of the economy and the IR profession.

- Evolution of professional development and training programmes. Our professional development programmes have continued to attract new delegates and we have been particularly pleased with the keen interest we have received from overseas markets, including some new ones. We will actively seek to increase the take-up of our programmes, including bespoke courses, and to develop further overseas markets. We are also looking to develop Professional development with the introduction of at least two new courses in 2020, as well as increase the recognition of our CIR and Diploma in IR qualifications as eligibility for more senior roles in the industry. As well as the launch of our updated CIR and ICIR study guide, investment into online resources will also be considered in 2020.

- Development of attractive programmes for senior IROs. Our aim is to provide events for members at all levels in IR. 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. Our Senior IRO Dinners and IRO Lunches offer a tremendous opportunity for IROs to discuss topical issues and share experiences with their peers. Further, our leadership programme, DELIVER, provides a proven opportunity for senior IROs, with a focus on developing future leaders through IR. We believe that we are in a position to build on our efforts to date and take our content and IR expertise to new levels, including through our Diploma in IR, a more advanced offering for senior IR professionals.

- Promotion of the Society as the leader in championing IR best practice and as a focal point for IR matters. We believe that increasing the visibility of the Society with the broader investment community, government, regulators and the media will help to establish the Society as the primary source of information for IR 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 IR and encourage growth through additional memberships, increased sponsorship and participation in events as well as our education programmes.

**Business risks**

The key business risks for the Society are as follows:

- Global pandemics and coronavirus impacting many aspects of the IR Society's business and activities. Many of our member interactions and offerings such as our courses, events, networking and professional qualifications are traditionally carried out face-to-face. While we can adapt rapidly to new and emerging circumstances by moving many of our member benefits online and virtually, our members value the face-to-face interaction and networking opportunities we currently provide. Furthermore, should members face pressure on budgets and discretionary spending this will certainly impact membership revenues, event revenues (the annual conference and best practice awards in particular), as well as spending on professional development and CIR registration. We continue to review our online training and events offerings and will plan accordingly in light of the current environment.

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- Decline in membership arising from a downturn in economic activity. The Society believes that its core membership has some resilience in an economic downturn as the need for good communications and IR is even more necessary in difficult markets. However, 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 offer appropriate and good value services to members. Accordingly, we survey members after each course and event, as well as annually, to ensure that our content is relevant to their needs. Through the current period of uncertainty with the coronavirus pandemic we will carefully monitor membership and engage with members to determine any potential impact.

- Inability to maintain sponsorship at current levels. The Society is significantly dependent upon cash and in-kind sponsorship to maintain the viability of its major events (the annual conference and annual dinner) and the education and events programmes. The last economic recession put considerable pressure on the level of sponsorship. To counter this, we increased our marketing resources and developed 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 maintaining 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 support for major events. The Society is significantly dependent on the success of the conference and BPA dinner each year. If support for these events declines, either through lack of bookings or through sponsorship as mentioned above, 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 continue to actively explore ways of improving the marketing of these events, including the continued use of a conference micro-site.

- 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. In 2019, we had a core, hardworking executive team who have provided valuable continuity, more streamlined working practices and shown the ability and ambition to grow into bigger, more demanding roles with increased responsibilities.

- Major increase in overhead costs. Most of the Society's overhead costs are fairly predictable, including the cost of a full staff complement. We are not significantly exposed to raw material cost increases apart from electricity. At the end of 2019, we were subject to a landlord's rent review on our office at 30 Coleman Street. Effective from February 2019, discussions at 31 December 2019 were still ongoing, however in the first quarter of 2020 we reached an agreement to renew the lease for a further five years.

- Competition that we face from some commercial operators and other offerings from banks, for example, in the provision of IR content and education programmes, as well as other associations. This potentially means increasing competition in publications and in a core part of our offering to new course attendees. We continue to ensure that our publications remain fresh and relevant and all our courses include practical sessions provided by experienced IROs, something which clearly differentiates our courses.

- Legislation, which we continue to monitor for the most relevant and pressing issues for the Society.

### **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 ink and paper. Our increasing use of the website to communicate with members should help to reduce paper usage and postage costs.

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**OUTLOOK**

We are living through unprecedented times, as nations around the world struggle to cope with the far-reaching implications of the coronavirus pandemic for their economies and societies. It is now widely expected that we will enter a period of global recession and like many organisations, we are expecting the pandemic will impact many aspects of our business this year. The Society prides itself on the strong community we provide for our members, with many of our interactions such as our courses, events and professional qualifications traditionally carried out face-to-face. We had already started to embrace technology in our work, and this is ever more important now as we adapt to a variety of social distancing measures imposed by the UK government, some of which may be in place for some time. Our flagship Annual Conference has been postponed from June to the Autumn and we are already exploring options, including to deliver the event virtually, if required. Given the precarious economic situation we may experience pressure from decreases in corporate budgets and it is therefore essential that we continue to offer relevant services to our members and excellent value to our sponsors.

Despite the political and economic uncertainty experienced throughout 2019, the Society entered this year in a strong financial position. We are grateful to have a loyal and supportive membership, and we believe we are innovative, agile and capable of adapting rapidly to these new and emerging circumstances. Consequently, although the outlook remains uncertain, we are confident that we are well-placed for the future to continue promoting excellence in investor relations.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

David Walker : Chairman  
David Lloyd-Seed  
Sallie Cooke-Pilot  
Ross Hawley  
Claire Lavery  
Alison Owers  
Douglas Radcliffe  
Fraser Thorne  
Helen Parris

Other changes in directors holding office are as follows:

Emma Brzeskwinski (nee Burdett) - resigned 4 June 2019  
Fay Dodds - resigned 4 June 2019  
Charles King - resigned 4 December 2019  
Charles Sydorowitz - resigned 26 March 2019  
Gary Davies : Chief Exec Officer - resigned 10 October 2019  
Laura Hayter - appointed 10 October 2019

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

**ON BEHALF OF THE BOARD:**

David Walker : Chairman - Director

2 June 2020

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**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
<b>TURNOVER</b>		899,149	858,804
Cost of sales		<u>317,959</u>	<u>319,087</u>
<b>GROSS SURPLUS</b>		581,190	539,717
Administrative expenses		<u>588,884</u>	<u>553,999</u>
<b>OPERATING DEFICIT</b>	4	(7,694)	(14,282)
Interest receivable and similar income		<u>1,783</u>	<u>1,705</u>
<b>DEFICIT BEFORE TAXATION</b>		(5,911)	(12,577)
Tax on deficit		<u>229</u>	<u>336</u>
<b>DEFICIT FOR THE FINANCIAL YEAR</b>		<u><u>(6,140)</u></u>	<u><u>(12,913)</u></u>

The notes on pages 12 to 15 form part of these financial statements

**THE INVESTOR RELATIONS SOCIETY (REGISTERED NUMBER: 02294631)**  
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**BALANCE SHEET**  
**31 DECEMBER 2019**

		2019		2018	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	5		19,551		30,380
<b>CURRENT ASSETS</b>					
Debtors	6	191,630		199,379	
Cash at bank and in hand		326,128		247,389	
		<u>517,758</u>		<u>446,768</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	7	304,748		241,447	
<b>NET CURRENT ASSETS</b>			<u>213,010</u>		<u>205,321</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			232,561		235,701
<b>PROVISIONS FOR LIABILITIES</b>	8		17,845		14,845
<b>NET ASSETS</b>			<u><u>214,716</u></u>		<u><u>220,856</u></u>
<b>RESERVES</b>					
Income and expenditure account			<u>214,716</u>		<u>220,856</u>
			<u><u>214,716</u></u>		<u><u>220,856</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2019 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 provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 2 June 2020 and were signed on its behalf by:

David Walker : Chairman - Director

The notes on pages 12 to 15 form part of these financial statements

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

1. **STATUTORY INFORMATION**

The Investor Relations Society is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

As at the date of this report, the COVID-19 pandemic is having a major impact on the economies of the world. However, the carrying values of all assets and liabilities and any estimates contained therein as at the balance sheet date cannot reflect any impact of the virus as it had not emerged as at that date and cannot have been reasonably known or anticipated. Nonetheless, the directors have necessarily assessed various factors and risks affecting the company and its ability in these difficult social and economic times to continue to trade as a going concern.

The directors recognise that there will inevitably be an impact on the UK and World economies due to the social and economic consequences of COVID-19 but in line with some political and economic commentators' views the directors are hopeful that trading conditions will subsequently improve.

Meanwhile, the company is availing itself of COVID-19-related Government initiatives and some staff have been furloughed, whereby the Government will reimburse a limited amount of individuals' salaries and the employer's national insurance and auto-enrolment pension contributions on the salary amounts reimbursed. Certain VAT liabilities are able to be deferred until 31st March 2021 and the directors may take up this option. Additionally, should it be considered necessary to do so, the directors may request of HMRC to allow the company to defer payments of payroll taxes and corporation tax on the understanding that HMRC will be amenable to such a request though will charge interest on late payments.

Given the nature of the various assets and liabilities as at 31st December 2019, the directors do not believe that their carrying values have been impaired.

On the basis of all of the foregoing, the financial statements for the year ended 31st December 2019 have been prepared using the going concern basis of accounting.

**Significant judgements and estimates**

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

2. **ACCOUNTING POLICIES - continued**

**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 is 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 are 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 it relates.

**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

**Financial instruments**

The directors consider all financial instruments to be basic financial instruments in accordance with paragraph 11 of FRS102. All basic financial instruments including trade and other debtors, cash and cash equivalents, and trade and other creditors, are initially recognised at transaction price and thereafter stated at amortised 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.

The benefits of lease incentives are recognised in profit and loss account over the shorter of the lease period and the period to the next rent review at which rent is expected to be reset to market rates.

**Taxation**

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

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

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

2. **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.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 8 (2018 - 8).

4. **OPERATING DEFICIT**

The operating deficit is stated after charging:

	2019	2018
	£	£
Depreciation - owned assets	11,128	9,633
	<u>          </u>	<u>          </u>

5. **TANGIBLE FIXED ASSETS**

	Improvements to property £	Office equipment £	Totals £
<b>COST</b>			
At 1 January 2019	43,875	92,106	135,981
Additions	-	299	299
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2019	43,875	92,405	136,280
	<u>          </u>	<u>          </u>	<u>          </u>
<b>DEPRECIATION</b>			
At 1 January 2019	21,535	84,066	105,601
Charge for year	4,417	6,711	11,128
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2019	25,952	90,777	116,729
	<u>          </u>	<u>          </u>	<u>          </u>
<b>NET BOOK VALUE</b>			
At 31 December 2019	17,923	1,628	19,551
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2018	22,340	8,040	30,380
	<u>          </u>	<u>          </u>	<u>          </u>



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

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

<b>6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	2019 £	2018 £
Trade debtors	65,242	78,170
Rent deposit held in escrow	84,480	84,480
Prepayments and other debtors	39,370	36,729
VAT	2,538	-
	<u>191,630</u>	<u>199,379</u>
<b>7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	2019 £	2018 £
Trade creditors	25,727	20,525
Tax	326	434
Social security and other taxes	12,738	17,050
VAT	-	3,740
Subscriptions and other income in advance	175,342	177,162
Accruals and other creditors	90,615	22,536
	<u>304,748</u>	<u>241,447</u>
<b>8. PROVISIONS FOR LIABILITIES</b>	2019 £	2018 £
Provisions		
Provision for dilapidations	17,845	14,845
	<u>17,845</u>	<u>14,845</u>
		Other provisions £
Balance at 1 January 2019		14,845
Provided during year		3,000
		<u>17,845</u>
		<u>17,845</u>

The company provides at the rate of £3,000 per year for dilapidation costs, which the directors anticipate will arise at the end of the lease on its office premises in accordance with the terms of that lease.

**9. 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.

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

**DIRECTORS' RESPONSIBILITIES STATEMENT**  
**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 affairs of the company as at 31 December 2019 and of its deficit for that period in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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:**

David Walker : Chairman - Director

2 June 2020

**INDEPENDENT CHARTERED ACCOUNTANTS' REVIEW REPORT TO THE DIRECTORS OF  
THE INVESTOR RELATIONS SOCIETY**

We have reviewed the financial statements of The Investor Relations Society for the year ended 31 December 2019, which comprise the Income Statement, Balance Sheet and the related notes 1 to 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's directors, as a body, in accordance with our terms of engagement. Our review has been undertaken so that we might state to the directors those matters that we have agreed with them in our engagement letter 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.

**Directors' responsibility for the financial statements**

As explained more fully in the Directors' Responsibilities Statement set out on page sixteen, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

**Accountants' responsibility**

Our responsibility is to express a conclusion based on our review of the financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), 'Engagements to review historical financial statements' and ICAEW Technical Release TECH 09/13AAF 'Assurance review engagements on historical financial statements'. ISRE 2400 also requires us to comply with the ICAEW Code of Ethics.

**Scope of the assurance review**

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. We have performed additional procedures to those required under a compilation engagement. These primarily consist of making enquiries of management and others within the entity, as appropriate, applying analytical procedures and evaluating the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (UK and Ireland). Accordingly, we do not express an audit opinion on these financial statements.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the financial statements have not been prepared:

- so as to give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its deficit for the year then ended;
- in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- in accordance with the requirements of the Companies Act 2006.

Barker Wilkinson Limited  
108 High Street  
Stevenage  
Hertfordshire  
SG1 3DW

2 June 2020

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

**DETAILED INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019		2018	
	£	£	£	£
<b>Income</b>				
Annual subscriptions	283,377		272,478	
Events, conference & annual dinner	281,308		281,866	
Publications, website & advertising	35,958		38,860	
Education	298,506		265,600	
Interest receivable	1,783		1,705	
	<u>          </u>	900,932	<u>          </u>	860,509
 <b>Expenditure</b>				
Membership costs	2,309		-	
Events, conference & annual dinner	187,392		193,992	
Publications, website & advertising	41,646		42,301	
Education	84,982		82,794	
Commission	1,630		-	
Rent, rates & service charges	106,931		91,928	
Insurance	3,893		4,181	
Light and heat	3,470		4,157	
Directors' salaries	102,892		78,053	
Directors' social security	12,070		9,521	
Directors' pension contributions	962		875	
Wages	246,107		240,538	
Social security	22,879		22,331	
Pensions	10,406		10,353	
Director's health insurance	-		589	
Staff health insurance	3,625		3,785	
Postage, stationery & office running costs	4,698		5,759	
Travelling	2,735		1,970	
Telephone	6,829		7,060	
Repairs and renewals	9,012		(832)	
Household and cleaning	3,844		3,967	
Staff recruitment & training costs	1,567		14,535	
Computer running costs	11,584		15,011	
Sundry expenses	2,206		9,432	
Accountancy	6,000		3,685	
Legal & professional	5,354		1,524	
Marketing	2,844		4,690	
Entertainment	232		780	
Bad debts	(2,950)		2,716	
Bank charges	10,566		7,758	
Depreciation of leasehold improvements	4,417		4,387	
Depreciation office equipment	6,711		5,246	
	<u>          </u>	906,843	<u>          </u>	873,086
 <b>EXCESS OF EXPENDITURE OVER INCOME</b>		<u>          </u>		<u>          </u>
		(5,911)		(12,577)