

Income Statement
for the year ended 31 March 2023

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THE STAIR SOCIETY
REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2023

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THE STAIR SOCIETY

EIGHTY-EIGHTH ANNUAL REPORT

For the year ended 31 March 2023

Office Bearers and Members of Council

President:	The Hon Lady Wolfe
Vice President:	Professor Hector MacQueen
Chairman of Council:	Professor John Ford
Vice Chairman:	Graham Burnside
Council:	Philip Hannay Dr Lorna Macfarlane Dr Dot Reid (Retired 31 March 2023) Dr Andrew Steven (Retired 31 March 2023) Dr Guido Rossi Jacqueline Fordyce Professor Ernest Metzger (co-opted member) Professor Alexandra Braun Alice Krzanich Dr Rebecca Mason Sheriff Kenneth Campbell Professor Gillian Black (Appointed 1 April 2023) Dr Leslie Dodd (Appointed 1 April 2023)
Literary Director:	Professor Mark Godfrey
Secretary & Treasurer:	Alistair Burrow
Administrators:	Chiene + Tait LLP Chartered Accountants 61 Dublin Street Edinburgh EH3 6NL
Independent Examiner:	Emma Marshall CA Geoghegans Chartered Accountants 6 St Colme Street Edinburgh EH3 6AD
Bankers:	Bank of Scotland 75 George Street Edinburgh EH2 3EW
Investment Advisers:	Brewin Dolphin Atria One 144 Morrison Street Edinburgh EH3 8EX
Secretary for USA:	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.
Secretary for Japan:	Professor Takeshi Tsunoda 2-7-3 Kisaichi-Yamate Katano-City, Japan
Principal Address:	c/o Chiene + Tait LLP Chartered Accountants 61 Dublin Street Edinburgh EH3 6NL stair society@chiene.co.uk

THE STAIR SOCIETY

REPORT OF THE OFFICE BEARERS AND MEMBERS OF COUNCIL

For the year ended 31 March 2023

The Office Bearers and Members of Council, who are trustees for the purposes of charity law, have pleasure in submitting their Eighty-eighth Annual Report for the year ended 31 March 2023.

Objectives and Activities

The Society was instituted in 1934, its primary objective being to encourage the study. The Society continued to extend the number of publications available on "Open Access" on digital platforms during the year in review. The refresh of the Society website was completed and launched in late 2022. This has given rise to more teething problems than anticipated and a significant number of members have not yet supplied an email address to allow them access to the members' section of the site.

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 £15,012 (2022: £12,489) from its investment portfolio and £13,115 (2022: £12,905) from its charitable activities comprising subscriptions, and copyright royalties. From this, publications and distribution costs of £19,261 (2022: £5,308) were paid together with investment management fees of £5,204 (2022: £6,368), governance and support costs of £23,852 (2022: £15,393) and bank charges of £124 (2022: £95).

Plans for the Future

With the lifting of the last remaining COVID restrictions, the Society was able to resume the normal pattern of its activities. Professor Alice Taylor gave the Annual Lecture in person to an appreciative audience following up her work on the Laws of Medieval Scotland (volume 67) and her introduction to the new edition of *Regiam Maestatem* published as volume 68 in the year in review with a fascinating lecture on the topic of the many lives of *Regiam Maestatem*. This is available on the newly launched Society Youtube Channel. The Society intends to continue its publications programme (see the Literary Director's Report) and annual lecture, for which plans are already in hand for November 2023 and November 2024.

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. During the year the Literary Director received an honorarium of £1,500 (2022: £1,500) and the secretary and treasurer received an honorarium of £1,500 (2022: £1,500). The position of Publicity and Engagement Manager has been vacant for both the current year and the prior year; therefore no payments have been made.

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.

By rotation, Jacqueline Fordyce and Dr Guido Rossi fall due to retire from Council on 31 March 2024. Council expresses its thanks to them for their contributions to the work of the Society over their five-year terms in office. It is proposed that Neil MacLeod and Jonathan Ainslie be elected to fill those vacancies with effect from 1 April 2024. Neil MacLeod is a Senior Solicitor with the NHS Central Legal Office in Edinburgh having qualified as a solicitor in 2001 and acts in the field of clinical negligence on behalf of various Scottish Health Boards. He has a broad interest across Scottish history and has researched and presented papers on 19th century litigation in Scotland. Jonathan Ainslie is a lecturer in private law at the University of Aberdeen. His research interests focus on the history of the Scots Law of Obligations and particularly the reception of Roman-Dutch law in the 17th and 18th centuries.

THE STAIR SOCIETY

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

For the year ended 31 March 2023

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.

Membership

At 30 September 2023, the membership roll contained the names of 335 members, being 234 Individuals, 80 Corporate Members and 21 Concessions (as at 30 September 2022; 332 members, being 224 Individuals, 82 Corporate Members and 26 Concessions).

Basis of Preparation

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) 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 Standard applicable in the UK and Republic of Ireland (FRS 102) published in October 2019.

Reserves Policy

As at 31 March 2023 the Society had unrestricted funds of £581,992 (2022: £652,233). 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.

THE STAIR SOCIETY


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

For the year ended 31 March 2023

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.

On Behalf of the Office Bearers and Members of Council on 18 November 2023

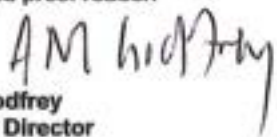


Alistair Burrow
Secretary & Treasurer

Volume 69 was published in summer of 2023 as the *Compendium of the Laws of Scotland* by David Chalmers of Ormond, edited by Winifred Coutts, Julian Goodare and Andrew R. C. Simpson. Completed in 1566 and dedicated to Queen Mary, this work is the first comprehensive survey of Scots law ever written. It has never been published before, but a manuscript of the book survives in the British Library. This edition reproduces Chalmers' entire text, and adds an editorial commentary to each of his 1,595 individual chapters, preceded by a comprehensive editorial introduction.

The Literary Director envisages the publication in the summer of 2024 of a ninth *Miscellany* as Volume 70. Copy-editing of the completed text of this volume commenced in October 2023. Beyond that, work is already in an advanced state on a further volume in the translation of Craig's *Jus Feudale* made by Dr Leslie Dodd to complement the 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 2023

	Note	Unrestricted 2023 £	Unrestricted 2022
	£	£	
Income and endowments:			
Investment income	2	15,012	12,489
Charitable activities	3	13,115	12,905
Total income		<u>28,127</u>	<u>25,394</u>
Expenditure on:			
Raising funds	4	5,204	6,368
Charitable activities	5	43,237	20,756
Total expenditure		<u>48,441</u>	<u>27,124</u>
Net (expenditure) before gains and losses on investments		(20,314)	(1,730)
(Losses)/Gains on investment assets	8	(49,927)	19,596
Net loss		<u>(70,241)</u>	<u>17,866</u>
Total funds brought forward at 1 April 2022		652,233	634,367
Total funds carried forward at 31 March 2023		<u>581,992</u>	<u>652,233</u>

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 2023**

	Note	2023 £	2022 £
Fixed assets			
Investments	8	<u>558,376</u>	<u>612,249</u>
Current assets			
Debtors	9	10,391	11,765
Cash at bank and in hand		<u>32,476</u>	<u>45,369</u>
		42,867	57,134
Liabilities			
Creditors falling due within one year	10	<u>(19,251)</u>	<u>(17,150)</u>
Net current assets		<u>23,616</u>	<u>39,984</u>
Net assets		<u>581,992</u>	<u>652,233</u>
The funds of the charity:			
Unrestricted funds		<u>581,992</u>	<u>652,233</u>

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

Professor J Ford
Chairman of Council
Edinburgh



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.

2. Investment income	2023	2022
	£	£
Dividends	14,921	12,456
Interest receivable	91	33
	<u>15,012</u>	<u>12,489</u>
3. Charitable activities	2023	2022
	£	£
Subscriptions	11,076	10,679
Copyright royalties	1,401	2,187
Member's Contributions to AGM Lunch	520	-
Donations	118	39
	<u>13,115</u>	<u>12,905</u>
4. Raising funds	2023	2022
	£	£
Investment management fees	<u>5,204</u>	<u>6,368</u>

THE STAIR SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

5. Charitable activities	2023	2022
	£	£
Support and governance costs (see note 6)	23,976	15,448
Publications and distribution (see note 7)	19,261	5,308
	<u>43,237</u>	<u>20,756</u>
6. Support and governance costs	2023	2022
	£	£
Support costs		
Honoraria	3,000	3,000
Administration and accountancy fees	11,253	8,102
Costs of Annual General Meeting	790	82
Website costs	4,895	736
Bank charges	124	95
Avizandum	-	120
Governance costs		
Administration and accountancy fees	2,264	2,026
Independent Examiner's fee	1,386	1,260
Costs of Annual General Meeting	264	27
	<u>23,976</u>	<u>15,448</u>
7. Publications and Distribution	2023	2022
	£	£
<u>Regiam Maistatem, Vol. 68</u>		
J L Law	1,610	2,049
Ivor Normand	984	2,184
Waverley Typesetters	1,302	1,075
Anthony Rowe	6,402	-
Spatial Global Ltd	2,719	-
	<u>13,017</u>	<u>5,308</u>
<u>Chalmers Compendium, Vol. 69</u>		
J L Law	1,662	-
Ivor Normand	1,898	-
Waverley Typesetters	2,684	-
	<u>6,244</u>	<u>-</u>
	<u>19,261</u>	<u>5,308</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

8. Fixed Asset Investments	2023 £	2022 £
<u>UK Listed Investments</u>		
Market value at 1 April 2022	612,249	612,426
Additions to investments at cost	157,054	172,839
Disposal proceeds	(161,000)	(192,612)
Unrealised loss	(53,915)	12,305
Realised gain	3,988	7,291
	<hr/>	<hr/>
<u>Market value at 31 March 2023</u>	558,376	612,249
	<hr/>	<hr/>
<u>Cost at 31 March 2023</u>	523,884	512,748
	<hr/>	<hr/>

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

	2023 Market Value £	2022 Market Value £
Brown Advisory FDS	30,893	38,734
Fidelity	40,050	40,940
SSGA SPDR TFS Europe Plc US Div Aristocats	26,378	-
Vanguard Funds PLC S&P 500 USD DIS	-	38,398
	<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.

THE STAIR SOCIETY**NOTES TO THE FINANCIAL STATEMENTS (cont'd)****For the year ended 31 March 2023**

9. Debtors	2023	2022
	£	£
Accrued dividends	986	375
Accrued interest	130	136
Accrued royalties	84	2,065
Subscriptions – 2022	-	9,189
Subscriptions – 2023	9,191	-
	<u>10,391</u>	<u>11,765</u>

10. Creditors	2023	2022
	£	£
Subscriptions received in advance	11,624	11,875
Independent Examiner's fee	1,386	1,260
Chiene + Tait admin & accounting fees	4,900	2,400
Brewin Dolphin management fee	1,341	1,615
	<u>19,251</u>	<u>17,150</u>

11. Staff		
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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 (2022: £1,500). The position of Publicity and Engagement Manager has been vacant for both the current year and the prior year; therefore no payments have been made. The Secretary & Treasurer received an honorarium of £1,500 (2022: £1,500).

12. Related Party Transactions

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

**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 2023 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

Geoghegans
Chartered Accountants
6 St Colme Street
Edinburgh
EH3 6AD

30 November 2023