

**THE STAIR SOCIETY**  
**REPORT AND FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2020**

# THE STAIR SOCIETY

## EIGHTY-FIFTH ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2020

### Office Bearers and Members of Council

<b>President:</b>	The Hon Lord Stewart (retired 31 March 2020) The Hon Lady Wolffe (appointed 1 April 2020)
<b>Vice President:</b>	Professor Hector MacQueen
<b>Chairman of Council:</b>	Professor John Ford
<b>Vice Chairman:</b>	Graham Burnside
<b>Council:</b>	Ceit-Anna MacLeod (retired 31 March 2020) Dr Thomas Green (retired 31 March 2020) Philip Hannay (appointed 1 April 2020) Dr Lorna Macfarlane (appointed 1 April 2020) Dr Kirsty Hood QC Dr Stephen Bogle David Johnston QC Dr Chloe Kennedy Dr Dot Reid Dr Andrew Steven Dr Guido Rossi Jacqueline Fordyce Professor Gero Dolezalek (co-opted member) Professor Ernest Metzger (co-opted member)
<b>Literary Director:</b>	Professor Mark Godfrey
<b>Secretary &amp; Treasurer:</b>	Alistair Burrow
<b>Publicity &amp; Engagement Manager:</b>	Dr Karen Baston
<b>Administrators:</b>	Chiene + Tait LLP Chartered Accountants 61 Dublin Street Edinburgh EH3 6NL
<b>Independent Examiner:</b>	Emma Marshall CA Geoghegans Chartered Accountants 6 St Colme Street Edinburgh EH3 6AD
<b>Bankers:</b>	Bank of Scotland 75 George Street Edinburgh EH2 3EW
<b>Investment Advisers:</b>	Brewin Dolphin Fifth Floor Atria One 144 Morrison Street Edinburgh EH3 8EX
<b>Secretary for USA:</b>	Professor Matthew Mirow F.I.U. College of Law Rafael Diaz-Balart Hall 2063 11200 S.W. 8 Street Miami FL 33199 U.S.A.
<b>Secretary for Japan:</b>	Professor Takeshi Tsunoda 2-7-3 Kisaichi-Yamate Katano-City, Japan
<b>Principal Address:</b>	c/o Chiene + Tait LLP Chartered Accountants 61 Dublin Street Edinburgh EH3 6NL <a href="mailto:stairsociety@chiene.co.uk">stairsociety@chiene.co.uk</a>

# **THE STAIR SOCIETY**

## **REPORT OF THE OFFICE BEARERS AND MEMBERS OF COUNCIL**

### **For the Year Ended 31 March 2020**

The Office Bearers and Members of Council, who are trustees for the purposes of charity law, have pleasure in submitting their Eighty-Fifth Annual Report for the year ended 31 March 2020.

#### **Objectives and Activities**

The Society was instituted in 1934, its primary objective being to encourage the study and advance the knowledge of the history of Scots Law especially by the publication of original documents and by the reprinting and editing of works of sufficient rarity or importance.

#### **Achievements and Performance**

In furtherance of its charitable objectives, the principal activities of the Society involve the publication of literary work relating to the history of Scots Law. Details of these activities undertaken during the year under review are contained in the Literary Director's report on page 5. Again, in furtherance of these objectives, the Society has pursued and implemented during the year in review arrangements to make certain of its publications available on "Open access" on digital platforms.

#### **Financial Review**

During the year, the Society received income of £16,344 (2019: £16,490) from its investment portfolio and £11,890 (2019: £12,096) from its charitable activities comprising subscriptions, members' contribution towards AGM lunch and copyright royalties. From this, publications and distribution costs of £20,681 (2019: £11,229) were paid together with investment management fees of £3,486 (2019: £3,148), governance and support costs of £13,246 (2019: £13,859) and bank charges of £148 (2019: £48).

#### **Plans for the Future**

The Society intends to continue its publications programme and its annual lecture. However, the effects of COVID-19 are likely to be felt for some time, and the future is not clear. As mentioned elsewhere the Society's investment income is likely to fall in the year ended 31 March 2021, and may not recover quickly, and the disruption to the normal functioning of libraries and other academic institutions may impact the publication programme. Whilst, as reported previously, the Society remains open to supporting research by way of scholarships, there are unlikely to be funds available for such support in the short to medium term.

#### **Structure, Governance and Management**

The management of the affairs and funds of the Society is vested in a Council which may consist of a President, Vice President, a Chairman, a Vice Chairman, not more than ten ordinary elected members, and up to three members co-opted by the Council.

The Office Bearers and Members of Council who served during the period are stated on page 1. The Literary Director received an honorarium of £1,500 (2019: £1,500) during the year. The Publicity and Engagement manager received an honorarium of £500 (2019: £500) in the year. The secretary and treasurer received an honorarium of £1,500 (2019: £1,500) in the year.

Lord Stewart retired as President with effect from 31 March 2020 at the AGM held on 16 November 2019, and Lady Wolffe was elected to succeed him. Lord Stewart was thanked for his leadership and conduct of annual meetings, and with great pleasure Council accepted his offer to deliver the Annual Lecture for 2020. We look forward to welcoming Lady Wolffe to the chair at the forthcoming AGM on 14 November 2020.

Lady Wolffe, Professor MacQueen, Professor Ford, and Mr Burnside are all willing to continue in office and Council will therefore propose their re-election as President, Vice President, Chairman and Vice Chairman of Council respectively.

**For the Year Ended 31 March 2020**

**Structure, Governance and Management (cont'd)**

By rotation, Dr Kirsty Hood QC and Dr Stephen Bogle fall due to retire from Council on 31 March 2021. Thanks are expressed to them for their respective contributions over their terms as members of Council. It is proposed that Professor Alexandra Braun and Alice Krzanich be elected to fill these vacancies on Council. Each has indicated their willingness to serve if elected. Professor Braun holds the Lord President Reid Chair in Law at Edinburgh University. Professor Braun has broad research interests in comparative law and legal history with a particular focus on the law of trusts and succession law. Other interests include legal education, the study of the intellectual history of the law, as well as of the circulation of legal ideas across legal traditions. Alice Krzanich is completing a PhD in legal history at the University of Edinburgh, focussing on legal principles of the master-servant relationship as they applied to female domestic servants in the period c 1790 - c 1850 in Scotland. Alice is originally from New Zealand and studied both law and history at the University of Auckland. She worked for a number of years in law, including as a junior barrister specialising in criminal and civil litigation, before returning to university in 2017 to complete a Master of Law (First Class) at the University of Cambridge.

**COVID-19**

COVID-19 and the resulting disruption to normal life and work has not to date greatly impacted the Society. As will be seen from the Literary Director's Report, the publication schedule has been unaffected. The material for the forthcoming volume had largely been completed, and the publication process is normally a fairly distanced one, so it has proceeded unaffected. COVID-19 has however impacted so far in three ways. Firstly, the value of the Society's investment portfolio and the income derived was hit hard in the weeks after the pandemic arrived in the U.K. in line with stock market falls and the impact on dividend income of companies cutting or passing altogether on dividend payments. Capital values have since recovered, but the projected 12 months' income figure has declined by approximately £3,000 to date. Secondly, disruption to postal services and the closure of many offices and businesses has meant that collection of subscriptions has been slower than usual (see comments under "Membership" below). Thirdly, it will not be possible because of ongoing restrictions on meetings indoors to hold the Annual meeting nor the Annual Lecture in a physical way. The arrangements for holding these virtually on 14 November 2020 are intimated separately.

**Responsibilities of Office Bearers and Members of Council**

The Office Bearers and Members of Council are responsible for preparing the Report of the Office Bearers and Members of Council and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the Office Bearers and Members of Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Office Bearers and Members of Council are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Office Bearers and Members of the Council are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## THE STAIR SOCIETY

### REPORT OF THE OFFICE BEARERS AND MEMBERS OF COUNCIL (cont'd)

#### For the Year Ended 31 March 2020

##### **Membership**

At 30 September 2020, the membership roll contained the names of 376 members, being 237 Individuals, 100 Corporate Members and 39 Concessions (as at 30 September 2019; 369 members, being 233 Individuals, 105 Corporate Members and 31 Concessions).

As indicated above, COVID-19 has impacted the collection of subscriptions. As at 30 September 2020, 51 members had not yet paid their subscription due at 1 April 2020. Many of these members use a business or academic address for correspondence purposes and council believes that the subscription notice and reminders will be lying in offices which have been closed since before the initial notice was issued, and that there is no deliberate intention not to renew. Council has therefore not exercised its right to terminate these memberships and will be sending the forthcoming volume, in the expectation that as soon as offices are able to re-open those members will pay their subscriptions.

##### **Basis of Preparation**

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulation 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

##### **Reserves Policy**

As at 31 March 2020 the Society had unrestricted funds of £508,232 (2019: £576,532). The Society adopts a cautious and prudent approach to reserves. As the assets of the Society are held in a readily realisable form the Society therefore do not consider it necessary to maintain specific reserves. Furthermore, the Society prefers not to encroach on the unrestricted reserves to fund ordinary working expenses but is willing to do so if necessary to fulfil its objectives.

##### **Risk Management**

The principal risks faced by the Society lie in the performance of investments. The Society considers variability of investment returns to constitute the Society's major financial risk. This is mitigated by retaining expert investment managers and having a diversified investment portfolio.


##### **Investment Policy**

The Investment Policy of the Society is to maximise the overall rate of return on investments, with a balance between income and capital growth and with a medium risk profile. The Society is a long term investor and, on the advice of its professional investment managers, continues to hold a mixed portfolio of equities, bonds, cash and other investments designed to provide a level of stable income and the possibility of investment gains.

##### **Grant Making Policy**

As reported last year, the Council formally ceased to operate a scholarship programme, believing that the funding landscape in universities was completely different from the time that the programme had been initiated. The Society remains open to funding research by way of scholarships on application, but as indicated above (see "Plans for the Future") the outlook for being able to do so is not promising, given the significant drop in projected income, and the solid future publishing programme outlined in the Literary Director's Report.

On Behalf of the Office Bearers and Members of Council on 20/10/ 2020

  
Alistair Burrow  
Secretary & Treasurer



## THE STAIR SOCIETY

### LITERARY DIRECTOR'S REPORT 2020

#### For the Year Ended 31 March 2020

Dr Alice Taylor's massive critical edition of *The Laws of Medieval Scotland: Legal compilations from the thirteenth and fourteenth centuries* was published as Volume 66 in November 2019. Volume 67 is completed and in press as *Miscellany Eight*, and will be distributed to members by late autumn 2020. It contains a wide range of scholarly articles and editions of historical legal texts, including Lord Sumption's Stair Society lecture delivered in 2015, and the final part of Thomas H. Drysdale's history of the Stair Society. In terms of future publications, a new edition of *Regiam Majestatem* by Dr John Reuben Davies with Dr Alice Taylor has made so much progress that it is likely to be published in 2021 as Volume 68. Another project approaching completion is an edition of the unpublished sixteenth-century 'Practicks' by David Chalmers of Ormond (sometimes known as Chalmers' 'Dictionary') by Professor Julian Goodare, Dr Winifred Coutts and Professor Andrew Simpson. In the medium term, it is also still hoped to produce new translations of Books 2 and 3 of Craig's *Jus Feudale* by Dr Leslie Dodd to complement the recent publication of Book 1 as volume 64.

The Literary Director would like to thank Mr Lawrie Law, for continued and invaluable support in managing the production of the Society's publications, and Mr Ivor Normand, for his meticulous and exhaustive work as copy editor and proof reader.



Mark Godfrey  
Literary Director

**THE STAIR SOCIETY**

**STATEMENT OF FINANCIAL ACTIVITIES**

**For the Year Ended 31 March 2020**

	<b>Note</b>	<b>Unrestricted 2020 £</b>	<b>Unrestricted 2019 £</b>
<b>Income and endowments:</b>			
Investment income	2	16,344	16,490
Charitable activities	3	11,890	12,096
<b>Total income</b>		<b>28,234</b>	<b>28,586</b>
<b>Expenditure on:</b>			
Raising funds	4	3,486	3,148
Charitable activities	5	34,075	25,136
<b>Total expenditure</b>		<b>37,561</b>	<b>28,284</b>
<b>Net (expenditure)/income before gains and losses on investments</b>		<b>(9,327)</b>	<b>302</b>
(Losses)/gains on investment assets	8	(58,973)	29,641
<b>Net (expenditure)/income</b>		<b>(68,300)</b>	<b>29,943</b>
Total funds brought forward at 1 April 2019		576,532	546,589
Total funds carried forward at 31 March 2020		<b>508,232</b>	<b>576,532</b>

All activities relate to continuing activities.

All funds are unrestricted.

The notes on pages 8 to 12 form part of these financial statements

**THE STAIR SOCIETY**

**BALANCE SHEET**

**As at 31 March 2020**

	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
<b>Fixed assets</b>			
Investments	8	<u>479,510</u>	<u>540,395</u>
<b>Current assets</b>			
Debtors	9	8,534	9,225
Cash at bank and in hand		<u>34,183</u>	<u>43,109</u>
		42,717	52,334
<b>Liabilities</b>			
Creditors falling due within one year	10	<u>(13,995)</u>	<u>(16,197)</u>
<b>Net current assets</b>		<u>28,722</u>	<u>36,137</u>
<b>Net assets</b>		<u><u>508,232</u></u>	<u><u>576,532</u></u>
<b>The funds of the charity:</b>			
Unrestricted funds		<u><u>508,232</u></u>	<u><u>576,532</u></u>

Approved and authorised for issue by the Office Bearers and signed on their behalf by:



**Professor J Ford  
Chairman of Council  
Edinburgh**

20/10/ 2020

The notes on pages 8 to 12 form part of these financial statements



## 1. Accounting Policies

### **Basis of accounting and assessment of going concern**

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these financial statements. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and UK Generally Accepted Accounting Principles.

The Society constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared on a going concern basis. The Trustees have assessed the Society's ability to continue as a going concern and have reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing these financial statements. The most significant areas of uncertainty that affect the carrying value of assets held by the Society are the level of investment return and the performance of investment markets.

### **Funds structure**

Unrestricted income funds comprise those funds which the Society is free to use for any purpose in furtherance of their charitable objectives. Unrestricted funds include designated funds where the Society, at their discretion, have created a fund for a specific purpose.

### **Income recognition**

All income is recognised once the Society has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Income from subscriptions, contributions towards AGM lunch and copyright royalties are recognised when the Society is satisfied there is entitlement to the income, it is probable that it will be received and the amount can be measured reliably.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the Bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

### **Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Society to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings. Governance costs comprise all costs involving the public accountability of the Society and its compliance with regulation and good practice. These costs include costs related to independent examination together with an apportionment of support costs.

### **Costs of raising funds**

Costs of raising funds relate to investment management costs.

### **Charitable activities**

Costs of charitable activities include publications and distribution costs, bursaries made, support costs and governance costs.

### **Taxation**

As a charity, the Society is exempt from corporation tax on income and gains applied to charitable purposes.

### **Irrecoverable VAT**

The Society is not registered for VAT and expenditure is therefore stated gross of irrecoverable VAT.

### **Fixed asset investments**

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

**1. Accounting Policies (contd.)****Fixed asset investments (continued)**

The Society does not acquire or use put options, derivatives or other complex financial instruments.

The main financial risk faced by the Society is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or sub sectors.

**Realised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired after the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

**Debtors**

Debtors are recognised at the settlement amount due. Accrued income is valued at the amount due net of any discounts due.

**Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Creditors and provisions**

Creditors and provisions are recognised where the Society has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**Financial instruments**

The Society only has financial assets and financial liabilities of a kind which qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at the settlement value.

<b>2. Investment income</b>	<b>2020</b>	<b>2019</b>
	£	£
Dividends	16,055	16,460
Interest receivable	289	30
	<u>16,344</u>	<u>16,490</u>
<b>3. Charitable activities</b>	<b>2020</b>	<b>2019</b>
	£	£
Subscriptions	10,586	10,639
Members' contribution towards AGM lunch	435	390
Copyright royalties	869	1,067
	<u>11,890</u>	<u>12,096</u>
<b>4. Raising funds</b>	<b>2020</b>	<b>2019</b>
	£	£
Investment management fees	<u>3,486</u>	<u>3,148</u>

THE STAIR SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2020

<b>5. Charitable activities</b>	<b>2020</b>	<b>2019</b>
	£	£
Support and governance costs (see note 6)	13,394	13,907
Publications and distribution (see note 7)	20,681	11,229
	<u>34,075</u>	<u>25,136</u>
	<u><u>34,075</u></u>	<u><u>25,136</u></u>
<b>6. Support and governance costs</b>	<b>2020</b>	<b>2019</b>
	£	£
<b>Support costs</b>		
Honoraria	3,500	3,500
Administration and accountancy fees	5,486	6,552
Costs of Annual General Meeting	768	580
Website costs	675	286
Bank charges	148	48
<b>Governance costs</b>		
Administration and accountancy fees	1,372	1,638
Independent Examiner's fee	1,188	1,110
Costs of Annual General Meeting	257	193
	<u>13,394</u>	<u>13,907</u>
	<u><u>13,394</u></u>	<u><u>13,907</u></u>
<b>7. Publications and Distribution</b>	<b>2020</b>	<b>2019</b>
	£	£
<u><i>Ford, King's Treatise on Maritime Law, Vol. 65</i></u>		
J L Law	-	1,076
Ivor Normand	-	1,127
Waverley Typesetters	-	1,324
Anthony Rowe	-	5,835
Spatial Global, distribution	-	1,867
	<u>-</u>	<u>11,229</u>
	<u><u>-</u></u>	<u><u>11,229</u></u>
<u><i>The Laws of Medieval Scotland, Vol. 66</i></u>		
J L Law	3,479	-
Ivor Normand	5,580	-
Waverley Typesetters	3,350	-
Anthony Rowe	6,250	-
Spatial Global, Distribution	2,022	-
	<u>20,681</u>	<u>-</u>
	<u><u>20,681</u></u>	<u><u>-</u></u>
	<u><u>20,681</u></u>	<u><u>11,229</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2020**8. Fixed Asset Investments**

	<b>2020</b> £	<b>2019</b> £
<u>UK Listed Investments</u>		
Market value at 1 April 2019	540,395	517,223
Additions to investments at cost	66,252	30,513
Disposal proceeds	(68,164)	(36,982)
Unrealised (loss)/gain	(64,560)	31,079
Realised gain/(loss)	5,587	(1,438)
	<hr/>	<hr/>
<u>Market value at 31 March 2020</u>	479,510	540,395
	<hr/>	<hr/>
<u>Cost at 31 March 2020</u>	364,713	341,938
	<hr/>	<hr/>

Individual holdings exceeding 5% of the market value of the portfolio:

	<b>2020</b> <b>Market</b> <b>Value</b> £	<b>2019</b> <b>Market</b> <b>Value</b> £
Alliance Trust	41,955	48,816
Halma Plc	23,436	26,752
Invesco Fund Managers	29,045	35,876
Scottish Mortgage Investment Trust	59,128	52,787
Threadneedle Investment UK	21,123	25,976
	<hr/>	<hr/>

All investments are carried at their market value. Investment in equities and fixed interest securities are all traded in quoted public market, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid value. Asset sales and purchases are recognised at the date of trade at costs (that is their transaction value).

The length of time that investments are held can be seen as a risk and the Society is comfortable investing for the long term. It is using the services of professional investment managers, aimed to make superior returns compared to earning interest from holding cash at a bank. The Society has instructed the professional investment managers to take the view that the investment time horizon for the investment portfolio is to be held for the longer term, having been advised by them that historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected, likely to result in steady returns over the long term.

The Society is exposed to liquidity risk, credit risk or other market risks e.g. interest rate or currency risk as some of the investments held may fall or rise in line with markets. The professional investment managers have advised that they take these into consideration in their investment decisions. The Society's investment portfolio has a functional currency of Pounds Sterling while some of its investments are held in foreign currencies. As a result, it may be subject to foreign currency exchange risk due to exchange rate movements. To manage this foreign exchange risk the investment managers have advised that they can use certain financial instruments to minimise exposure to exchange rate movements. The Society's investment portfolio may be exposed to interest rate risk by way of the fixed rate investments that it holds. The investment managers have advised that to manage this risk, the investment portfolio can use interest rate derivatives to minimise exposure to interest rate movements. Liquidity risk is the risk that the Society may encounter in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The Society's policy with regard to liquidity risk is to limit short-term borrowings and, if necessary, maintain a backstop facility from its bankers. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Society's investment holdings. The Society's investment managers have advised that its investment portfolio has minimal exposure to counterparty contractual obligations due to the nature of its investment holdings.

All investments in the current and prior year are held within unrestricted funds.

**For the Year Ended 31 March 2020**

<b>9. Debtors</b>	<b>2020</b>	<b>2019</b>
	£	£
Accrued dividends	644	1,058
Accrued interest	127	122
Accrued royalties	755	823
Other accrued income	-	20
Subscriptions – 2018	-	60
Subscriptions – 2019		7,142
Subscriptions – 2020	7,008	-
	<u>8,534</u>	<u>9,225</u>

<b>10. Creditors</b>	<b>2020</b>	<b>2019</b>
	£	£
Subscriptions received in advance	10,459	10,698
Independent Examiner's fee	1,152	1,080
Chiene + Tait admin & accounting fees	1,548	3,150
Brewin Dolphin management fee	836	766
AGM expenses	-	503
	<u>13,995</u>	<u>16,197</u>

**11. Staff**

The Society has no paid employees. The Literary Director, the Publicity and Engagement Manager and the Secretary & Treasurer, each receive an honorarium, the level of which is set annually by the Council. The Literary Director received an honorarium of £1,500 (2019: £1,500), the Publicity and Engagement Manager received an honorarium of £500 (2019: £500), and the Secretary & Treasurer received an honorarium of £1,500 (2019: £1,500).

**12. Related Party Transactions**

There were no related party transactions, except as disclosed in Note 11, in the current or prior year.

**13. Subsequent Events**

Since the year end the Society has faced a new challenge relating to COVID19. The Trustees are reviewing all aspects of the ongoing needs of the Society. Whilst there are short term implications to reduction in investment income and the value of investments the Society is well placed to support all activities due to the ongoing positive cash flow and as a consequence continues to be a going concern.

**REPORT OF THE INDEPENDENT EXAMINER**  
**TO THE MEMBERS OF COUNCIL OF THE STAIR SOCIETY**

I report on the financial statements of the Society for the year ended 31 March 2020 as set out on pages 6 to 12.

**Respective responsibilities of members of council and independent examiner**

The Members of Council as the charity trustees are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the financial statements as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

**Basis of independent examiner's statement**

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the Society and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the financial statements.

**Independent examiner's statement**

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements;
  - o to keep accounting records in accordance with Section 44 (1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
  - o to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations;have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



**Emma Marshall, CA**  
Independent Examiner

20 October 2020

Geoghegans  
Chartered Accountants  
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