Charity No. SC010773

THE FACULTY OF ADVOCATES FACULTY FUNDS

ANNUAL REPORT and GROUP FINANCIAL STATEMENTS

For the year ended 31 October 2025

THE FACULTY OF ADVOCATES FACULTY FUNDS

ANNUAL REPORT of the TRUSTEES and GROUP FINANCIAL STATEMENTS

For the year ended 31 October 2025

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THE FACULTY OF ADVOCATES FACULTY FUNDS

ANNUAL REPORT of the TRUSTEES and GROUP FINANCIAL STATEMENTS

For the year ended 31 October 2025

OFFICERS AND ADVISERS

Trustees:	R W Dunlop KC	*	Dean
	T Lenehan KC	*	Vice Dean
	R Crawford KC	*	Treasurer
	B Ross	*	Clerk of Faculty (appointed 2 November 2022)
	L Irvine	*	Deputy Clerk (appointed 25 January 2024)
	N R Mackenzie KC	*	Keeper of the Library
	A J Graham KC	*	Chairman, Faculty Services Ltd
	S M Learoyd		(appointed 1 November 2022)
	C L McPherson		(appointed 1 November 2022)
		*	Denotes an Advocate Trustee
Principal Address:	Parliament House Parliament Square Edinburgh EH1 1RF		

The Faculty of Advocates Faculty Funds uses the services of the following organisations:

Bankers:	Bank of Scotland 300 Lawnmarket Edinburgh EH1 2PH
Investment Managers:	RBC Brewin Dolphin Atria One 144 Morrison Street Edinburgh EH3 8BR
Investment Managers:	LGT Wealth Management Capital Square 58 Morrison Street Edinburgh EH3 8BP
Solicitors:	Balfour & Manson LLP 56-66 Frederick Street Edinburgh EH2 1LS
Auditor:	Saffery LLP 9 Haymarket Square Edinburgh EH3 8RY

THE FACULTY OF ADVOCATES FACULTY FUNDS

ANNUAL REPORT OF THE TRUSTEES

For the year ended 31 October 2025

The Trustees submit their report and the audited accounts for the year ended 31 October 2025. The accounts have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the charity's trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition – October 2019).

Objectives and activities
The objectives of the Faculty of Advocates Faculty Funds ('Faculty Funds') are inter alia: the provision and maintenance of the Advocates Library as the National Law Library of Scotland to facilitate access by the public to qualified independent advice on the law of Scotland and for the efficient administration of the Courts; the provision of facilities for the training and examination of persons in the law of Scotland; the furtherance of the sound development of the law in Scotland; and the preservation of books, manuscripts and objects of importance to the history of the law and its administration. There have been no changes in the Faculty Funds' objectives during the year.

Principal objectives during the year and strategies employed to achieve those objectives
The principal objectives of the Faculty Funds during the year were: operating as an effective regulator of members of the Faculty of Advocates ('Faculty'), delivery of a structured programme of training and education for both practicing members and devils, plus the provision of detailed and considered feedback to Scottish Government consultation papers on the development of the Scottish legal system.

Achievements and performance
The Faculty continues to maintain a prominent and proactive role in contributing to law reform and external engagement, liaising directly with the Scottish Government, HMT and other UK legal regulators across all jurisdictions on key legislative proposals and regulatory developments. Over the course of the year, several significant Government initiatives have issued for public consultation. In response, the Faculty has submitted detailed and carefully reasoned representations aimed at supporting the development of a fair, effective and sustainable Scottish legal system. While some areas of reform are yet to be implemented, the Faculty remains active in lobbying to protect the independence of the legal profession, maintain professional standards and promote the importance of fair trial rights. Noteworthy among these are:

- the passing of the Regulation of Legal Services (Scotland) Act 2025
- the passing of the Victims, Witnesses, and Justice Reform (Scotland) Act 2025
- The HMT review of the model, of Professional Body Supervisors for AML regulation across the legal sector to the FCA
- planned reform of legal aid fees.

Faculty also plays a key role in shaping its international interests for both its members to practice overseas and international advocates to practice at the Scottish Bar. This drives international agreement between legal professional bodies where there is a common intent to support mutual recognition of professional legal qualifications. Currently, Faculty are in negotiations with Canada, Australia, New Zealand, Belgium, Austria and Switzerland to explore possible models and processes.

In addition to its legislative engagement, Faculty has provided representation and instruction in a number of major public inquiries such as the Scottish and UK Covid Inquiry, Scottish Child Abuse Inquiry, Sheku Bayoh Inquiry, Infected Blood Inquiry and the Scottish Hospital Inquiries. As well as Inquiry representation, the Faculty has actively participated in broader discussions concerning the evolving role of lawyers as ethical gatekeepers navigating the complex interplay between professional obligations and the increasing ethical, social and political scrutiny faced by the legal profession.

Achievements and performance (continued)

The Library costs are stated before a contribution from the Faculty of Advocates Members' Fund ('Members' Funds') to cover the operational costs of a proportion of staff and online subscriptions. The net expenditure, excluding staff costs, on the maintenance of book stock and subscription to print and online material increased to £258k (2024 £226k). This included sourcing newly published material to complement the Legal Deposit law collection which we curate, providing additional access through online subscriptions, replacing missing items and on preservation of our historic collections where more than £29k (2024: £27k) was spent on binding for conservation purposes. The Faculty continues to support the Abbotsford Collection of Sir Walter Scott, helping prepare items for exhibition, undertake condition assessments, provide access to works for researchers and address conservation needs.

The Faculty has continued the Quality Assurance Programme for the ninth year following its introduction in 2016. In 2025, 29 members of Faculty were assessed. All members being assessed were judged as having met the standard of effective advocacy on their first assessment.

The Free Legal Services Unit of the Faculty continues the centuries-old tradition of counsel providing access to justice for those unable to afford the cost of going to law. The Unit calls on the diverse expertise of some 450 members of Faculty to offer free legal advice in all areas of the law and representation in any court or tribunal in Scotland.
In 2025 the Unit received 54 new case applications, not including work on on-going cases from 2024. The Unit is still continuing to build new relationships with agencies and, in 2025, has signed Memoranda of Understanding with Legal Services Agency, Glasgow Caledonian University Law Clinic and Glasgow University, Emma Ritch Law Clinic.

The Lord Hope of Craighead scholarship, introduced by the Faculty in 2018, funded by a voluntary levy on members of Faculty, continued to make awards to individuals undertaking the Devilling process, together with the long-standing awards from the Faculty Scholarship fund, these provide continuing tangible support to the Faculty policy to encourage greater diversity at the bar.

Education and training
The responsibilities of the Faculty, in relation to admissions, have been undertaken in the course of the year by the Board of Examiners, the Board of Assessors, the Dean's Council, the Clerk of Faculty and the Dean of Faculty, all in accordance with the Regulations as to Intrants. The Clerk of Faculty is currently leading on a project revising the Regulations as to Intrants with the support of the Deputy Clerk.

During the year, 34 intrants presented their petitions for matriculation, and the Faculty admitted 29 new members.

The Training and Education Department, the Clerk, and the Deputy Clerk, maintain relations with universities and handle inquiries from individuals interested in a career at the bar. The Department administers the Faculty's compulsory professional development (CPD) scheme and monitors compliance with the CPD requirements; individuals who fail to satisfy the requirements are reported to the Dean.

The Faculty runs education and training events, which this year included:

- The 10-week mini-devilling programme, organised by Elisabeth Roxburgh and Dominic Scullion, ran for its third consecutive year. The programme is available to students studying towards a Diploma in Professional Legal Practice in Scotland. It aims to encourage people from all backgrounds to consider a career as an Advocate, especially those without family or social connections to the legal profession. The 30 students gained first-hand experience by shadowing a junior advocate (a mini-devilmaster) one day a week. The scheme commenced with a reception hosted by the Dean of Faculty. Roddy Dunlop KC, and erstwhile Lord President, Lord Carloway.

- Faculty's annual World Intellectual Property Day Conference was held in the Mackenzie Building. It was open to all advocates, solicitors, devils, trainees, students and other professionals interested in IP.

Education and training (continued)

- Faculty hosted its annual Employment Law Group conference in November, chaired by Calum MacNeil K.C. He was joined by keynote speaker, Brian Napier K.C., Maurice O'Carroll, Alasdair Hardman, Aidan O'Neill and Lord Fairley.

- Free Legal Services Unit as part of Pro Bono week, hosted an event entitled 'Scottish Pro Bono Roundtable - Advancing Justice Together'. This was part of the newly formed Scottish Pro Bono Roundtable. The event featured an innovative and interactive format, bringing together members of the newly established Scottish Pro Bono Roundtable alongside representatives from across Scotland. Together, they explored key themes shaping the future of pro bono work.

- The Women at the Bar hosting a hybrid event entitled "Navigating Life Events for Women at the Bar" to mark International Women's Day. Held online and in the Mackenzie Building it focussed on how to deal with life changes and time off from practice including maternity leave, compassionate leave, caring responsibilities, and the menopause.

- The Chief Justice of Nepal and other members of the judiciary in Nepal paid a visit to the Faculty of Advocates in May. The visit took place after they had spent some time in London, where historic Letters of Goodwill were exchanged between the President of the United Kingdom Supreme Court, Lord Reed, and the Chief Justice of Nepal, the Rt Hon Prakash Man Singh Raut. While in Scotland the party from Nepal visited the Court of Session, the Advocates' Library and the Judicial Training Institute.

- The Four Jurisdictions' annual conference was held in Dublin in mid-May and was attended by members of the Faculty of Advocates, the Bars of Ireland and Northern Ireland, and Middle Temple. The Junior Bar Association arranged funding to enable some of its members to attend as well.

- Faculty hosted its annual Bar Dinner in June, which was attended by members and their partners.

- Faculty's popular festive legal drama organised by Antonia Welsh and staged by members of the Faculty of Advocates returned and saw the esteemed International Christmas Court convene in the Laigh Hall at Parliament House to hear allegations of festive criminality.

- The Rt Hon Lord Pentland, Lord President and Lord Justice General, delivered the keynote address at the 21st Century Bar Conference, which marked its 25th anniversary.

- in that session by Lord Keith Stewart of Dirleton K.C, the-then Advocate General, Scotland. Lord Carloway, Lord President of the Court of Session and Lord Justice General of Scotland, shared his perspectives alongside his peers from other ICAB jurisdictions during a panel discussion entitled *'An Independent Bar and an Independent judiciary.'*

- As a follow-up from Pro Bono week last year, the Free Legal Services Unit hosted an event entitled *'Following the Guide: Accessing Justice in the* 21st *Century'* in June which featured a presentation from Keeper, Neil Mackenzie K.C. The Free Legal Services Unit then hosted a further 2 events during Pro Bono Week 2024, including the launch event to Pro Bono Week where Catherine Smith K.C, Advocate General and Advocate Emma Boffey both presented. The second event hosted was entitled 'The Power of Environmental Law' where advocate John D. Campbell K.C and Shaun McPhee both spoke at.

Education and training (continued)

- Opening of the Legal Year was introduced by the Lord President, Lord Carloway at a ceremony in September at Parliament House. The traditional ceremony included speeches from the Lord President, Roddy Dunlop KC, the Dean off acuity of Advocates and Susan Murray, President of the Law Society of Scotland.

- The Tumbling Lassie's annual Anti-Slavery seminar was hosted in the Laigh Hall, chaired by Dean of Faculty, Roddy Dunlop K.C and included speakers; Solicitor General, Ruth Charteris KC and Chris Clements from the BBC. Funds raised via ticket sales went to support the International Justice Mission and Survivors of Human Trafficking in Scotland.

- The Tumbling Lassie held its annual Ball in November and organised a silent auction to raise money for International Justice Mission and Survivors of Human Trafficking in Scotland. Over £20,000 was raised by the Ball this year, and Tumbling Lassie has now raised over £120,000 since it began in 2015. The ball is now Scotland's largest fundraising event for anti-trafficking causes.

- Philip Simpson K.C marked International Men's Day with a lunchtime talk for members and staff. His presentation covered the sudden and unexpected death by suicide of his best friend and fellow advocate, Stephen O'Rourke QC, and the impact that this had on him, the stigma surrounding mental health for advocates and men in general, and the challenges in finding a healthy work-life balance as an advocate.

- The annual 21st Century Bar Conference took place in December. The theme for this year's event, co-chaired by Usman Tariq K.C. and Graeme McWilliams, was *"Maintaining Privacy in a Public World."* It was opened by the Dean off acuity, Roddy Dunlop K.C, who introduced the keynote speaker, the Rt. Hon. Lady Wise.

Financial Review

Consolidated accounts, also referred to as Group accounts, have been prepared. The Group comprises the Faculty of Advocates Faculty Funds and Faculty Services Limited.

The combined income for the group is £11,624k (2024: £11,039k). Charitable activity expenditure is £3,390k (2024 £2,888k). The group's investments have generated net gains of £285k after regular dividend and interest yields (2024: gains of £310k). The overall surplus for the year for the group is £372k (2024: £503k).

The group has unrestricted reserves of £9,332k (2024: £9,122k) and restricted reserves of £1,472k (2024: £1,311k).

The defined benefit pension scheme actuarial valuation shows a fully funded position for the Scheme, there are no Recovery Plan contributions required.

Investments

In accordance with the Deed of Trust, the Trustees have the power to invest in such assets as they see fit. The Trustees have appointed RBC Brewin Dolphin and LGT Wealth Management as investment managers.

The RBC Brewin Dolphin portfolio is linked to the Faculty Scholarship/Lord Reid restricted fund. The risk strategy for this portfolio is medium.

The LGT Wealth Management portfolio is reported within unrestricted funds. The risk strategy for this portfolio is low. The portfolio was established in the year from funds that were previously held as term deposits.

Financial review (continued)

Reserves Policy
It is the policy of the Group to maintain free reserves, which are the unrestricted funds of the Group after deducting the tangible fixed assets, at a level that exceeds three months unrestricted expenditure. At 31 October 2025 the unrestricted reserves are £6,505k against an average quarterly expenditure in FY2425 of £2,842k. This reserves policy provides sufficient funds to cover management and administration, and support costs and to respond to any emergencies that may arise.

The Trustees are also cognisant of the long-term maintenance and capacity requirements of the Library, expenditure on which can be substantial in comparison to individual years' surpluses.

Risk Management
The Trustees apply the Faculty wide risk management strategy to assess and manage the risk exposure to Faculty Funds. This approach comprises:

- Maintaining a Faculty wide risk register to identify and review the key risks relevant to the Faculty Fund.
- Establishing and operating systems and procedures designed to mitigate the key risks that have been identified.
- Implementing measures to minimise the impact on the Faculty of Advocates should any risks materialise.
- The testing of key controls for adequacy and effectiveness to inform ongoing review and assurance.

While key risks have been captured and agreed across the Faculty structure, the risk register remains a fluid document that evolves in line with the internal and external environment. This is essential to ensure emerging risks are identified and managed effectively. Current work is focusing on strengthening the supporting data used to inform how each risk is measured, assessed and reported.

The main risks identified during the period involved the following:

- **Financial Risks:** Maintaining sufficient capital liquidity and adequate expenditure monitoring to ensure resources support Faculty, services and strategic and operational projects.
- **Governance Efficiency:** Strategic risk arising from unclear decision-making or allocation of responsibilities can lead to weakened accountability, poor decision making, or decisions being made outside delegated authority.
- **Financial Controls Framework:** Risk that the financial control framework may not be fully aligned to new or evolving processes, or may not be subject to regular testing, thereby reducing thereby reducing its ability to prevent or detect issues.
- **The robustness of IT systems**: Risk associated with the robustness and resilience of IT systems, including technical obsolescence and reliance on a narrow support base and increased exposure to cyber threats in a rapidly evolving security environment.
- **Physical Damage to the Estate:** The potential for significant loss or damage to the physical estate, which could disrupt operations, reduce service availability or require substantial unplanned investment.

All risks are reviewed at least annually but monitored on an ongoing basis. This ensures that strategies, mitigations and contingency plans remain appropriate and updated to reduce their impact on the running of the organisation.

Financial review (continued)

Plans for future periods

In response to the continuing challenging economic conditions generally, the services provided to members by the Faculty are subject to ongoing review. The Faculty is confident that its continuing robust finances enable it the flexibility to assess carefully threats as they arise, and to make any appropriate strategic and operational adjustments in a considered and timeous manner.

Reference and administrative information

The Faculty of Advocates can trace its records back as far as 1532. The Faculty Funds is registered with the Office of the Scottish Charity Regulator under charity number SC010773. Details of the Trustees who acted during the year and the current Trustees and advisers to the Faculty Funds are provided on page 1.

Structure, Governance and Management

The Faculty Funds is administered by way of a Trust deed of 3 March 1976. The administration of the Faculty Funds is vested in the Trustees listed on page 1.

The conduct of the affairs of the Faculty Funds is carried on by the Office-Bearers acting under mandate passed by members in a general meeting of the Faculty of Advocates.

The Office-Bearers are assisted in the conduct of the Faculty Funds' affairs by the Faculty Council consisting of the elected Office-Bearers and ten Council members elected by secret ballot and representative of various constituencies within the membership of the Faculty.

The Faculty Funds owns 100% of the issued share capital of Faculty Services Limited ("FSL"), a company whose registered office is Advocates Library, Parliament House, Edinburgh EH1 1RF. FSL recorded a profit after taxation for the year of £185,471 (2024: £143,846). During the year FSL paid rent of £180,000 (2024: £180,000) to the Faculty Funds. Net assets of FSL are £927,473 (2024: £742,002).

A Deed of Covenant exists between FSL and the Faculty Funds. This deed allows for the option of surplus funds in FSL to be donated to Faculty Funds and for the donation to be allowed as a taxable deduction in FSL. The timing of the deduction against taxable profits is subject to when the donation is paid over. As FSL is wholly owned by the Faculty Funds, it has up to nine months after the end of its accounting period to make its Gift Aid payment to the Faculty Funds. Payments made more than nine months after the end of the accounting period will be deducted in the accounting period they are paid. In 2025, FSL donated £nil (2024: £nil). Faculty Funds debtor with FSL is £107,647 (2024: £311,557) and other net activity throughout the year was £434,614 (2024: £265,491) which included salary recharges, professional fees and other services.

The Trustees delegate day to day management of the Faculty Funds to a group comprising the Co-Chief Executive Officers, Heads of Department; IT, Finance, Library, Subscriber Services and HR, and the Faculty Superintendent. Pay and remuneration for these individuals is set by reference to an organisation-wide grading scale, established many years ago in conjunction with Hays Group and reviewed annually by the Faculty Finance Committee, as a constituent of the Joint Employers of The Faculty Funds and FSL.

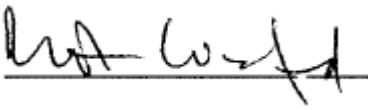
The current benchmark in respect of market related pay is the median of the public sector. The Head of HR is responsible for researching the market and informing the review body of available options, taking account of inflation factors, Living Wage, benchmarking and business affordability considerations.

Trustee induction and training

All Trustees receive an induction to the Faculty of Advocates that describes the activities of the Faculty Funds, the Members' Fund and FSL. This is in line with a newly drafted guidance document in support of clarifying the legal and regulatory duties and responsibilities of all Faculty trustees. Trustees are selected on the basis of their extensive knowledge and experience in commerce and, in respect of Advocate trustees, their knowledge and experience of legal matters as it relates to the legal profession in Scotland, the UK and globally.

As always, we would wish to take this opportunity to thank all our employees for their continued commitment and hard work during the last year; their efforts are much appreciated.

By order of the Trustees



R Crawford KC
Treasurer

Parliament Square
Edinburgh EH1 1RF

Date: 26th May 2026

THE FACULTY OF ADVOCATES FACULTY FUNDS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

For the year ended 31 October 2025

The Trustees are responsible for preparing the Report of the Trustees and the accounts 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 Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources of the group and charity for that period. In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and apply them consistently
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP FRS 102)
- 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 accounts, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group and charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and charity and enable them to ensure that the accounts 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 group and charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE FACULTY OF ADVOCATES FACULTY FUNDS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 October 2025

	Note	Unrestricted funds £	Restricted funds £	Total 2025 £	Total As Restated 2024 £
Income and Endowments from:					
Grants and donations	**5**	6,000	210,244	216,244	374,936
Charitable activities	**6/30**	5,027,706	-	5,027,706	5,035,832
Trading activities	**7**	6,114,352	-	6,114,352	5,493,199
Investment and other income	**8/30**	237,463	28,176	265,639	135,464
TOTAL INCOME		11,385,521	238,420	11,623,941	11,039,431
Expenditure on:					
Raising funds – investment manager fees		30,047	10,811	40,858	42,548
Charitable activities	**9**	3,232,237	158,000	3,390,237	2,888,320
Operational & other costs	**10**	2,687,876	-	2,687,876	2,145,005
Trading activities	**7**	5,683,974	-	5,683,974	5,120,816
TOTAL EXPENDITURE		11,634,134	168,811	11,802,945	10,196,689
Net gains/(losses) on investments					
Realised	**16**	20,903	4,069	24,972	50,435
Unrealised	**16**	148,088	112,388	260,476	259,714
Net income/(loss)		(79,622)	186,066	106,444	1,152,891
Other recognised gains/(losses):					
Corporation tax (charge)/credit	**13**	(64,906)	-	(64,906)	(48,534)
Actuarial gain / (losses) on defined benefit pension scheme	**24/30**	(673,000)	-	(673,000)	464,000
Losses / (gains) from change in effect of asset ceiling	**24/30**	1,003,000	-	1,003,000	(1,065,000)
Net movement in funds		185,472	186,066	371,538	503,357
Total funds brought forward		9,122,281	1,310,864	10,433,145	9,929,788
Reserve transfer in year	**19**	25,000	(25,000)	-	-
Total funds carried forward		9,332,753	1,471,930	10,804,683	10,433,145

All incoming resources are derived from continuing activities.

The notes on pages 14 to 37 form part of these accounts.

Please see note 30 for further details of the restatements referenced above.

THE FACULTY OF ADVOCATES FACULTY FUNDS

FACULTY FUNDS STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 October 2025

	Notes	Unrestricted Funds	Restricted Funds	2025 Total	2024 Total As Restated
		£	£	£	£
Income and Endowments from:					
Grants and donations	**5**	6,000	210,244	216,244	374,936
Charitable activities	**6/30**	5,027,706	-	5,027,706	5,035,832
Investment and other income	**8/30**	417,463	28,176	445,639	315,464
Total income		5,451,169	238,420	5,689,589	5,726,232
Expenditure on:					
Raising funds – investment manager fees		30,047	10,811	40,858	42,548
Charitable activities	**9**	3,232,237	158,000	3,390,237	2,888,320
Operational & other costs	**10**	2,687,876	-	2,687,876	2,145,005
Total expenditure		5,950,160	168,811	6,118,971	5,075,873
Net gains/(losses) on investments					
Realised	**16**	20,903	4,069	24,972	50,435
Unrealised	**16**	148,088	112,388	260,476	259,714
Net income/(loss)		(330,000)	186,066	(143,934)	960,508
Other recognised gains/(losses):					
Actuarial gains / (losses) on defined benefit pension scheme	**24/30**	(673,000)	-	(673,000)	464,000
(Losses) / gains from change in effect of asset ceiling	**24/30**	1,003,000	-	1,003,000	(1,065,000)
Net movement in funds		-	186,066	186,066	359,508
Total funds brought forward		8,380,378	1,310,864	9,691,242	9,331,734
Reserve transfer in year	**19**	25,000	(25,000)	-	-
Total funds carried forward		8,405,378	1,471,930	9,877,308	9,691,242

All incoming resources are derived from continuing activities.

The notes on pages 14 to 37 form part of these accounts.

Please see note 30 for further details of the restatements referenced above.

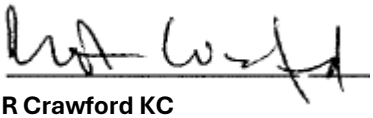
THE FACULTY OF ADVOCATES FACULTY FUNDS

CONSOLIDATED AND FACULTY FUNDS BALANCE SHEET

At 31 October 2025

	Notes	2025 Group £	2025 Faculty Funds £	2024 Group £	2024 Faculty Funds £
Fixed assets					
Heritage assets	**14**	115,443	115,443	115,443	115,443
Tangible fixed assets	**15**	2,712,709	2,584,359	2,843,852	2,706,591
Investments	**16**	6,032,880	6,032,980	5,640,995	5,641,095
		8,861,032	8,732,782	8,600,290	8,463,129
Current assets					
Stocks for resale		9,431	9,431	13,818	13,818
Debtors	**17**	605,552	503,513	488,422	628,946
Cash at bank and in hand		6,134,876	1,867,577	6,238,450	1,140,001
		6,749,859	2,380,521	6,740,690	1,782,765
Creditors: Amounts falling due within one year	**18**	(4,783,212)	(1,235,995)	(4,884,839)	(554,652)
Net current assets		1,966,647	1,144,526	1,855,851	1,228,113
Total assets less current liabilities		10,827,679	9,877,308	10,456,141	9,691,242
Deferred taxation		(22,996)	-	(22,996)	-
		10,804,683	9,877,308	10,433,145	9,691,242
Unrestricted funds	**19**	9,332,753	8,405,378	9,122,281	8,380,378
Restricted funds	**20**	1,471,930	1,471,930	1,310,864	1,310,864
		10,804,683	9,877,308	10,433,145	9,691,242

Approved by the Board of Trustees and signed of their behalf by:



R Crawford KC
Treasurer

Date: 26th May 2026

The notes on pages 14 to 37 form part of these accounts.

THE FACULTY OF ADVOCATES FACULTY FUNDS

CASH FLOW STATEMENT

For the year ended 31 October 2025

Group	**Notes**	**2025** £	**2024** £
Cash flow from operating activities	**25**	58,538	1,179,253
Returns on investments and servicing of finance (investing activities)	**26**	183,597	176,646
Capital expenditure and financial investment (investing activities)	**26**	(330,046)	(607,047)
Increase/(decrease) in cash in the period		(87,911)	748,852
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash in the period		(87,911)	748,852
Cash and cash equivalents brought forward		6,262,954	5,514,102
Cash and cash equivalents carried forward		6,175,043	6,262,954
Analysis of cash and cash equivalents			
Cash at bank and in hand		6,134,876	6,238,450
Cash account in investment portfolio		40,167	24,504
		6,175,043	6,262,954

Faculty Funds	**Notes**	**2025** £	**2024 As re-stated** £
Cash flow from operating activities	**25/30**	879,654	(111,182)
Returns on investments and servicing of finance (investing activities)	**26**	150,996	133,364
Capital expenditure and financial investment (investing activities)	**26/30**	(287,411)	(571,011)
Increase/(decrease) in cash in the period		743,239	(548,829)
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash in the period		743,239	(548,829)
Cash and cash equivalents brought forward		1,164,505	1,713,334
Cash and cash equivalents carried forward		1,907,744	1,164,505
Analysis of cash and cash equivalents			
Cash at bank and in hand		1,867,577	1,140,001
Cash account in investment portfolio		40,167	24,504
		1,907,744	1,164,505

The notes on pages 14 to 37 form part of these accounts.

Please see note 30 for further details of the restatements referenced above.

THE FACULTY OF ADVOCATES FACULTY FUNDS

NOTES TO THE ACCOUNTS

For the year ended 31 October 2025

1. Purposes of Trusts

(a) By Declaration of Trust dated 3 March 1976 the assets and monies held for The Faculty of Advocates and its members were formally separated into two parts, the first to be held as "The Faculty Funds" and the second to be held as "The Members' Fund".

Under the terms of the Declaration of Trust the heritable properties, feu duties, investments, books and documents were designated as constituting "The Faculty Funds" and the balance of the property as constituting "The Members' Fund".

The Faculty Funds has the status of a charity for tax purposes.

(b) The Lord Reid Bequest Fund provided scholarship awards to meritorious Intrants to the Bar during their period of pupillage. Due to its limited scale, the Lord Reid Bequest Fund struggled to achieve a viable investment strategy in the face of prolonged period of depressed interest rates. As a result, the fund was merged with the Scholarship Fund during 2016. The merged fund now makes awards in the name of both Lord Reid and Faculty Scholarships.

(c) The Lord Hope Scholarship is funded by voluntary contributions from members, providing scholarships to aspiring advocates.

2. Accounting policies

(a) The accounts 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 accounts. The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition – 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 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The Faculty Funds constitute a public benefit entity as defined by FRS 102.

The consolidated Statement of Financial Activities and Balance Sheet include the financial statements of the Faculty of Advocates Faculty Funds and its subsidiary undertaking, Faculty Services Limited made up to the balance sheet date. Intragroup sales and profits are eliminated fully on consolidation.

Following the implementation of the Declaration of Trust, on 3rd March 1976, The Faculty of Advocates Members' Fund was established to operate the non-charitable function of The Faculty of Advocates whilst the charitable function was incorporated into The Faculty of Advocates Faculty Funds (registered charity SC010773). Owing to mutual Office Bearers (excluding independent trustees within The Faculty of Advocates Faculty Funds) The Faculty of Advocates Members' Fund and The Faculty of Advocates Faculty Funds are subject to common control but neither body controls the other. The Faculty of Advocates Faculty Funds fully controls its wholly owned trading subsidiary Faculty Services Limited (company registration SC048261).

The accounts are presented in pounds sterling which is the functional currency of the charity.

(b) Funds are classified as either restricted funds or unrestricted funds. Restricted funds are funds which must be used for particular purposes and activities.

The Lord Hope Scholarship Fund and Lord Reid / Faculty Scholarship Fund are classified as restricted funds, the purpose of the funds is to provide scholarships to Advocates in training that may not be able to receive the same level of funding themselves. All payments are at the discretion of the Board. Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objects of the Faculty of Advocates Faculty Funds. The General Fund is the product of surpluses accumulated each year.

2. Accounting policies (continued)

The Library Archiving Project restricted fund was created when the Faculty of Advocates 1985 Trust granted funds for the initiation of a project to employ a qualified archivist to organise records and other materials in storage and draw up policy and procedure documents to guide the Faculty in preserving both legally required papers and items of historic significance. The project also aims to make historically important documents more widely accessible to the public.

(c) All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Trading income through Faculty Services Limited arises from the provision of services in respect of the company's principal activities. It is measured at the fair value of the consideration received based on subscriber collections or receivable for minimum contributions, excluding value added tax, for the provision of such services.

Contributions for the use of facilities from Members' Funds relate to contributions to meet the ongoing unrestricted deficit of the Faculty Funds each year to the extent that the Members' Funds have generated sufficient income to meet this deficit. Following payment of the contribution, any remaining surplus reported in the Members' Funds accounts is paid as a rebate to members.

Rental income is recognised in accordance with rent receivable per the lease agreements.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

(d) Expenditure is included on an accruals basis excluding value added tax and is recognised when there is a legal and constructive objective to pay for expenditure. All costs, including staff termination payments, have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities.

The cost of raising funds consists of investment management fees.

The operating costs of The Faculty of Advocates have been allocated on the basis of an estimate of the time spent by staff on relevant duties and the nature of the non-staff expenditure incurred.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, and the costs of external audit.

(e) Buildings, equipment, furniture and fittings are shown at cost or valuation less depreciation.

(f) Depreciation is provided on fixed assets as follows:

Furniture and fittings	10% straight line	Computer equipment	25% straight line
Buildings	2% straight line	Plant and equipment	5% straight line
Leasehold improvements	2-7% straight line, dependent on the period of the lease		

No depreciation is provided on land.
No depreciation has been provided on heritage assets.

(g) The Faculty Funds' heritage assets comprise of works of art and books held in Parliament Square. Those assets acquired during the year are reflected in the balance sheet. The remainder of the assets have been acquired during the Faculty of Advocates' existence and there is no reliable cost information or appropriate method of valuing these assets. The costs associated with trying to attain valuations would be onerous compared to the additional benefits derived by the Faculty of Advocates Faculty Funds and the users of these accounts.

2. Accounting policies (continued)

The cost of any repair work undertaken is reported in the Statement of Financial Activities in the year it is incurred. The cost of any additional works purchased is reported in the Statement of Financial Activities in the year it is incurred.

(h) Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair 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.

Shares in the subsidiary undertaking are included at cost. Group accounts are separately prepared incorporating the results of the subsidiary undertaking.

The main form of financial risk faced by the Faculty Funds 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.

(i) 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 subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

(j) Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

(k) Cash at bank and 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.

(l) Creditors and provisions are recognised where the Faculty Funds or Group 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 discounts due.

(m) The Faculty Funds operated a defined benefit pension scheme, which closed to new entrants in 2010. The scheme is now in substantial surplus such that the costs of administering the scheme are met from scheme assets. The scheme is a multi-employer pension scheme and the share of assets and liabilities of the scheme which are attributable to the Faculty of Advocates Faculty Funds have been identified and in accordance with FRS 102.

In addition, the Faculty of Advocates Faculty Funds operates a stakeholder (defined contribution) pension scheme. Contributions payable to this scheme are charged to the statement of financial activities in the period to which they relate. These contributions are invested separately from the Faculty Funds' assets.

(n) Operating leases are charged to the Statement of Financial Activities as payments are made.

(o) The Faculty Funds only have financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments other than investments are initially recognised at cost and subsequently measured at their settlement value.

(p) The financial statements have been prepared on a going concern basis. Feeing and cash collections continue to remain at the levels of previous years and are considered at each Finance Committee meeting, together with anecdotal evident of trends in business levels within the Courts.

3. Significant judgements and estimation uncertainty

In the application of the Group and Faculty Funds accounting policies, there is a requirement to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. As the estimates and associated assumptions are based on historical experience and other factors
that are considered to be relevant, actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(a) Useful economic lives of tangible assets
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. See note 14 and 15 for carrying amounts of tangible assets.

(b) Non recognition of pension surplus
The defined benefit pension scheme surplus has not been recognised based on actuary's guidance. The asset cannot be determinable, therefore it has been capped to £nil.

4. Staff costs and numbers

Staff costs:	**2025** Group	**2025** Faculty Funds	**2024** Group	**2024** Faculty Funds
	£	£	£	£
Wages and salaries	5,836,219	2,200,768	5,465,634	2,277,049
Social security costs	639,272	252,234	512,096	209,780
Medical insurance	214,616	123,461	166,686	115,552
Other pension costs	543,419	200,208	476,066	187,287
Staff costs	7,233,526	2,776,671	6,620,482	2,789,668
FRS 102 fair value adjustment - net interest costs	330,000	330,000	(601,000)	(601,000)
	7,563,526	3,106,671	6,019,482	2,188,668

Key Group management personnel comprise the Trustees, the CEO and/or joint CEOs, and Heads of Department: IT, Finance, Library, Subscriber Services and HR, and the Faculty Superintendent.

Total remuneration of key management personnel in the year for Group was £793,009 (2024: £737,559) and for Faculty Funds it was £390,459 (2024: £329,895)

No Advocate Trustee or elected Official of the Faculty of Advocates Faculty Funds received remuneration or reimbursement of expenses during the year or the previous year. The Independent Trustees received a total of £25,006 in 2025 (2024 £10,000). These figures are included in the total staff costs above.

Staff numbers Employees whose annual emoluments exceeded £60,000	2025 Group Number	2025 Faculty Funds Number	2024 Group Number	2024 Faculty Funds Number
Between £60,000 and £69,999	1	-	2	-
Between £70,000 and £79,999	-	-	4	3
Between £80,000 and £89,999	3	2	-	-
Between £90,000 and £99,999	1	1	-	-
Between £100,000 and £110,000	1	-	-	-
Between £110,000 and £120,000	-	-	-	-
Between £120,000 and £129,999	2	1	1	1
The average monthly number of employees during the year				
Library	18	18	19	17
Clerking	52	-	45	-
Subscriber Services	16	-	-	-
IT	14	10	14	10
Facilities	20	20	33	19
Administration	27	19	32	21
Total	147	67	143	67

5. Grants and Donations

Group	Unrestricted £	Restricted £	2025 Total £	2024 Total £
Members' Fund	-	-	-	142,738
Individual Advocates	-	210,244	210,244	226,198
Grants	6,000	-	6,000	6,000
Total	6,000	210,244	216,244	374,936

Faculty Funds	Unrestricted £	Restricted £	2025 Total £	2024 Total £
Members' Fund	-	-	-	142,738
Individual Advocates	-	210,244	210,244	226,198
Faculty Services Limited	-	-	-	-
Grants	6,000	-	6,000	6,000
Total	6,000	210,244	216,244	374,936

6. Charitable Activities income

Group	Unrestricted	Restricted	2025 Total	2024 Total As Restated
	£	£	£	£
Contribution from Members' Fund - general	4,331,106	-	4,331,106	4,424,197
Contribution from Members' Fund - library	687,250	-	687,250	601,209
Legal education & other income	9,350		9,350	10,426
Total	5,027,706	-	5,027,706	5,035,832

Faculty Funds	Unrestricted	Restricted	2025 Total	2024 Total As Restated
	£	£	£	£
Contribution from Members' Fund – general	4,331,106	-	4,331,106	4,424,197
Contribution from Members' Fund – library	687,250	-	687,250	601,209
Legal education & other income	9,350	-	9,350	10,426
Total	5,027,706,	-	5,027,706	5,035,832

Please see note 30 for further details of the restatements referenced above.

7. Trading activities – Group only

Trading activities are undertaken by Faculty Services Limited and are attributed to general funds.

Income	Unrestricted	Restricted	2025 Total	2024 Total
	£	£	£	£
Commission	6,071,606	-	6,071,606	5,440,988
Photocopying services	1,712	-	1,712	2,024
Other income	41,034	-	41,034	50,187
	6,114,352	-	6,114,352	5,493,199

Expenditure	Unrestricted	Restricted	2025 Total	2024 Total
	£	£	£	£
Staff costs	4,456,854	-	4,456,854	3,830,814
Depreciation	51,643	-	51,643	64,437
Other operating charges	1,175,477	-	1,175,477	1,225,565
	5,683,974	-	5,683,974	5,120,816

8. Investment & other income

Group

	Unrestricted	Restricted	2025 Total	2024 Total As Restated
	£	£	£	£
Investment income	122,819	28,176	150,995	133,364
Other income	114,644	-	114,644	2,100
Rental income	-	-	-	-
Total	237,463	28,176	265,639	135,464

Faculty Funds

	Unrestricted	Restricted	2025 Total	2024 Total As Restated
	£	£	£	£
Investment income	122,819	28,176	150,995	133,364
Other income	114,644	-	114,644	2,100
Rental income	180,000	-	180,000	180,000
Total	417,463	28,176	445,639	315,464

Please see note 30 for further details of the restatements referenced above.

9. Charitable Activities expenditure – Group and Faculty Funds

	Unrestricted	Restricted	2025 Total	2024 Total
	£	£	£	£
Direct Staff costs	1,594,507	-	1,594,507	1,072,882
Books and publications	616,663	-	616,663	609,913
Grant awards	6,000	158,000	164,000	141,500
Legal education	180,935	-	180,935	187,762
Building maintenance	834,132	-	834,132	876,263
Total	3,232,237	158,000	3,390,237	2,888,320

10. Operational and other costs – Group and Faculty Funds

	2025 Total	2024 Total
	£	£
Support	2,511,483	1,983,959
Governance	176,393	137,491
Other costs	-	23,555
Total	2,687,876	2,145,005

Other costs represent the cost of goods sold in the year.

11. Support and Governance costs – Group and Faculty Funds

	Support	Governance	2025 Total	2024 Total
	£	£	£	£
Staff costs	1,440,178	71,986	1,512,164	1,115,786
Rent of buildings	110,000	-	110,000	106,536
Stationery & printing	15,117	-	15,117	19,602
Computer software, services and consumables	449,117	-	449,117	354,787
Professional fees	116,257	-	116,257	181,236
Audit & accountancy fees	-	68,030	68,030	83,250
Irrecoverable vat due to partial exemption	9,630	-	9,630	46,013
Other costs	371,184	36,377	407,561	237,795
Total	2,511,483	176,393	2,687,876	2,145,005

12. Cost of audit and other services

	2025 Group	**2025** Faculty Funds	**2024** Group	**2024** Faculty Fund
Auditor's remuneration comprises:	£	£	£	£
Audit	64,000	24,000	137,750	76,000
Non-audit services	3,200	-	17,500	7,250
	67,200	24,000	155,250	83,250

13. Taxation on ordinary activities

a) Analysis of charge in the year

	2025	2024
	£	
Current tax charge/(credit):		
UK Corporation tax based on the results for the year at 25% (2024 – 25%)	65,538	45,097
Adjustments in respect of previous periods		-
Total current tax charge/(credit)	65,538	45,097
Deferred tax charge/(credit):		
Origination and reversal of timing differences (note 4b)	(632)	3,437
Adjustments in respect of prior periods	-	-
Total deferred tax charge/(credit)	(632)	3,437
Tax charge/(credit) on profit on ordinary activities	64,906	48,534

(b) Factors affecting current tax charge

	2025	2024
	£	£
Profit on ordinary activities before taxation – Faculty Services Limited	250,377	192,380
Profit on ordinary activities by rate of tax	62,594	48,095
Fixed asset permanent differences	-	-
Expenses not deductible for tax purposed	2,312	439
Adjustments to brought forward values	-	-
Marginal relief	-	-
Adjustments in respect of previous periods – current tax	-	-
Adjustments in respect of previous periods – deferred tax	-	-
Deferred tax rate changes	-	-
Movement in deferred tax not recognised	-	-
Total current tax (note 13(a))	64,906	48,534

14. Heritage assets – Group and Faculty Funds

Cost and Net book value

	2021	**2022**	**2023**	**2024**	**2025**
Cost	62,218	67,434	69,583	105,443	115,443
Additions	5,216	2,149	35,860	10,000	-
Net book value	67,434	69,583	105,443	115,443	115,443

Further information

Since 2014 the Faculty Funds have commissioned portraits which have been included in heritage assets at cost. In addition, the Faculty Funds hold a large collection of rare books and works of art. These assets have been acquired during the Faculty of Advocates' existence either through purchase or by donation. No recent valuations are available for these items. There have been no disposals or impairments.

15. Tangible fixed assets – Group

	Plant & Equipment	Furniture & fittings	Computer equipment	Vehicles	Leasehold Improvements	Buildings	Total
	£	£	£	£		£	£
Cost or valuation							
At 31 October 2024	1,507,519	1,374,332	1,974,670	-	1,334,387	2,045,826	8,236,734
Additions	4,971	55,389	86,053	-	92,975	-	239,388
Transfers	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
At 31 October 2025	1,512,490	1,429,721	2,060,723	-	1,427,362	2,045,826	8,476,122
Accumulated depreciation							
At 31 October 2024	1,176,522	1,228,502	1,537,233	-	386,824	1,063,801	5,392,882
Charge for year	55,491	26,757	169,017	-	78,349	40,917	370,531
Transfers	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
At 31 October 2025	1,232,013	1,255,259	1,706,250	-	465,173	1,104,718	5,763,413
Net book value							
At 31 October 2025	280,477	174,462	354,473	-	962,189	941,108	2,712,709
At 31 October 2024	330,997	145,830	437,437	-	947,563	982,025	2,843,852

The Faculty of Advocates Faculty Funds' heritable properties were valued in December 1998 by Ryden, International Property Consultants, on the basis of open market value. As a result of the impairment in the value of the properties, the annual depreciation charge is £63,290 less than the charge on a historical cost basis. The Faculty of Advocates Faculty Funds has taken advantage of the option under FRS 102 to continue to use these valuations for accounting purposes.

The Faculty Funds leases properties in Edinburgh and Glasgow; the costs of Leasehold Improvements in these buildings are treated as assets held under operating leases and are depreciated over the lease term. Depreciation charged on Leasehold Improvements was £78,349 (2024: £73,890).

15. Tangible fixed assets – Faculty Funds

	Plant & Equipment	Furniture & fittings	Computer equipment	Vehicles	Leasehold Improvements	Buildings	Total
	£	£	£	£	£	£	£
Cost or valuation							
At 31 October 2024	1,507,519	1,165,501	1,225,174	-	1,334,387	2,045,826	7,278,407
Additions	4,971	49,835	48,875	-	92,975	-	196,656
Transfers							
Disposals							
At 31 October 2025	1,512,490	1,215,336	1,274,049	-	1,427,362	2,045,826	7,475,063
Accumulated depreciation							
At 31 October 2024	1,176,522	1,101,099	843,570	-	386,824	1,063,801	4,571,816
Charge for year	55,491	11,904	132,228	-	78,349	40,916	318,888
Transfers							
Disposals							
At 31 October 2025	1,232,013	1,113,003	975,798	-	465,173	1,104,717	4,890,704
Net book value							
At 31 October 2025	280,477	102,333	298,251	-	962,189	941,109	2,584,359
At 31 October 2024	330,997	64,402	381,604	-	947,563	982,025	2,706,591

The Faculty of Advocates Faculty Funds' heritable properties were valued in December 1998 by Ryden, International Property Consultants, on the basis of open market value. As a result of the impairment in the value of the properties, the annual depreciation charge is £63,290 less than the charge on a historical cost basis. The Faculty of Advocates Faculty Funds has taken advantage of the option under FRS 102 to continue to use these valuations for accounting purposes.

The Faculty Funds leases properties in Edinburgh and Glasgow; the costs of Leasehold Improvements in these buildings are treated as assets held under operating leases and are depreciated over the lease term. Depreciation charged on Leasehold Improvements was £78,349 (2024 : £73,890).

16. Investments – Group and Faculty Funds

The Faculty of Advocates Faculty Funds owns 100% of the ordinary share capital of Faculty Services Limited, ("FSL"), a company registered in Scotland (SC048261). FSL recorded a profit after taxation for the year of £185,471 (2024: £143,846) and net assets of £927,473 (2024: £742,002).

The £100 cost of this investment is included below. The principal activities of Faculty Services Limited are the provision of clerical services and collection of fees for Counsel. The remainder of the investments are listed.

Group and Faculty Funds	**2025** Unrestricted Funds Total £	**2025** Restricted fund Faculty Scholarship Total £	**2025** Total £	**2024** Restricted fund Faculty Scholarship Total £
UK investments				
Opening market value	4,499,229	1,117,262	5,616,491	5,162,340
Additions at cost	2,247,092	180,880	2,427,972	1,562,853
Disposal proceeds	(2,181,177)	(156,040)	(2,337,217)	(1,418,851)
Gain/(loss) for the year:				
Realised	20,903	4,087	24,990	50,435
Unrealised	148,088	112,388	260,476	259,714
	4,734,135	1,258,577	5,992,712	5,616,491
Cash	28,095	12,073	40,168	24,504
Market value at 31 October 2025	4,762,230	1,270,650	6,032,880	5,640,995
Total for Group	**4,762,230**	**1,270,650**	**6,032,880**	**5,640,995**
Investment in Faculty Services Limited	-	100	100	100
Total for Faculty Funds	**4,762,230**	**1,270,750**	**6,032,980**	**5,641,095**

Risk is mitigated by holding investments in externally managed portfolios. Each portfolio has a firm of Investment managers who maintain the portfolio according to a risk profile strategy set by the Faculty. The portfolios are diversified by market sector and geographical distribution.

17. Debtors

	2025 Group	2025 Faculty Funds	2024 Group	2024 Faculty Funds
	£	£	£	£
Trade debtors	216,302	41,201	51,043	11,882
Provision for bad debts	(154,040)	(36,377)	-	-
Prepayments and other debtors	520,194	367,946	359,893	228,021
Other taxation and social security	23,096	23,096	77,486	77,486
Due by Members' Fund	-	-	-	-
Due by subsidiary undertaking	-	107,647	-	311,557
Total	605,552	503,513	488,422	628,946

18. Creditors

	2025 Group	2025 Faculty Funds	2024 Group	2024 Faculty Funds
	£	£	£	£
Trade creditors	1,702,832	297,553	2,576,921	178,388
Corporation tax	65,538	-	16,132	-
Other taxation and social security	449,809	66,030	383,987	65,724
Other creditors	1,468,027	2,077	1,375,349	1,770
Due to Members' Fund	551,876	551,876	26,630	26,630
Due to subsidiary undertaking	-	27,918	-	-
Accruals	545,130	290,541	505,820	282,140
Total	4,783,212	1,235,995	4,884,839	554,652

19. Unrestricted funds

	Group	Faculty Funds
	£	£
At 1 November 2024	9,122,281	8,380,378
Income on fund	11,884,512	5,950,160
Expenditure on fund	(11,699,040)	(5,950,160)
Transfer from Lord Hope Scholarship fund	25,000	25,000
Funds at 31 October 2025	9,332,753	8,405,378
At 1 November 2023	8,835,694	8,237,640
Income on fund	10,967,333	5,654,134
Expenditure on fund	(10,680,746)	(5,511,396)
Transfer from Lord Hope Scholarship fund	-	-
Funds at 31 October 2024	9,122,281	8,380,378

The transfer from Lord Hope Scholarship Fund reflects donations from Lord Hope Scholarship Fund which were previously charged to unrestricted funds.

20. Restricted funds – Group and Faculty Funds

	Library Archiving Project	Lord Hope Scholarship Fund	Lord Reid /Faculty Scholarship Fund	2025 Total
	£	£	£	£
Fund at 1 November 2024	53,437	293,382	964,045	1,310,864
Income on fund – dividends and interest	-	210,243	28,159	238,402
Expenditure on fund:				
Grant Awards	-	(128,000)	(30,000)	(158,000)
Investment management fee	-	-	(10,811)	(10,811)
Gain/(loss) on sale of investments	-	-	4,087	4,087
Unrealised loss on investments	-	-	112,388	112,388
Transfer to unrestricted funds	-	(25,000)	-	(25,000)
Fund at 31 October 2025	53,437	350,625	1,067,868	1,471,930

	Library Archiving Project	Lord Hope Scholarship Fund	Lord Reid /Faculty Scholarship Fund	2024 Total
	£	£	£	£
Fund at 1 November 2023	**36,824**	**220,184**	**837,086**	**1,094,094**
Income on fund – dividends and interest	36,000	190,198	28,972	255,170
Expenditure on fund:				
Grant Awards	(19,387)	(117,000)	(19,000)	(155,387)
Investment management fee	-	-	(10,090)	(10,090)
Loss on sale of investments	-	-	6,481	6,481
Unrealised loss on investments	-	-	120,596	120,596
Transfer from unrestricted funds	-	-	-	
Fund at 31 October 2024	53,437	293,382	964,045	1,310,864

21. Analysis of net assets between funds

Group – 2025		Tangible and heritage assets	Investments	Net current assets	Total
		£	£	£	£
Restricted funds	Faculty Scholarship	-	1,270,650	(202,782)	1,067,868
	Lord Hope Scholarship	-	-	350,625	350,625
	Library Archiving Project	-	-	53,437	53,437
		-	1,270,650	201,280	1,471,930
Unrestricted funds		2,828,152	4,762,230	1,742,371	9,332,753
Total net assets		2,828,152	6,032,880	1,943,651	10,804,683

Faculty Funds – 2025		Tangible and heritage assets	Investments	Net current assets	Total
		£	£	£	£
Restricted funds	Faculty Scholarship	-	1,270,650	(202,782)	1,067,868
	Lord Hope Scholarship	-	-	375,625	375,625
	Library Archiving Project	-	-	53,437	53,437
		-	1,270,650	226,280	1,496,930
Unrestricted funds		2,699,802	4,762,330	918,246	8,380,378
Total net assets		2,699,802	6,032,980	1,144,526	9,877,308

Group – 2024		Tangible and heritage assets	Investments	Net current assets	Total
		£	£	£	£
Restricted funds	Faculty Scholarship	-	1,136,827	(172,782)	964,045
	Lord Hope Scholarship	-	-	293,382	293,382
	Library Archiving Project	-	-	53,437	53,437
		-	1,136,827	174,037	1,310,864
Unrestricted funds		2,959,295	4,504,168	1,658,818	9,122,281
	Total net assets	2,959,295	5,640,995	1,832,855	10,433,145

Faculty funds – 2024		Tangible and heritage assets	Investments	Net current assets	Total
		£	£	£	£
Restricted funds	Faculty Scholarship	-	1,136,827	(172,782)	964,045
	Lord Hope Scholarship	-	-	293,382	293,382
	Library Archiving Project	-	-	53,437	53,437
		-	1,136,827	174,037	1,310,864
Unrestricted funds		2,822,034	4,504,268	1,054,076	8,380,378
	Total net assets	2,822,034	5,641,095	1,228,113	9,691,242

22. Lease commitments

The total of future minimum lease payments under non-cancellable operating leases for each of the following periods are:

	2025 Group	2025 Faculty Funds	2024 Group	2024 Faculty Funds
	£	£	£	£
Payable within 12 months	212,754	118,000	218,713	121,561
Payable within one to five years	601,259	472,000	742,793	472,000
Payable after more than five years	842,500	842,500	960,500	960,500
Total	**1,656,513**	**1,432,500**	**1,922,006**	**1,554,061**

Operating lease payments recognised as an expense in the year by the Group were £398,713 (2024: £218,713) and by Faculty Funds were £121,561 (2024: £125,527).

23. Related parties

The Faculty Funds owns 100% of the issued share capital of Faculty Services Limited ("FSL").

In terms of the Scheme annexed to the Minute of Agreement between Faculty Services Limited and The Faculty of Advocates dated 12 February 1971, Faculty Services Limited undertakes, inter alia, the rendering of accounts for work done by practising advocates and the ingathering of fees payable for such work on an agency basis. All Advocate Trustees were subscribers to the Scheme during the year and had the same interest in the arrangement as every other subscriber.

FSL paid rent of £180,000 (2024: £180,000) to the Faculty Funds. Faculty Funds debtor with FSL is £107,647 (2024: £311,557) and other activity throughout the year included in Faculty Funds were payments of £771,117 (2024: £715,420) and receipts of £336,502 (2024: £449,929) to and from FSL respectively which included salary recharges, professional fees and other services.

Following the implementation of the Declaration of Trust, on 3rd March 1976, The Faculty of Advocates Members' Fund was established to operate the non-charitable function of The Faculty of Advocates whilst the charitable function was incorporated into The Faculty of Advocates Faculty Funds (registered charity SC010773). Owing to mutual Office Bearers (excluding independent trustees within The Faculty of Advocates Faculty Funds) The Faculty of Advocates Members' Fund and The Faculty of Advocates Faculty Funds are subject to common control but neither body controls the other. The Faculty of Advocates Faculty Funds fully controls its wholly owned trading subsidiary Faculty Services Limited (company registration SC048261).

Related party transactions with The Faculty of Advocates Members' Funds are fully disclosed within the financial statements.

24. Pensions – Group and Faculty Funds

The Faculty of Advocates Faculty Funds participated in a funded multi-employer defined benefit pension scheme in the UK, until July 2010 when the scheme was closed. From August 2010, a stakeholder scheme was offered to all eligible employees. Employees contribute a minimum of 4% of pensionable salary, to qualify for a fixed employer contribution of 9%.

The defined benefit scheme is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was carried out at 31 October 2023, by a qualified independent actuary. The major assumptions used by the actuary are shown below.

Assumptions

	31 October 2025	31 October 2024	31 October 2023
Rate of increase in salaries	4.45%	4.80%	4.80%
Rate of increase in pensions in payment	2.85%	3.15%	3.15%
Rate of revaluation for deferred pensions	2.55%	2.75%	2.70%
Discount rate	5.55%	5.40%	5.75%
Inflation assumption (RPI)	2.95%	3.30%	3.30%

Present values of defined benefit obligation, fair value of assets and defined benefit liability with the expected rates of return on the assets:

	31 October 2025	31 October 2024	31 October 2023
	£000	£000	£000
Equities	5,416	5,689	9,895
Gilts	-	-	5,963
Corporate bonds	21,868	22,400	10,242
Absolute Return	-	-	224
Cash	305	351	862
Property	-	-	-
Total market value of assets	27,589	28,440	27,186

Change in value of the assets

	2025	2024
	£000	£000
Fair value of assets at 1 November 2024	28,440	27,186
Interest on assets	1,511	1,538
Company contributions	-	-
Contributions by Plan participants	-	-
Benefits paid	(623)	(864)
Administration costs	(322)	(41)
Change due to settlements and curtailments	-	-
Return on assets less interest	(1,417)	621
Fair value of assets at 31 October 2025	27,589	28,440

24. Pensions (Continued.)

Change in value of the DB liabilities

	2025	2024
	£000	£000
Value of liabilities at 1 November 2024	16,196	16,007
Current service cost		-
Contributions by Plan participants		-
Past service costs		-
Interest on liabilities	858	896
Benefits paid	(623)	(864)
Change due to settlements and curtailments	-	-
Experience (gain)/ loss on liabilities	29	(150)
Changes to demographic assumptions	66	(551)
Changes to financial assumptions	(839)	858
Value of liabilities at 31 October 2025	15,687	16,196
Net pension asset	11,902	12,244
Restriction on asset realised	(11,902)	(12,244)
	-	-

The actuarial valuation as at 31 October 2025 showed a decrease in the surplus from £12,244,000 to £11,902,000.

24. Pensions (Continued.)

Amount recognised in the statement of financial activities

Group and Faculty Funds –	**2025**	**2024**
	£000	£000
Current service costs	-	-
Administration costs	322	41
Interest on liabilities	858	896
Interest on assets	(1,511)	(1,538)
Past service costs	-	-
Settlement and curtailment costs	-	
Interest on effect of asset ceiling	661	-
Total gain to statement of financial activities	330	(601)

Remeasurements over the period

	2025	2024
	£000	£000
Loss / (gain) on assets in excess of interest	1,417	(621)
Experience losses / (gains) on liabilities	29	(150)
Losses / (gains) from changes to demographic assumptions	66	(551)
Losses / (gains) from changes to financial assumptions	(839)	858
Losses / (gains) from change in effect of asset ceiling	(1,003)	1,065
Total remeasurements	(330)	601

At the year-end there were outstanding pension contributions of £Nil (2024: £Nil).

Stakeholder Pension Scheme

	2025 Group	**2025** Faculty Fund	**2024** Group	**2024** Faculty Fund
	£	£	£	£
Stakeholder pension scheme - employer contributions	543,419	200,208	476,066	187,287

25. Reconciliation of operating surplus to net cash inflow from operating activities

	2025 Group	2025 Faculty Funds	2024 Group	2024 Faculty Funds
	£	£	£	£
Net income	371,538	186,066	454,823	359,508
Corporation tax paid	-	-	48,534	-
Interest and dividends receivable	(183,597)	(150,996)	(176,646)	(133,364)
(Gains)/losses on investments	(285,564)	(285,467)	(310,149)	(310,149)
Depreciation charges	370,531	318,888	327,198	262,761
(Gain)/loss on Disposal of Fixed Assets			-	-
Decrease/(increase) in debtors	(112,743)	129,820	(268,277)	(198,687)
Increase/(decrease) in creditors	(101,627)	681,343	1,103,770	(91,251)
Net cash inflow from operating activities	58,538	879,654	1,179,253	(111,182)

26. Analysis of changes in cash and cash equivalents

(a) Returns on investments and servicing of finance	2025 Group	2025 Faculty Funds	2024 Group	2024 Total As Restated Faculty Funds
	£	£	£	£
Interest and dividends received	183,597	150,996	176,646	133,364
Net cash inflow for returns on investing and servicing of finance	183,597	150,996	176,646	133,364
(b) Capital expenditure and financial investment				
Purchase of heritage assets	-	-	(10,000)	(10,000)
Purchase of tangible fixed assets	(239,388)	(196,656)	(453,045)	(417,148)
Purchase of investments	(2,427,972)	(2,427,972)	(1,562,853)	(1,562,853)
Sale of tangible fixed assets	-	-	-	-
Sale of investments	2,337,217	2,337,217	1,418,851	1,418,851
Net cash (outflow) for capital expenditure and financial investments	(330,143)	(287,411)	(607,047)	(571,150)

Please see note 30 for further details of the restatements referenced above.

27. Analysis of net funds

Group	1 November 2024 £	Cash Flow £	31 October 2025 £
Cash at bank and in hand	6,238,450	(103,574)	6,134,876
Cash held in investments	24,504	15,664	40,168
Total	6,262,954	(87,910)	6,175,044

Group	1 November 2023 £	Cash Flow £	31 October 2024 £
Cash at bank and in hand	5,444,749	793,701	6,238,450
Cash held in investments	69,354	(44,850)	24,504
Total	5,514,103	748,851	6,262,954

Faculty Funds	1 November 2024 £	Cash Flow £	31 October 2025 £
Cash at bank and in hand	1,140,001	727,576	1,867,577
Cash held in investments	24,504	15,664	40,168
Total	1,164,505	743,240	1,907,745

Faculty Funds	1 November 2023 £	Cash Flow £	31 October 2024 £
Cash at bank and in hand	1,643,980	(503,979)	1,140,001
Cash held in investments	69,354	(44,850)	24,504
Total	1,713,334	(548,829)	1,164,505

28. Comparative Statement of Financial Activities – Group

	Notes	Unrestricted Funds	Restricted Funds	2024 Total As Restated
		£	£	£
Income and Endowments from:				
Grants and donations	**5**	148,738	226,198	374,936
Charitable activities	**6/30**	4,434,623	-	4,434,623
Trading activities	**7**	5,493,199	-	5,493,199
Investment and other income	**8/30**	707,701	28,972	736,673
Gain/(loss) on fixed asset disposal	**15**	-	-	-
Total income		10,784,261	255,170	11,039,431
Expenditure on:				
Raising funds – investment manager fees		32,458	10,090	42,548
Charitable activities	**9**	2,754,820	133,500	2,888,320
Operational & other costs	**10**	2,123,118	21,887	2,145,005
Trading Activities	**7**	5,120,816	-	5,120,816
Total expenditure		10,031,212	165,477	10,196,689
Net gains/(losses) on investments				
Realised	**16**	43,954	6,481	50,435
Unrealised	**16**	139,118	120,596	259,714
Net income/(loss)		936,121	216,770	1,152,891
Other recognised gains/(losses):				
Corporation tax credit		(48,534)	-	(48,534)
Actuarial losses -pension scheme	**24/30**	464,000	-	464,000
Losses / (gains) from change in effect of asset ceiling	**24/30**	(1,065,000)	-	(1,065,000)
Net movement in funds		286,587	216,770	503,357
Total funds brought forward		8,835,694	1,094,094	9,929,788
Reserve transfer in year				
Total funds carried forward		9,122,281	1,310,864	10,433,145

Please see note 30 for further details of the restatements referenced above.

28. Comparative Statement of Financial Activities – Faculty Funds

	Notes	Unrestricted Funds	Restricted Funds	2024 Total As Restated
		£	£	£
Income and Endowments from:				
Grants and donations	**5**	148,738	226,198	374,936
Charitable activities	**6/30**	4,614,623	-	4,614,623
Investment and other income	**8/30**	707,701	28,972	736,673
Gain/(loss) on fixed asset disposal		-	-	
Total income		5,471,062	255,170	5,726,232
Expenditure on:				
Raising funds – investment manager fees		32,458	10,090	42,548
Charitable activities	**9**	2,754,820	133,500	2,888,320
Operational & other costs	**10**	2,123,118	21,887	2,145,005
Total expenditure		4,910,396	165,477	5,075,873
Net gains/(losses) on investments				
Realised	**16**	43,954	6,481	50,435
Unrealised	**16**	139,118	120,596	259,714
Net income/(loss)		743,738	216,770	960,508
Other recognised gains/(losses):				
Actuarial losses -pension scheme	**24/30**	464,000	-	464,000
Losses / (gains) from change in effect of asset ceiling	**24/30**	(1,065,000)	-	(1,065,000)
Net movement in funds		142,738	216,770	359,508
Total funds brought forward		8,237,640	1,094,094	9,331,734
Reserve transfer in year		-	-	-
Total funds carried forward		8,380,378	1,310,864	9,691,242

Please see note 30 for further details of the restatements referenced above.

29. Contingent liability

The Virgin Media Ltd v NTL Pension Trustees II decision, handed down by the High Court on 16 June 2023, considered the implications of section 37 of the Pension Schemes Act 1993. In a judgment delivered on 25 July 2024, the Court of Appeal unanimously upheld the decision of the High Court and the case has the potential to cause significant issues in the pensions industry. The Pension Scheme Trustee will investigate the possible implications with its advisers in due course, but it is not possible at present to estimate the potential impact, if any, on the Plan and any principal employer obligations.

30. Restated balances

Prior year actuarial gains and losses on defined benefit pension scheme for Faculty Fund and Group have been re-stated to show the actuarial losses of £464k and gains from change in effect of asset ceiling of £1.065m compared to a net total actuarial loss of £601k. This has been re-stated to show the gross position on the statement of financial activities of the re-measured pension asset and the effect of pension asset ceiling.

Faculty Fund prior year rental income of £180k and contribution from Members' Fund library of £601k have been re-stated within investment and other income (note 8) and charitable income (note 6) respectively. Faculty Fund and Group charitable income has been re-stated from £4.615m to £5.036m. Faculty Fund investment and other income has been re-stated from £737k to £315k accordingly. This has been re-stated in the current year to reflect a re-allocation of the income classification.

Faculty Fund prior year net cash outflow from operating activities and capital expenditure and financial investment outflow have been updated by £47k from £158k to £111k and from £524k to £571k respectively. This has been re-stated to ensure consistency between the notes and financial statements. Note 26b has also been updated to show the correct figure for the sale and purchase of investments as this figure was incorrect in the prior year note.

None of the above re-statements have resulted in any change to the prior year net income / (loss) for Group or Faculty Fund and no change to the prior year Group or Faculty Fund total reserves or balance sheet categories.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF

THE FACULTY OF ADVOCATES FACULTY FUNDS

Opinion

We have audited the financial statements of Faculty of Advocates Faculty Funds (the 'parent charity') and its subsidiary (the 'group') For the year ended 31 October 2025 which comprise the Group Statement of Financial Activities, Charity Statement of Financial Activities, Group Balance Sheet, Charity Balance Sheet, Group Cash Flow and Charity Cash Flow and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charity's affairs as at 31 October 2025 and of the group's and the parent charity's incoming resources and application of resources for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the trustees' annual report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept proper accounting records; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the group and parent charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charity by discussions with trustees and updating our understanding of the sector in which the group and parent charity operate.

Laws and regulations of direct significance in the context of the group and parent charity include the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Office of the Scottish Charity Regulator.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent charity's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the parent charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charity and the parent charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery LLP .....

Saffery LLP
9 Haymarket Square
Edinburgh
EH3 8RY

Statutory Auditors

Date: 2 June 2026

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006