

REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021

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COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

DIRECTORS: David Walker : Chairman
Sallie Cooke-Pilot
Ross Hawley
Alison Owers
Douglas Radcliffe
Fraser Thorne
Laura Hayter
Nigel Pears

SECRETARY: James Eves

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

REGISTERED NUMBER: 02294631 (England and Wales)

ACCOUNTANTS: Barker Wilkinson Limited
19-21 Middle Row
Stevenage
Hertfordshire
SG1 3AW

THE INVESTOR RELATIONS SOCIETY
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REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

REVIEW OF BUSINESS

Overview

In 2021, the Investor Relations Society, a not-for-profit member organisation, continued to deliver products and services in a challenging operating environment as a result of the global pandemic. As a Society we embraced technology and innovation, exercised disciplined cost control and continued to deliver high quality events, professional development courses, content and benefits to our IR Society members. None of this would have been possible without the support and dedication of our IR Society executive team, who consistently worked hard and seamlessly to deliver a high quality service to our members.

Against this backdrop, membership income experienced a small decline during the year, along with a decline in income from our flagship event, the Annual Conference. We did however record an increase in income from our Best Practice Awards dinner as well as our Professional Development programme. As a result, turnover increased 17% to £784,683 (2020: £672,695). Cash balances ended the year at £371,493 (2020: £388,513).

Despite the ongoing uncertain operating environment in 2021, the Society delivered a robust performance. Membership stood at 848, a modest increase from our 2020 level (826), and a return to pre-pandemic membership levels. On professional development, the Certificate in Investor Relations (CIR) and International Certificate in Investor Relations (ICIR) saw an increase in the number of candidates (214 candidates vs 190 in 2020). Professional development course attendance at 317 delegates, was also an increase on the prior year (2020: 261 delegates). Finally, 25 other events in our calendar were delivered. Our events programme continued online for most of the year, with a focus on ensuring content and speakers were of the highest quality to maintain active participation and good 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 should, over time, expect to use any surplus position in the provision of services for its members. For 2021, the Society recorded a post-tax surplus of £1,511 (2020: £13,465 deficit), with the closing reserve position of £202,762 (2020: £201,251). This reserve position remains in line with the target figure of £200,000 that the Board recommends as a KPI and will provide some protection for our members and executive team in case of any further uncertainty in 2022.

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, as well as 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 2021, despite a challenging environment and the ongoing global pandemic, the Society continued to provide all of its core services for members, including membership subscription and benefits, professional development, events, advertising, publications and sponsorship. Turnover increased by 17% year-on-year to £784,683 (2021: £672,965).

Membership: Turnover from membership decreased by 6% year-on-year to £264,729 in 2021 (2020: £280,443). Although, the total number of members slightly increased for the year at 848 (2020: 826), we experienced significant churn in the industry and a change in the mix of group membership and sponsorship packages which impacted turnover.

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Professional development: Turnover from professional development as a whole increased by 34% to £300,642 (2020: £223,924). We were pleased to see professional development course registrations increase as we continued to offer courses online. Certificate in IR registrations increased with 214 registrations in 2021 (2020: 190). We saw a good mix of registrations across the UK and overseas with continued support from our international CIR partners across Europe, the Middle East and Asia. We also completed our fourth cohort of the senior leadership qualification, the Diploma in IR (DipIR).

Events: The Annual Conference and our Best Practice Awards (BPA) dinner, the Society's two flagship events, ran as scheduled in June and November respectively. With continued restrictions and uncertainty in planning live events, the Annual Conference was hosted, for the second year running, in a virtual capacity using the same professional virtual conference platform we used in 2020. Despite delivering a virtual format again, we continued to enjoy good registration levels with over 400 registrations and received very positive feedback on the quality of the conference programme and speakers, as well as the opportunity to access the content on demand. Given the lack of face-to-face networking opportunities particularly for sponsors and members, sponsorship revenue was however impacted. By November, some restrictions on large group gatherings had been relaxed so we were able to run the BPA dinner as a live event. We did however take the decision to reduce numbers to ensure the safety of our members and attendees. We also saw a slight increase in award entries compared to 2020 as each year we refine the awards criteria to reflect the changing regulation and operating environment. We continued a comprehensive programme of other events throughout the year, the majority in an online format, focusing on relevant and topical content which was reflected in good registration and engagement levels. We were also able to resume small in person networking towards the end of the year. As a result, turnover from events increased 40% in 2021 to £187,520 (2020: 134,193).

The gross margin decreased in 2021 to 77.5% (2020: 83.9%). This can be mainly attributed to increased venue costs and expenses around our BPA dinner in November. Administrative expenses for the year were broadly in line with 2020. As in the previous year, an increase in rent, rates and service charges was offset by lower office costs and bank charges. Income from our investments decreased slightly in line with the level of rates of interest payable on deposits.

The Society recorded a post-tax surplus of £1,511 (2020: £13,465 deficit). The reserves of the Society at the year-end were at a level of £202,762 (2020: £201,251).

At 31 December 2021, cash balances totalled £371,493 (2020: £388,321). 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. In 2021, we took the decision based on our financial position to repay the government Bounce Back loan taken out in 2020 of £50,000.

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 £202,762 (2020: £201,251) at 31 December 2021 have been maintained at above the target level. The Directors do not propose revising this KPI, while recognising that the prevailing macro environment - particularly against the backdrop of the coronavirus pandemic, inflationary pressures and the emerging geopolitical environment - could cause further uncertainty in 2022.

2. Growth in level of membership of the Society

At the end of 2021, the Society had 848 members, an increase of 3% on the previous year (2020: 826). 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.

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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 steady and while total member numbers did not grow significantly in 2021, over 70% of the cancellations were due to reasons beyond our control, including budget freezes as a result of the pandemic, leaving the company, moving out of IR, companies being privatised, etc. We continue to focus on new membership initiatives to enhance member engagement and value, which included the successful pilot of our Mentoring Programme in 2021, which we plan to offer to all members on an annual basis. In 2022 we have also introduced our Ambassador Programme as a means to introduce potential new IRO members to the Society.

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 and target up to 30 additional events throughout the year. During 2021, the Society organised 25 events which, generally, saw active participation and engagement levels. With a refreshed events committee, and the continuing virtual environment, the events programme focused on keeping members updated with topical events and best practice guidelines in response to the changing working and regulatory environment that continues to affect the IR profession.

In June 2021, we hosted a virtual conference for the second year running entitled 'IR and the Purpose-driven Business' with over 400 registrations alongside conference sponsors and online exhibitors. It was also not possible for our members to attend the AGM in person in 2021 due to ongoing restrictions of larger group gatherings. Members were therefore encouraged to vote by proxy. In November 2021, with some relaxation of restrictions, we hosted a live in-person Annual Dinner and Best Practice Awards ceremony at the Grand Connaught Rooms in London with over 360 attendees. Towards the end of 2021 we resumed small group in person networking breakfasts and lunches which were very well received.

We plan to hold 30 high quality events per annum. For 2022, we have considered the flexible working environment, and our events programme will reflect this with a mix of virtual and face to face events. In 2022, we currently plan that our annual conference in June will return to in person with a live awards event and dinner in November 2022. The online nature of events has allowed us to reach a broader membership base as well as non-members both in the UK and internationally, and resources allowing we would like to restart our regional programme with in person events held in other financial centres outside London in the upcoming year.

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 develop and is an important element of our proposition as a professional organisation and currently contributes a third of turnover. In 2021, we had 214 (2020: 190) new students register for our Certificate in IR and 317 (2020: 261) attendees on our other courses, including registrations from overseas.

In 2021, we continued to operate all of our core programme of training courses in an online format. By 2021, all trainers were well versed in delivering course content online and attending courses virtually allowed course participants the flexibility to join from any location. While we continue to receive positive feedback from attendees on the quality of the course content and interactivity, where possible in 2022 we plan to return some courses to run in person, or hybrid, while other courses can also work well online. We remain flexible to the needs of the course attendees and will evaluate each course on a case-by-case basis. The CIR has continued to appeal, with almost 1,900 candidates having successfully completed the examination by the end of 2021. 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 Latin America. We continue to offer the CIR and ICIR exams online, making it more accessible and flexible to all students both in the UK and overseas.

In 2021, we also added a new partner to our 'CIR family' which was Sri Lanka. We continue to collaborate with several international IR associations across professional development and will work with societies and companies that can help us offer the CIR in at least one new country per year going forward.

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During 2021 we conducted the next cohort of the Diploma in IR programme, the Society's senior level qualification. We continue to review the Diploma in IR syllabus to ensure that it reflects the growing role and responsibilities of IR, including sustainability. We also recognise the time commitment for candidates to undertake this senior level programme, so while we have a good pipeline of interested candidates we only plan to run this once a year going forward.

The DELIVER (DEveloping future Leaders through InVEstor Relations) programme, aimed at high potential IROs who are seeking the next step up in their career, was completed in January 2021 with support from our sponsor Bank of America. As this programme was delayed from 2019, we now plan to launch the next programme in Summer 2022.

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 is appropriate to consider further efforts to raise the Society's profile.

In 2021, as well as our regular contributions to trade publications, we maintained our use of social media and participated in a range of external discussions, interviews, presentations and publications. We continued to build on our relationships with regulators and the buy-side during 2021. This is particularly important as we continue to focus on sustainability and best practice disclosure in this area.

Through the work of the IR Society Best Practice Committee, the awards criteria are continually reviewed and adapted to ensure they align with current best practice. In 2021, the Committee made two major changes to the awards categories. To reinforce the importance of a holistic IR engagement programme that meets the needs of shareholders, wider stakeholders and increasingly broader communication, the Best Overall Communication of Company Investment Proposition and Best Digital Communications awards were combined into a flagship award - Best IR Communications and Engagement Programme. Also new to the Self-entry Awards for 2021 was Best Innovation in IR. We continue to strengthen the judging panel each year with additional buy-side participants and industry experts, as well as an independent judging panel Chair. We continued to make use of Business School research as part of the assessment process for all entries. For our voted awards, we continued to work in partnership with Institutional Investor.

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. ESG and stewardship are important topics amid our changing regulatory landscape and the Society firmly believes that the role and responsibilities 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 2021, our membership of 848 was split approximately 50/50 between in-house corporate IROs and service providers. Of our corporate members, we have good representation across the FTSE 350 and the other corporate members come from a broad cross-section of other smaller cap companies and the AIM market, as well as overseas.

Given that we have a lower proportional take-up of membership from smaller-sized companies, we believe that people working for these companies, including those working in other finance and communications roles 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.

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We also seek mutually beneficial ways to work with other like-minded organisations overseas. For example, in 2021, we continued to work with our CIR partners in Asia, Europe, the Middle East and Latin America. The IR Society enjoys a strong network among other international associations as well as assisting those smaller associations to develop best practice and offering access to our own IR Society member benefits where appropriate and relevant.

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 (CEO) 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. At the end of 2021, of the 15 non-executive directors and executive team members, 8 were female and 6 were male.

In 2021, the Board conducted a review of board membership and considered board succession in anticipation of some board members' tenure ending over the coming 12-18 months. In early 2022 we invited applications for new board members with a view to appointing some to the board at the AGM in June 2022, as well as planning for succession across the Society's volunteer committees. We were delighted with the overwhelming interest and number of applicants across all areas of the IR profession, which reflects the increasing quality and offering of the Society.

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 on any other wider issues which may affect the IR Society's members in the course of their work. The committee meets on a quarterly basis or more frequently if required and the committee is made up of both IROs across a number of sectors and sizes, and supporting advisor members as well as broader stakeholders and industry representatives such as The 100 Group and EY.

During 2021, the IR Society hosted a variety of virtual events for members, addressing key topics such as emerging IR trends post pandemic, ESG and shareholder activism. We were still able to conduct activities online such as small group roundtable discussions, panel sessions and presentations. These continue to be 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 several consultations from, and discussions with UK, EU and US regulators, government and other bodies. In 2021 the policy committee provided formal responses to the FCA's consultations on 'Diversity and Inclusion on Company Boards and Executive Committees' and the 'Primary Markets Effectiveness Review', as well as the BEIS Consultation on 'Restoring Trust in Audit and Corporate Governance'.

In 2022, the committee will support members dealing with the implications of current world events and the geopolitical crisis, and will continue to monitor, contribute to and, where necessary, challenge regulatory and legislative developments. As the role of IR continues to broaden, sustainability remains top of the agenda, as we support members with guidance around new regulation and reporting requirements for climate-related financial disclosures (TCFD) mandated by the FCA and other regulators. Furthermore, sustainability reporting obligations are set to grow as regulators such as the Financial Reporting Council support the UK adoption of the ISSB's global sustainability reporting standards that will address the information needs of investors regarding a company's wider impact on society, nature and biodiversity. As regulation and best practice in this area evolves, we continue to update our guidance for members and encourage them to access our Best Practice Guidelines which are regularly reviewed. We also continue to engage with the FRC and their FRC Lab around changes to the UK Corporate Governance Code and the UK Stewardship Code. We also expect to actively engage with the relevant bodies on important reviews around UK listings and reforms to corporate governance, reporting and the audit sector.

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Communications

During 2021, 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 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 also use social media and platforms such as LinkedIn to add to our communications and marketing efforts for thought leadership, 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 and assistance during what continues to be a challenging operating environment.

Key relationships

We were delighted to retain and attract the following annual sponsors for 2021:

Gold: RD:IR

Silver: ingage, Investis Digital, Q4

Annual events programme: Orient Capital

Professional development programme: Deutsche Bank Depositary Receipts

Conference: Rivel and Workiva

Awards: Citigate Dewe Rogerson, Jones & Palmer, Lazard Makinson Cowell, Savannah Energy

Mentoring programme: Equitory

Annual sponsors: Black Sun, Edison, Euronext and Merchant Cantos

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

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 including 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. Professional development is an important part of the IR Society's revenue and remains a key element of the broader membership offering, especially relevant to new members and new target audiences. 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, supported by strong marketing actions, including bespoke courses, and to develop further overseas markets. We are also looking to broaden our professional development offering through e-learning opportunities, as well as increase the recognition of our CIR and Diploma in IR qualifications to define eligibility for more senior roles in the industry.

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- 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 continued to delivered services and member benefits online in 2021, we are aware our members value the face-to-face interaction and networking opportunities we traditionally 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 response to any government restrictions should they be imposed. While face-to-face networking opportunities were unable to take place for much of 2021, we were able to resume small group networking in person towards the end of the year and to host our flagship Annual Best Practice Awards dinners in November before restrictions were further enforced. In 2022 we plan to resume face to face networking and some course programmes in person from March onwards.

- 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, relevant 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. The executive team works closely with the membership committee to carefully monitor membership and engage with members to determine any potential impact the current period of uncertainty with the coronavirus pandemic may have.

- 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.

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- Loss of support for major events. The Society is significantly dependent on the success of the Conference and Best Practice Awards 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, and if required virtual conference capabilities.

- 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. Towards the end of 2021, we experienced some turnover in staff. Nevertheless, throughout the year, the executive team provided valuable continuity in an ongoing challenging environment, and proved they could work seamlessly from home for the majority of the year. At the end of 2021, the team operated a hybrid working policy which continues into 2022.

- 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. A renewal of the office lease at 30 Coleman Street was agreed in early 2020 which comes to an end in early 2024. We continue to monitor office rental rates and will consider our future office needs as we approach a renewal decision in early 2023.

- 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 wastepaper generated in the office is recycled. Printing is kept to a minimum to reduce usage of ink and paper. All IR Society communications throughout 2021 have been digital, including our new membership packs, our quarterly magazine, Informed, therefore reducing paper usage and postage costs. Where possible, we aim to limit these costs in 2022 although we may encounter some increase in cost and usage as we return in in-person activities.

OUTLOOK

Looking ahead, we see continued uncertainty from global events, as well as rising inflation affecting the economic environment, which may in turn impact the spending plans among our members. Our focus as a Society is to continue to offer relevant services and benefits to our members and excellent value to our sponsors.

Despite the ongoing challenging operating environment and economic uncertainty experienced throughout 2021, the Society entered this year in a strong financial position. We are very grateful to the executive team for their hard work and continued focus, and for a loyal and supportive membership and we believe we can continue to innovate and deliver for our members and the IR profession.

Although the outlook remains uncertain, we are seeing some positive momentum in our performance as we enter 2022 and are confident that we are well-placed for the future to continue in our purpose of promoting excellence in investor relations.

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DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

David Walker : Chairman
Sallie Cooke-Pilot
Ross Hawley
Alison Owers
Douglas Radcliffe
Fraser Thorne
Laura Hayter

Other changes in directors holding office are as follows:

Claire Lavery - resigned 29 June 2021
Nigel Pears - appointed 23 March 2021

Helen Parris ceased to be a director after 31 December 2021 but prior to the date of this report.

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

23 March 2022

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INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
TURNOVER		784,683	672,965
Cost of sales		<u>176,694</u>	<u>107,716</u>
GROSS SURPLUS		607,989	565,249
Administrative expenses		<u>607,469</u>	<u>590,115</u>
		520	(24,866)
Other operating income		<u>625</u>	<u>10,775</u>
OPERATING SURPLUS/(DEFICIT)	4	1,145	(14,091)
Interest receivable and similar income		<u>1,224</u>	<u>1,544</u>
		2,369	(12,547)
Interest payable and similar expenses		<u>625</u>	<u>625</u>
SURPLUS/(DEFICIT) BEFORE TAXATION		1,744	(13,172)
Tax on surplus/(deficit)		<u>233</u>	<u>293</u>
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR		<u><u>1,511</u></u>	<u><u>(13,465)</u></u>

The notes on pages 14 to 18 form part of these financial statements

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

BALANCE SHEET
31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Tangible assets	5		12,056		15,757
CURRENT ASSETS					
Debtors	6	145,775		155,901	
Cash at bank and in hand		371,493		388,513	
		<u>517,268</u>		<u>544,414</u>	
CREDITORS					
Amounts falling due within one year	7	302,717		292,800	
NET CURRENT ASSETS			<u>214,551</u>		<u>251,614</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			226,607		267,371
CREDITORS					
Amounts falling due after more than one year	8		-		(45,275)
PROVISIONS FOR LIABILITIES			(23,845)		(20,845)
NET ASSETS			<u>202,762</u>		<u>201,251</u>
RESERVES					
Income and expenditure account			<u>202,762</u>		<u>201,251</u>
			<u>202,762</u>		<u>201,251</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 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 INVESTOR RELATIONS SOCIETY (REGISTERED NUMBER: 02294631)
LIMITED BY GUARANTEE

BALANCE SHEET - continued
31 DECEMBER 2021

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 23 March 2022 and were signed on its behalf by:

David Walker : Chairman - Director

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 continues to have a major impact on the economies of the world although there are some positive signs of improvement. The directors have necessarily assessed various factors and risks affecting the company and its ability in these ongoing difficult social and economic times to continue to trade as a going concern. In line with some political and economic commentators' views the directors are hopeful that trading conditions will continue to improve.

The company availed itself of COVID-19-related Government initiatives and in that regard took out a bank loan under the Bounce Back Loan (BBL) scheme; this loan was repaid in May 2021 before any repayments became due. During 2020 some staff were furloughed, whereby the Government has reimbursed a limited amount of individuals' salaries and the employer's national insurance and pension contributions on the salary amounts reimbursed. It was not considered necessary to continue any furloughing into 2021. Certain VAT liabilities were able to be deferred until 31st March 2021 and the directors took up this option.

Given the nature of the various assets and liabilities as at 31st December 2021, the directors do not believe that their carrying values have been impaired as a consequence of COVID-19.

On the basis of all of the foregoing, the financial statements for the year ended 31st December 2021 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 2021

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 2021

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 9 (2020 - 9).

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

The operating surplus (2020 - operating deficit) is stated after charging:

	2021	2020
	£	£
Depreciation - owned assets	6,118	6,030
	<u> </u>	<u> </u>

5. **TANGIBLE FIXED ASSETS**

	Improvements to property £	Office equipment £	Totals £
COST			
At 1 January 2021	43,875	94,641	138,516
Additions	-	2,417	2,417
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2021	43,875	97,058	140,933
	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION			
At 1 January 2021	30,340	92,419	122,759
Charge for year	4,387	1,731	6,118
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2021	34,727	94,150	128,877
	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE			
At 31 December 2021	9,148	2,908	12,056
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2020	13,535	2,222	15,757
	<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 2021

6.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2021 £	2020 £
	Trade debtors	23,575	39,497
	Rent deposit held in escrow	84,480	84,480
	Prepayments and other debtors	36,260	31,924
	Tax	1,460	-
		<u>145,775</u>	<u>155,901</u>
		<u>145,775</u>	<u>155,901</u>
7.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2021 £	2020 £
	Bank loans and overdrafts	-	4,724
	Trade creditors	48,641	36,463
	Tax	229	289
	Social security and other taxes	19,098	6,784
	VAT	3,582	23,921
	Subscriptions and other income in advance	152,805	154,494
	Accruals and other creditors	78,362	66,125
		<u>302,717</u>	<u>292,800</u>
		<u>302,717</u>	<u>292,800</u>
8.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2021 £	2020 £
	Bank loans - 1-2 years	-	9,626
	Bank loans - 2-5 years	-	30,364
	Bank loans more 5 yr by instal	-	5,285
		<u>-</u>	<u>45,275</u>
		<u>-</u>	<u>45,275</u>
	Amounts falling due in more than five years:		
	Repayable by instalments		
	Bank loans more 5 yr by instal	-	5,285
		<u>-</u>	<u>5,285</u>
		<u>-</u>	<u>5,285</u>
9.	PROVISIONS FOR LIABILITIES	2021 £	2020 £
	Provisions		
	Provision for dilapidations	23,845	20,845
		<u>23,845</u>	<u>20,845</u>
		<u>23,845</u>	<u>20,845</u>
			Other provisions £
	Balance at 1 January 2021		20,845
	Provided during year		3,000
			<u>23,845</u>
	Balance at 31 December 2021		<u>23,845</u>

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

9. **PROVISIONS FOR LIABILITIES - continued**

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.

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.

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 2021 and of its surplus 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

23 March 2022

**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 2021, which comprise the Income Statement, Balance Sheet and the related notes 1 to 10. 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 nineteen, 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 2021 and of its surplus 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
19-21 Middle Row
Stevenage
Hertfordshire
SG1 3AW

23 March 2022

THE INVESTOR RELATIONS SOCIETY
LIMITED BY GUARANTEE

DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021		2020	
	£	£	£	£
Income				
Annual subscriptions	264,729		280,443	
Events, conference & annual dinner	187,520		134,193	
Publications, website & advertising	31,792		34,405	
Education	300,642		223,924	
Government grants	625		10,775	
Interest receivable	1,224		1,544	
	<hr/>	786,532	<hr/>	685,284
Expenditure				
Membership costs	195		1,008	
Events, conference & annual dinner	98,096		25,414	
Publications, website & advertising	29,940		31,450	
Education	47,323		48,584	
Commission	1,140		1,260	
Rent, rates & service charges	112,289		116,680	
Insurance	4,474		3,629	
Light and heat	2,212		3,132	
Directors' salaries	88,764		85,000	
Directors' social security	15,070		14,517	
Wages	273,031		261,940	
Social security	21,258		25,040	
Pensions	13,504		12,568	
Staff health insurance	4,384		3,671	
Postage, stationery & office running costs	1,797		2,169	
Travelling	7		395	
Telephone	7,500		7,352	
Repairs and renewals	8,045		8,040	
Household and cleaning	635		841	
Staff recruitment & training costs	1,442		145	
Board Meeting costs	68		-	
Computer running costs	26,197		10,841	
Sundry expenses	2,660		1,234	
Staff Training	329		-	
Accountancy	6,000		6,000	
Advertising & Marketing/Policy	385		-	
Employment Consultancy	2,838		1,977	
Legal & professional	75		6,593	
Marketing	1,284		2,165	
Entertainment	43		74	
Bad debts	(1,418)		4,525	
Bank charges	8,478		5,558	
Bank loan interest	625		625	
Depreciation of leasehold improvements	4,387		4,387	
Depreciation office equipment	1,731		1,642	
	<hr/>	784,788	<hr/>	698,456
EXCESS OF INCOME OVER EXPENDITURE		1,744		(13,172)
2020 - EXPENDITURE OVER INCOME		<hr/> <hr/>		<hr/> <hr/>