

THE SCOTTISH TEXT SOCIETY

COUNCIL'S REPORT

AND

FINANCIAL STATEMENTS

for the year ended 31 December 2008

Scottish Text Society (Scottish Charity Number SC021308)

COUNCIL OF THE SCOTTISH TEXT SOCIETY 2008

Honorary President

Professor R.J. Lyall

President

Dr S. Mapstone (2006-9)

Vice-Presidents

Professor P Bawcutt (2008-11)

Professor G.C. Caie (2006-9)

Professor A.A. MacDonald (2007-10)

Professor H MacQueen (2008-11)

Honorary Treasurer

Mr I.C. Cunningham (2008-11)

Editorial Secretary

Dr N. Royan (2007-10)

Ordinary Members

Professor R.J. Goldstein (2005-8)

Professor W. Gillies (2006-9)

Professor J.A. Glenn (2006-9)

Professor L.A.J.R. Houwen (2006-9)

Dr J. Hadley Williams (2007-10)

Mr T. van Heijnsbergen (2007-10)

Professor J. Smith (2007-10)

Professor A.S.G. Edwards (2008-11)

Dr B. Hillyard (2008-11)

Dr J. Martin (2008-11)

Professor J. McGavin (2008-11)

Dr R. Purdie (2008-11)

Non-Council Member being paid Office Bearer

Membership Secretary and Treasurer Mr. W. Aitken until 15 September 2008

Administrative Secretary Mr J. Archer from 15 September 2008

Scottish Text Society (Scottish Charity Number SC021308)

Council's Report

The Society was founded in 1882 as an unincorporated association. The most recent constitution is dated 20 March 2007. The Society is recognised by the Inland Revenue as a charity, and is registered with the Office of the Scottish Charity Regulator (OSCR). The affairs of the Society are managed by its Council whose members are elected by those present at the Annual General meeting. Members of Council serve for terms of three years but may be re-elected for further terms without restriction on the number of terms they may serve.

The Members of Council present their report and financial statements for the year to 31 December 2008.

Members of Council as at 31 December 2008

Professor P. Bawcutt (Vice-President)
 Professor G.D. Caie (Vice-President)
 Mr I.C. Cunningham (Honorary Treasurer)
 Professor A.S.G. Edwards
 Professor W. Gillies
 Professor J.A. Glenn
 Professor R.J. Goldstein
 Dr J. Hadley Williams
 Mr T. van Heijnsbergen
 Dr B. Hillyard
 Professor L.A.J.R. Houwen
 Professor R.J. Lyall (Honorary President)
 Professor A.A. MacDonald (Vice-President)
 Professor J. McGavin
 Professor H.L. MacQueen (Vice-President)
 Dr S. Mapstone (President)
 Dr J. Martin Dr N. Royan (Editorial Secretary)
 Dr R. Purdie
 Professor J. Smith

Mr W. Aitken, Membership Secretary and Treasurer until 15 September 2008, and Mr J. Archer, Administrative Secretary from 15 September 2008, each being paid part-time staff, are not Members of Council.

Office

27 George Square, Edinburgh, EH8 9LD.

Scottish Text Society (Scottish Charity Number SC021308)

Objects of the Society

The Society is established for charitable objects and purposes only. Its main purpose is to further the study and teaching of Scottish literature, its language and history, particularly by producing editions of original texts.

Principal activity and review of business development

The principal purpose of the Society remains the publishing of editions of original texts. The Society had three publications in 2008. It published two volumes in the main series: *The Poems of Walter Kennedy*, edited by Nicole Meier, as 5th series, vol. 6 and *Golagros and Gawane*, edited by Ralph Hanna as 5th series, vol. 7. The Society also published, in association with the National Library of Scotland, *The Chepman and Myllar Prints: Digitised facsimiles with introduction, headnotes, and transcription*, general editor Sally Mapstone. This is a DVD publication, and thus represents a new undertaking for the Society. These three publications were the Society's first with its new publisher and distributor, Boydell and Brewer.

In 2006 the Society set up a fund to establish a biennial public lecture in memory of its former President and Honorary President, Professor Angus McIntosh. The first lecture in the series was delivered by Professor Felicity Riddy in Edinburgh in January 2008.

Statement of Council's responsibilities

Law applicable to charities in Scotland requires the Council to prepare financial statements for each financial year which give a true and fair view of the Society's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, Council should follow best practice, and

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Society will continue in business

Council is responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the Society, which enable it to ascertain the financial position of the Society, and which enable it to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Act 2006, and the terms of the Society's constitution. It is also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Scottish Text Society (Scottish Charity Number SC021308)

Council has reviewed the material risks to which the Society is exposed, and systems have been established to mitigate those risks.

Financial Results and Reserves policy

The Society showed an overall deficit of £8,579 for the year (2007: surplus of £5,180). The resultant unrestricted fund of £46,656 remains available for fulfilling the objects of the society, and in particular the publications of editions of original texts. Restricted funds of £3,065 are reserved for the McIntosh lecture.

Council keeps the reserves policy under constant review and considers that minimum Reserves of £20,000 are necessary for ensuring the continued work of the Society. The publication of the DVD of *The Chepman and Myllar Prints: Digitised facsimiles with introduction, headnotes, and transcription* in cooperation with the National Library of Scotland has been a new venture and other avenues are being actively pursued to widen the scope of the Society's publications.

Independent examination

Under the terms of its constitution, the Society employed Marjory J B Williamson, CA, to carry out an independent examination of its accounts.

By order of the Council

Sally Mapstone (signed)

Dr S. Mapstone (President)
Glasgow, 2009

Scottish Text Society (Scottish Charity Number SC021308)**Independent Examiner's Report to the Trustees of the Scottish Text Society**

I report on the accounts of the charity for the year ended 31 December 2008

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation 10(1) (d) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts 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 Charities accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with these records. It also includes consideration of any unusual items or disclosures in the accounts, 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 accounts.

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:
 - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations and
 - to prepare accounts which accord with the accounting records and comply with Regulation 9 of the 2006 Accounts Regulationshave not been met, or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Marjory J B Williamson
Non-practising member of the Institute of Chartered Accountants of Scotland
2 Laburnum Road Abonhill Cumbernauld G67 3AB

Signed Marjory J B Williamson

Date 27 March 2009

Scottish Text Society: (Scottish Charity Number SC021308)**Receipts and Payments Account for the year to 31 December 2008**

	Notes	Restricted Funds £	Unrestricted Funds £	Total £	2007 £
Receipts					
Subscriptions			5,998	5,998	4,840
Book sales	2		3,443	3,443	1,085
DVD sales			2,270	2,270	
Interest		124	1,738	1,862	2,168
Donation	5b	<u>500</u>		<u>500</u>	
Total receipts		<u>624</u>	<u>13,449</u>	<u>14,073</u>	<u>8,093</u>
Payments					
Direct charitable expenses					
Publications volumes			13,820	13,820	384
DVD production costs	5c		5,907	5,907	
Boydell and Brewer – charges			85	85	110
Scottish Book Source (final)			65	65	
Scottish Publishers			194	194	200
Association sub					
			<u>20,071</u>	<u>20,071</u>	<u>694</u>
Administrative expenses					
Membership secretary	3		375	375	375
Treasurer's honorarium	3		375	375	375
Administrative expenses	3		1,094	1,094	1,269
Independent Examiner Fee			50	50	200
Lecture expenses		<u>687</u>		<u>687</u>	
		<u>687</u>	<u>1,894</u>	<u>2,581</u>	<u>2,219</u>
Total Payments		<u>687</u>	<u>21,965</u>	<u>22,652</u>	<u>2,913</u>
(Deficit) Surplus for year		<u>(63)</u>	<u>(8,516)</u>	<u>(8,579)</u>	<u>5,180</u>

Scottish Text Society: (Scottish Charity Number SC021308)

Statement of Assets at 31 December 2008

		Notes	£
Monetary assets	Treasurer's account		5,412
	McIntosh Lecture Fund		3,065
	Corporate Investment account		179
	National Savings Investment account		40,921
	Paypal account	5a.	145
Funds at 31 December 2008			<u>49,722</u>
Funds at 31 December 2007			58,301
Deficit for year			8,579
Funds at 31 December 2008			<u>49,722</u>

All funds are unrestricted apart from the McIntosh Lecture Fund

Approved by Council Edinburgh 27 March 2009

Signed by order of Council Sally Mapstone

Scottish Text Society: (Scottish Charity Number SC021308)

Notes to the Accounts for the year ended 31 December 2008

1. ACCOUNTING POLICIES**Accounting Convention and Basis of Accounting**

The financial statements are prepared under the historical cost convention as modified for the exclusion of a value for stocks of unsold books and are in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

Taxation

As a Scottish charity recognised by the Inland Revenue under Scottish Charity number SC021308, no charge is required for taxation.

The organisation is not registered for Value Added Tax and accordingly any such tax incurred is included in the expenditure concerned.

Subscriptions

Income in the form of Members' Subscriptions is only recognised when received.

Book Sales

Income from book sales is recognised both when cash is received by the distributor from the customer and the receipt is advised to the Society, and when received by the Society directly from the member.

Allocation of expenditure

Where possible expenditure is allocated to the charitable activity involved, the balance remaining as management and administration.

Publication costs

Costs of production of publications are written off as incurred in the year of publication. Expenditure incurred in advance for future publications is deferred until the year of publication, being treated as a payment in advance until then.

Stocks of publications

The Society and distributors hold stocks of undistributed publications, but, because their costs are written off on publication, no value appears for stocks in the Society's accounts.

Scottish Text Society (Scottish Charity Number SC021308)**2. BOOK SALES**

The Society's publications have been sold through a distributor for various charges for many years. The distribution agreement with Scottish Book Source was ended in 2006. Final settlement of £65 was paid by the Society. From autumn 2006, the Society's printing and distribution arrangements were moved to Boydell and Brewer Ltd, who are based in Woodbridge in Suffolk

Income from book sales are recognised in the Society's accounts when received by Boydell and Brewer from the customer and the receipt advised to the Society.

The value of gratis copies is not included in these accounts. The cost of gratis copies is included in the total cost of publications and written off at the time of publishing.

3. EMPLOYMENT AND TRUSTEE COSTS

The Treasurer and Membership Secretary/ Administrative Secretary is a paid Office Bearer and receives an honorarium for work in the respective roles, but, if relevant, not as a Trustee.

During the year, Mr. Aitken was paid £750 for his roles as Treasurer and Membership Secretary during 2007. Mr. Aitken was not a member of Council ('Trustees') of the Society during the period under review. Mr Aitken resigned on 15 September 2008 and is due a proportion of the salary, the balance being due to his successor, Mr Archer, who was appointed on 15 September 2008

No member of Council - the 'Trustees' - has received an emolument. The only payments to members of Council have been reimbursement of expenses totalling £607 (2007: £644) incurred on behalf of the Society.

4. STOCKS

Boydell and Brewer will print a limited number of volumes when stock of a title is running low, so containing warehousing charges. Of an initial publication run of 500 copies of the DVD, 282 copies remain and were held by the distributor at the end of the financial year. Thus the notional value of the Society's stock held is modest, and will remain so.

Council continues to review the net realisable value of all stocks held.

5. MATERIAL ITEMS OF NOTE

- a. Monies paid into the Society's PayPal account are transferred periodically to the main bank account. A balance of £145 was held at the year end.
- b. A donation of £1500 was received in 2006 in memory of Professor Angus McIntosh to finance a biennial memorial lecture. The Trustees contributed an equivalent amount. The proportion of interest earned on the fund is added to the fund each year. A donation of £500 was received in the year and added to the Fund by Council decision.

The first lecture was held in 2008 at a cost of £687.

- c. In 2008 the Society produced two volumes as well as the DVD of the Chepman and Myllar prints published in conjunction with the National Library of Scotland. The Society had agreed to subsidise this latter to a maximum of £6500, the amount paid in the year being £5,907. This is not part of the main series but members were offered a discount on the purchase price until the end of 2008. By arrangement, the National Library of Scotland was permitted to sell copies in its shop at a similar discount.

6. UNRESTRICTED FUNDS

Unrestricted Funds, being surpluses from membership subscriptions, sale of books, and bank interest received, are available to Council to pursue the Society's objectives.