

# Faculty Of Advocates - Faculty Funds

Scotland · Charity number SC010773

## Details

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**Status** Active

**Legal form** Other

**Registered** 1976-03-03

**Register** [View on the OSCR register](#)

## Contact

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**Address** Advocates Library  
Parliament House  
Edinburgh  
EH1 1RF

**Website** [www.advocates.org.uk](http://www.advocates.org.uk)

## Activities

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**Activities:** 'It carries out activities or services itself'

**Purposes:** 'the advancement of education', 'the advancement of the arts, heritage, culture or science', 'the advancement of human rights, conflict resolution or reconciliation'

**What the charity does:** It is set up for the advancement of education, arts, heritage, culture and science as well as the advancement of human rights, conflict resolution or reconciliation.

**Beneficiaries:** 'No specific group, or for the benefit of the community'

**Objectives:** The Faculty Funds shall be held by the Faculty in such manner and under such conditions as the Faculty may in its sole discretion determine for the following purposes: 1. The provision and maintenance of the Advocates' Library as the National Law Library of Scotland in accordance with the traditions of that Library and in particular as provided for in the National Library of Scotland Act 1925 and of such other law libraries as may be required to facilitate access by the public to qualified and independent advice on the law, of Scotland and for the efficient administration of the Courts and of inferior tribunals. 2. The maintenance of the College of Justice in Scotland. 3. The provision of facilities for the training and examination of persons in the law of Scotland and for the maintenance in the public interest of proper standards of professional conduct among members of Faculty. 4. The furtherance of the sound development and administration of the law in Scotland including the provision of accommodation in reasonable proximity to the Courts or elsewhere in which the public may obtain advice on that law. 5. The preservation of buildings, books, manuscripts, papers, paintings and other objects of importance to the history of the law and its administration in Scotland, and making reasonable provision for the examination by the public of such buildings, books, manuscripts, papers, paintings and objects. 6. Such other purposes ancillary to the foregoing as are charitable purposes within the meaning of the Taxes Acts.

## Geography

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- **Main operating location:** Midlothian
- **Geographical spread:** Operations cover all or most of Scotland

## Finances

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Period end	Income	Expenditure	Assets	Employees
2024-10-31	£5,726,232	£5,075,873	-	67
2023-10-31	£6,407,492	£4,462,019	-	67
2022-10-31	£4,239,191	£3,684,299	-	58
2021-10-31	£4,378,764	£4,213,189	-	56
2020-10-31	£4,260,344	£4,017,852	-	56

**Faculty Of Advocates - Faculty Funds**

Scotland - Charity number SC010773

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# Accounts

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**THE FACULTY OF ADVOCATES FACULTY FUNDS**  
**ANNUAL REPORT and GROUP FINANCIAL STATEMENTS**  
**For the year ended 31 October 2024**

**THE FACULTY OF ADVOCATES FACULTY FUNDS**

**ANNUAL REPORT of the TRUSTEES and GROUP FINANCIAL STATEMENTS**

**For the year ended 31 October 2024**

<b>Contents</b>	<b>Page</b>
Officers and Advisers	1
Report of the Trustees	2 – 7
Statement of Trustees' Responsibilities	8
Consolidated Statement of Financial Activities	9
Faculty Funds Statement of Financial Activities	10
Consolidated and Faculty Funds Balance Sheets	11
Consolidated and Faculty Funds Cash Flow Statements	12
Notes to the Accounts	13-34
Independent Auditor's Report to the Trustees of The Faculty of Advocates Faculty Funds	35 – 37
Detailed Income and Expenditure Accounts	38 -39

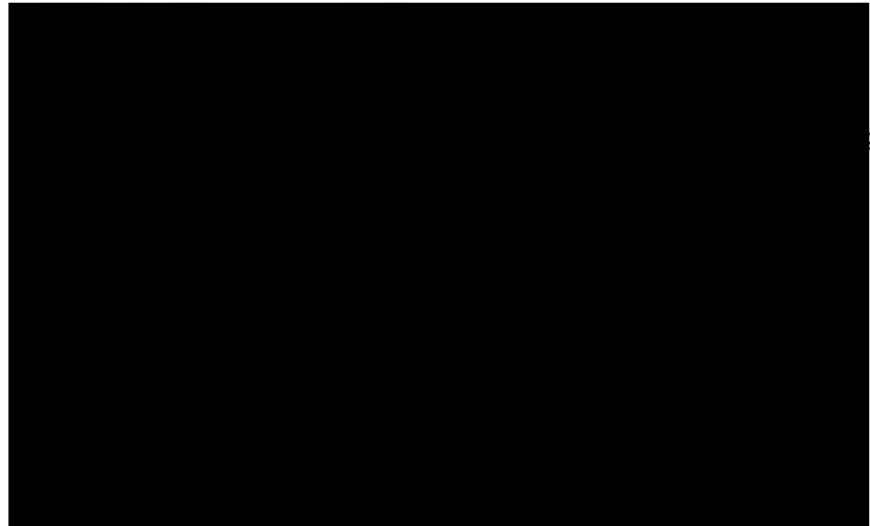
**THE FACULTY OF ADVOCATES FACULTY FUNDS**

**ANNUAL REPORT of the TRUSTEES and GROUP FINANCIAL STATEMENTS**

**For the year ended 31 October 2024**

**OFFICERS AND ADVISERS**

**Trustees:**



**Principal Address:**

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

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

## THE FACULTY OF ADVOCATES FACULTY FUNDS

### ANNUAL REPORT OF THE TRUSTEES

#### For the year ended 31 October 2024

The Trustees submit their report and the audited accounts for the year ended 31 October 2024. 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 has maintained a prominent and proactive role in contributing to law reform and external engagement, continuing to liaise closely with the Scottish Government on 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. Noteworthy among these are the Regulation of Legal Services (Scotland) Bill which is currently awaiting Royal Assent as well as the Victims, Witnesses, and Justice Reform (Scotland) Bill in Stage 3 of the Parliamentary Process.

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.

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 decreased to £226k (2023: £254k). 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 £27k (2023: £22k) 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 OF ADVOCATES FACULTY FUNDS

### ANNUAL REPORT OF THE TRUSTEES (continued)

For the year ended 31 October 2024

#### Achievements and performance (continued)

The Faculty has continued the Quality Assurance Programme for the ninth year following its introduction in 2016. In 2024, 68 members of Faculty were assessed. All members being assessed were judged as having met the standard of effective advocacy on their first assessment.

#### Achievements and performance

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. 2023/4 saw 35 new case applications, not including work on on-going cases from 2022/3. The Unit is still continuing to build new relationships with agencies and, in 2023/4, has signed Memoranda of Understanding with Fife Community Law and JustRight Scotland.

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 Intrans. The Clerk of Faculty is currently leading on a project revising the Regulations as to Intrans with the support of the Deputy Clerk. This is expected to finalise later in 2025.

During the year, 37 intrans presented their petitions for matriculation, and the Faculty admitted 22 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:

- Faculty, together with the John Smith Centre and John Smith Trust, hosted an International Women's Day event at Parliament Hall. This was to recognise the work of women in public life and mark 30 years of the legacy of John Smith K.C MP. A panel of four women - [REDACTED]
- Faculty's mini-devils programme was again a success this year with 30 students joining the scheme which ran from January to March. This is led by advocates [REDACTED]
- Faculty hosted its 16<sup>th</sup> World Intellectual Property Day Conference 2024 during April. The theme for this year's free event, which as always was open to all advocates, solicitors, devils, trainees, students and other professionals with an interest in IP was 'Intellectual Property and the Sustainable Development Goals: Building our future with innovation and creativity'.
- Faculty hosted the 2<sup>nd</sup> annual Women at the Scottish Bar Careers Clinic again in May aiming to encourage and support more women to consider a career at the Bar. Female trainees and qualified solicitors had confidential conversations with female members of Faculty. These conversations covered, among other things, how to plan their journey to the Bar, current opportunities and work levels at Faculty, and what life as an advocate is really like.
- Faculty members attended the World Bar Conference in May which was held in Belfast and Dublin. The three-day event attracted delegates from all over the world. The Dean of Faculty [REDACTED] K.C took part in the 'Rule of Law under fire: existing in an age of conflict' panel discussion. [REDACTED] K.C discussed cancel culture, free speech and the right to offend at the conference and was joined

## THE FACULTY OF ADVOCATES FACULTY FUNDS

### ANNUAL REPORT OF THE TRUSTEES (continued)

For the year ended 31 October 2024

#### Education and training (continued)

- in that session by [REDACTED] the then Advocate General, Scotland. [REDACTED] 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 21<sup>st</sup> Century*' in June which featured a presentation from Keeper [REDACTED]. 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 [REDACTED], Advocate General and Advocate [REDACTED] both presented. The second event hosted was entitled 'The Power of Environmental Law' where advocate [REDACTED] both spoke at.
- 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 [REDACTED], the Dean of Faculty of Advocates and [REDACTED] President of the Law Society of Scotland.
- Faculty hosted its annual Employment Law Group conference in October, chaired by [REDACTED]. He was joined by keynote speaker, [REDACTED] and other speakers including [REDACTED].
- The Tumbling Lassie's annual Anti-Slavery seminar was hosted in the Laigh Hall, chaired by Dean of Faculty, [REDACTED] and included speakers; Solicitor General, [REDACTED] 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.
- [REDACTED] 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, [REDACTED] 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 21<sup>st</sup> Century Bar Conference took place in December. The theme for this year's event, co-chaired by [REDACTED] was "*Maintaining Privacy in a Public World.*" It was opened by the Dean of Faculty, [REDACTED] who introduced the keynote speaker, [REDACTED].

#### Financial Review

Consolidated accounts, also referred to as Group accounts, have been prepared after consultation with our new firm of Auditors, Saffery LLP. The Group comprises the Faculty of Advocates Faculty Funds and Faculty Services Limited.

The combined income for the group is £11,039k (2023: £11,329k). Charitable activity expenditure is comparable between years at £2,888k (2023 £2,651k). The group's investments have generated net gains of £310k after regular dividend and interest yields (2023: gains of £55k). The overall surplus for the year for the group is £503k (2023: £1,862k).

## THE FACULTY OF ADVOCATES FACULTY FUNDS

### ANNUAL REPORT OF THE TRUSTEES (continued)

For the year ended 31 October 2024

#### Finance review (continued)

The group has unrestricted reserves of £9,122k (2023: £8,836k) and restricted reserves of £1,311k (2023: £1,094k).

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.

#### 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 2024 the unrestricted reserves are £6,163k against an average quarterly expenditure in FY2324 of £2,511k. 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 utilise the Faculty wide risk management strategy to inform their approach to Faculty Funds specific risk exposure which comprises:

- A Faculty wide risk register used to identify and review the key risks that the Faculty Fund may face.
- The establishment and maintenance of controls by way of systems and procedures to mitigate the key risks that have been identified.
- The implementation of procedures designed to minimise any potential risk to the Faculty of Advocates should the risks materialise.
- The testing of key controls for adequacy and effectiveness to inform review.

While key risks have been captured and agreed across the Faculty structure, there is further work underway to enhance ownership and understanding of impact and likelihood to produce high level risk profile ratings. This will be informed by various data points going forward and reported through the Audit and Risk Committee, FSL Board and Faculty Council.

The main risks identified during the period involved the following:

- Financial risks including sufficient capital liquidity and adequate expenditure monitoring to ensure resources support Faculty, services and strategic and operational projects.
- Governance efficiency where there is a strategic risk that unclear decision-making or allocation of responsibilities can result in poor decision making, a lack of responsibility and accountability or decisions being made outside assumed delegated authorities.
- Adequate and effective control framework: Risk that controls are not reflective of new processes or tested regularly therefore unable to prevent or detect issues.
- The robustness of IT systems: Technical obsolescence and reliance on a narrow support base as well as the growing cyber security landscape.

## **THE FACULTY OF ADVOCATES FACULTY FUNDS**

### **ANNUAL REPORT OF THE TRUSTEES (continued)**

**For the year ended 31 October 2024**

#### **Risk management (continued)**

All risks are reviewed at least annually but generally monitored on an ongoing basis. This ensures strategies and plans are devised and updated to reduce their impact on the running of the organisation.

#### **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 £143,846 (2023: £480,915). During the year FSL paid rent of £180,000 (2023: £180,000) to the Faculty Funds. Net assets of FSL are £742,002 (2023: £598,156)

A Deed of Covenant exists between FSL and the Faculty Funds. This deed allows 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 2024, FSL donated £nil (2023: £225,000). Faculty Funds debtor with FSL is £311,557 (2023: £46,066) and trading activity throughout the year was £265,491 (2023: £46,066) which included recharges to members (e.g. mobile phones, stationery), salary recharges and professional fees.

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. 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.

**THE FACULTY OF ADVOCATES FACULTY FUNDS**

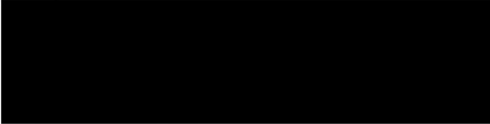
**ANNUAL REPORT OF THE TRUSTEES (continued)**

**For the year ended 31 October 2024**

**Trustee induction and training (continued)**

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



**Treasurer**



**Date: 23 October 2025**

## **THE FACULTY OF ADVOCATES FACULTY FUNDS**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**For the year ended 31 October 2024**

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 2024

	Note	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
<b>Income and Endowments from:</b>					
Grants and donations	5	148,738	226,198	374,936	1,724,749
Charitable activities	6	4,434,623	-	4,434,623	2,769,305
Trading activities	7	5,493,199	-	5,493,199	5,326,145
Investment and other income	8	707,701	28,972	736,673	665,460
Gain/(loss) on fixed asset disposal	15	-	-	-	843,058
<b>TOTAL INCOME</b>		<b>10,784,261</b>	<b>255,170</b>	<b>11,039,431</b>	<b>11,328,717</b>
<b>Expenditure on:</b>					
Raising funds – investment manager fees		32,458	10,090	42,548	22,203
Charitable activities	9	2,754,820	133,500	2,888,320	2,651,140
Operational & other costs	10	2,123,118	21,887	2,145,005	1,788,676
Trading activities	7	5,120,816	-	5,120,816	4,624,818
<b>TOTAL EXPENDITURE</b>		<b>10,031,212</b>	<b>165,477</b>	<b>10,196,689</b>	<b>9,086,837</b>
<b>Net gains/(losses) on investments</b>					
Realised	16	43,954	6,481	50,435	4,042
Unrealised	16	139,118	120,596	259,714	50,977
<b>Net income/(loss)</b>		<b>936,121</b>	<b>216,770</b>	<b>1,152,891</b>	<b>2,296,899</b>
<b>Other recognised gains/(losses):</b>					
Corporation tax (charge)/credit	13	(48,534)	-	(48,534)	(40,494)
Actuarial gain / (losses) on defined benefit pension scheme	24	(601,000)	-	(601,000)	(394,000)
<b>Net movement in funds</b>		<b>286,587</b>	<b>216,770</b>	<b>503,357</b>	<b>1,862,405</b>
<b>Total funds brought forward</b>		<b>8,835,694</b>	<b>1,094,094</b>	<b>9,929,788</b>	<b>8,067,383</b>
Reserve transfer in year	19	-	-	-	-
<b>Total funds carried forward</b>		<b>9,122,281</b>	<b>1,310,864</b>	<b>10,433,145</b>	<b>9,929,788</b>

All incoming resources are derived from continuing activities.

The notes on pages 13 to 34 form part of these accounts

**THE FACULTY OF ADVOCATES FACULTY FUNDS**

**FACULTY FUNDS STATEMENT OF FINANCIAL ACTIVITIES**

For the year ended 31 October 2024

	Notes	Unrestricted Funds £	Restricted Funds £	2024 Total £	2023 Total £
<b>Income and Endowments from:</b>					
Grants and donations	5	148,738	226,198	374,936	1,949,749
Charitable activities	6	4,614,623	-	4,614,623	2,949,305
Investment and other income	8	707,701	28,972	736,673	665,244
Gain/(loss) on fixed asset disposal	15	-	-	-	843,194
<b>Total income</b>		<b>5,471,062</b>	<b>255,170</b>	<b>5,726,232</b>	<b>6,407,492</b>
<b>Expenditure on:</b>					
Raising funds – investment manager fees		32,458	10,090	42,548	22,203
Charitable activities	9	2,754,820	133,500	2,888,320	2,651,140
Operational & other costs	10	2,123,118	21,887	2,145,005	1,788,676
<b>Total expenditure</b>		<b>4,910,396</b>	<b>165,477</b>	<b>5,075,873</b>	<b>4,462,019</b>
<b>Net gains/(losses) on investments</b>					
Realised	16	43,954	6,481	50,435	4,042
Unrealised	16	139,118	120,596	259,714	50,977
<b>Net income/(loss)</b>		<b>743,738</b>	<b>216,770</b>	<b>960,508</b>	<b>2,000,492</b>
<b>Other recognised gains/(losses):</b>					
Actuarial gains / (losses) on defined benefit pension scheme	24	(601,000)	-	(601,000)	(394,000)
<b>Net movement in funds</b>		<b>142,738</b>	<b>216,770</b>	<b>359,508</b>	<b>1,606,492</b>
<b>Total funds brought forward</b>		<b>8,237,640</b>	<b>1,094,094</b>	<b>9,331,734</b>	<b>7,725,242</b>
Reserve transfer in year	19	-	-	-	-
<b>Total funds carried forward</b>		<b>8,380,378</b>	<b>1,310,864</b>	<b>9,691,242</b>	<b>9,331,734</b>

All incoming resources are derived from continuing activities.

The notes on pages 13 to 34 form part of these accounts

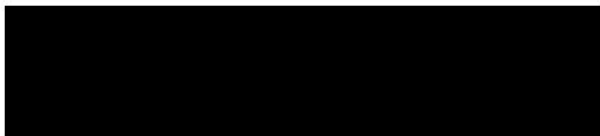
THE FACULTY OF ADVOCATES FACULTY FUNDS

CONSOLIDATED AND FACULTY FUNDS BALANCE SHEET

At 31 October 2024

		2024 Group	2024 Faculty Funds	2023 Group	2023 Faculty Funds
	Notes	£	£	£	£
<b>Fixed assets</b>					
Heritage assets	14	115,443	115,443	105,443	105,443
Tangible fixed assets	15	2,843,852	2,706,591	2,718,005	2,552,204
Investments	16	5,640,995	5,641,095	5,231,694	5,231,794
		<u>8,600,290</u>	<u>8,463,129</u>	<u>8,055,142</u>	<u>7,889,441</u>
<b>Current assets</b>					
Stocks for resale		13,818	13,818	13,957	13,957
Debtors	17	488,422	628,946	533,917	430,259
Cash at bank and in hand		6,238,450	1,140,001	5,444,749	1,643,980
		<u>6,740,690</u>	<u>1,782,765</u>	<u>5,992,623</u>	<u>2,088,196</u>
<b>Creditors: Amounts falling due within one year</b>	18	(4,884,839)	(554,652)	(4,098,418)	(645,903)
<b>Net current assets</b>		<u>1,855,851</u>	<u>1,228,113</u>	<u>1,894,205</u>	<u>1,442,293</u>
<b>Total assets less current liabilities</b>		<u>10,456,141</u>	<u>9,691,242</u>	<u>9,949,347</u>	<u>9,331,734</u>
Deferred taxation		(22,996)	-	(19,559)	-
		<u>10,433,145</u>	<u>9,691,242</u>	<u>9,929,788</u>	<u>9,331,734</u>
Unrestricted funds	19	9,122,281	8,380,378	8,835,694	8,237,640
Restricted funds	20	1,310,864	1,310,864	1,094,094	1,094,094
		<u>10,433,145</u>	<u>9,691,242</u>	<u>9,929,788</u>	<u>9,331,734</u>

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



Treasurer

Date: 23 October 2025

The notes on pages 13 to 34 form part of these accounts.

**THE FACULTY OF ADVOCATES FACULTY FUNDS**

**CASH FLOW STATEMENT**

**For the year ended 31 October 2024**

<b>Group</b>	<b>Notes</b>	<b>2024</b> £	<b>2023</b> £
Cash flow from operating activities	<b>25</b>	1,179,253	2,511,513
Returns on investments and servicing of finance (investing activities)	<b>26</b>	176,646	92,500
Capital expenditure and financial investment (investing activities)	<b>26</b>	(607,047)	(3,219,383)
Increase/(decrease) in cash in the period		<u>748,852</u>	<u>(615,370)</u>
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash in the period		748,852	(615,370)
Cash and cash equivalents brought forward		5,514,103	6,129,473
Cash and cash equivalents carried forward		<u>6,262,954</u>	<u>5,514,103</u>
<b>Analysis of cash and cash equivalents</b>			
Cash at bank and in hand		6,238,450	5,444,749
Cash account in investment portfolio		24,504	69,354
		<u>6,262,954</u>	<u>5,514,103</u>

<b>Faculty Funds</b>	<b>Notes</b>	<b>2024</b> £	<b>2023</b> £
Cash flow from operating activities	<b>25</b>	(158,317)	944,690
Returns on investments and servicing of finance (investing activities)	<b>26</b>	133,364	92,284
Capital expenditure and financial investment (investing activities)	<b>26</b>	(523,876)	(3,125,066)
Increase/(decrease) in cash in the period		<u>(548,829)</u>	<u>(2,088,092)</u>
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash in the period		(548,829)	(2,088,092)
Cash and cash equivalents brought forward		1,713,334	3,801,426
Cash and cash equivalents carried forward		<u>1,164,505</u>	<u>1,713,334</u>
<b>Analysis of cash and cash equivalents</b>			
Cash at bank and in hand		1,140,001	1,643,980
Cash account in investment portfolio		24,504	69,354
		<u>1,164,505</u>	<u>1,713,334</u>

The notes on pages 13 to 34 form part of these accounts

## THE FACULTY OF ADVOCATES FACULTY FUNDS

### NOTES TO THE ACCOUNTS

For the year ended 31 October 2024

#### 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 Intrans 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.

#### 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 3<sup>rd</sup> 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).

Previously the Faculty of Advocates Faculty Funds statutory financial statements were prepared for the charity only with no group accounts prepared. The Trustees having reviewed the overall structure and ownership have now prepared group accounts for the year to 31 October 2023 and the comparative period to 31 October 2022.

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 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. The General Fund is the product of surpluses accumulated each year.

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 to Faculty Funds by way of a donation.

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 and the users of these accounts.

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.

## THE FACULTY OF ADVOCATES FACULTY FUNDS

### NOTES TO THE ACCOUNTS (continued)

For the year ended 31 October 2024

#### 2. Accounting policies (continued)

- (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 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. Continued close monitoring of levels of feeing and cash collections are considered at each Finance Committee meeting, together with anecdotal evidence on trends in business levels within the Courts.

#### 3. Significant judgements and estimation uncertainty

In the application of the Faculty's 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

## THE FACULTY OF ADVOCATES FACULTY FUNDS

### NOTES TO THE ACCOUNTS (continued)

For the year ended 31 October 2024

#### 3. Significant judgements and estimation uncertainty (continued)

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 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:

	2024 Group	2024 Faculty Funds	2023 Group	2023 Faculty Funds
	£	£	£	£
Wages and salaries	5,465,634	2,277,049	4,749,251	1,837,477
Social security costs	512,096	209,780	480,384	186,348
Medical insurance	166,686	115,552	150,948	77,524
Other pension costs	476,066	187,287	386,984	149,922
Staff costs	6,620,482	2,789,668	5,767,567	2,251,271
FRS 102 fair value adjustment - net interest costs	(601,000)	(601,000)	(394,000)	(394,000)
	<u>6,019,482</u>	<u>2,188,668</u>	<u>5,373,567</u>	<u>1,857,271</u>

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 £737,559 (2023: £605,270) and for Faculty Funds it was £329,895 (2023: £281,730)

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 each received remuneration of £5,000, a total of £10,000 in 2024 (2023 £10,000). These figures are included in the totals above.

##### Staff numbers

	2024 Group	2024 Faculty Funds	2023 Group	2023 Faculty Funds
	Number	Number	Number	Number
Employees whose annual emoluments exceeded £60,000				
Between £60,000 and £69,999	2	-	2	-
Between £70,000 and £79,999	4	3	5	3
Between £80,000 and £89,999	-	-	-	-
Between £90,000 and £99,999	-	-	-	-
Between £100,000 and £110,000	-	-	-	-
Between £110,000 and £120,000	-	-	-	-
Between £120,000 and £129,999	1	1	1	0.5

**THE FACULTY OF ADVOCATES FACULTY FUNDS**

**NOTES TO THE ACCOUNTS (continued)**

**For the year ended 31 October 2024**

The average monthly number of employees during the year

Library	19	17	16	16
Clerking	45	-	45	-
Subscriber Services	-	-	16	-
IT	14	10	9	9
Facilities	33	19	24	24
Administration	32	21	31	18
<b>Total</b>	<b>143</b>	<b>67</b>	<b>141</b>	<b>67</b>

**5. Grants and Donations**

<b>Group</b>			2024	2023
	Unrestricted £	Restricted £	Total £	Total £
Members' Fund	142,738	-	142,738	1,622,736
Individual Advocates	-	226,198	226,198	91,513
Grants	6,000	-	6,000	10,500
<b>Total</b>	<b>148,738</b>	<b>226,198</b>	<b>374,936</b>	<b>1,724,749</b>

**Faculty Funds**

			2024	2023
	Unrestricted £	Restricted £	Total £	Total £
Members' Fund	142,738	-	142,738	1,622,736
Individual Advocates	-	226,198	226,198	91,513
Faculty Services Limited	-	-	-	225,000
Grants	6,000	-	6,000	10,500
<b>Total</b>	<b>148,738</b>	<b>226,198</b>	<b>374,936</b>	<b>1,949,749</b>

**6. Charitable Activities income**

<b>Group</b>			2024	2023
	Unrestricted £	Restricted £	Total £	Total £
Contribution from Members' Fund - general	4,424,197	-	4,424,197	2,758,730
Legal education & other income	10,426	-	10,426	10,575
Rental income	-	-	-	-
<b>Total</b>	<b>4,434,623</b>	<b>-</b>	<b>4,434,623</b>	<b>2,769,305</b>

**Faculty Funds**

			2024	2023
	Unrestricted £	Restricted £	Total £	Total £
Contribution from Members' Fund - general	4,424,197	-	4,424,197	2,758,730
Legal education & other income	10,426	-	10,426	10,575
Rental income	180,000	-	180,000	180,000
<b>Total</b>	<b>4,614,623</b>	<b>-</b>	<b>4,614,623</b>	<b>2,949,305</b>

**THE FACULTY OF ADVOCATES FACULTY FUNDS**

**NOTES TO THE ACCOUNTS (continued)**

**For the year ended 31 October 2024**

**7. Trading activities – Group only**

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

<b>Income</b>	Unrestricted	Restricted	2024	2023
	£	£	Total £	Total £
Commission	5,440,988	-	5,440,988	5,276,937
Photocopying services	2,024	-	2,024	6,449
Other income	50,187	-	50,187	42,759
	<b>5,493,199</b>	<b>-</b>	<b>5,493,199</b>	<b>5,326,145</b>

<b>Expenditure</b>	Unrestricted	Restricted	2024	2023
	£	£	Total £	Total £
Staff costs	3,830,814	-	3,830,814	3,516,296
Depreciation	64,437	-	64,437	87,008
Other operating charges	1,225,565	-	1,225,565	1,021,514
	<b>5,120,816</b>	<b>-</b>	<b>5,120,816</b>	<b>4,624,818</b>

**8. Investment & other income**

**Group**

	Unrestricted	Restricted	2024	2023
	£	£	Total £	Total £
Investment income	104,392	28,972	133,364	92,500
Contribution from Members' Fund - library	601,209	-	601,209	529,854
Other income	2,100	-	2,100	43,106
<b>Total</b>	<b>707,701</b>	<b>28,972</b>	<b>736,673</b>	<b>665,460</b>

**Faculty Funds**

	Unrestricted	Restricted	2024	2023
	£	£	Total £	Total £
Investment income	104,392	28,972	133,364	92,284
Contribution from Members' Fund - library	601,209	-	601,209	529,854
Other income	2,100	-	2,100	43,106
<b>Total</b>	<b>707,701</b>	<b>28,972</b>	<b>736,673</b>	<b>665,244</b>

**9. Charitable Activities expenditure – Group and Faculty Funds**

	Unrestricted	Restricted	2024	2023
	£	£	Total £	Total £
Direct Staff costs	1,072,882	-	1,072,882	1,008,181
Books and publications	609,913	-	609,913	583,240
Grant awards	8,000	133,500	141,500	117,500
Legal education	187,762	-	187,762	120,853
Building maintenance	876,263	-	876,263	821,366
<b>Total</b>	<b>2,754,820</b>	<b>133,500</b>	<b>2,888,320</b>	<b>2,651,140</b>

**THE FACULTY OF ADVOCATES FACULTY FUNDS**

**NOTES TO THE ACCOUNTS (continued)**

**For the year ended 31 October 2024**

**10. Operational and other costs – Group and Faculty Funds**

	2024 Total £	2023 Total £
Support	1,983,959	1,690,481
Governance	137,491	64,642
Other costs	23,555	33,553
<b>Total</b>	<b>2,145,005</b>	<b>1,788,676</b>

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

**11. Support and Governance costs – Group and Faculty Funds**

	Support £	Governance £	2024 Total £	2023 Total £
Staff costs	1,061,545	54,241	1,115,786	849,090
Rent of buildings	106,536	-	106,536	113,516
Stationery & printing	19,602	-	19,602	79,382
Computer software, services and consumables	354,787	-	354,787	268,626
Professional fees	181,236	-	181,236	111,367
Audit & accountancy fees	-	83,250	83,250	31,608
Irrecoverable vat due to partial exemption	46,013	-	46,013	36,648
Other costs	214,240	-	214,240	264,886
<b>Total</b>	<b>1,983,959</b>	<b>137,491</b>	<b>2,121,450</b>	<b>1,755,123</b>

**12. Cost of audit and other services**

	2024 Group £	2024 Faculty Funds £	2023 Group £	2023 Faculty Fund £
Auditor's remuneration comprises:				
Audit	137,750	76,000	47,913	31,608
Non-audit services	17,500	7,250	9,545	-
	-	-	-	-
	<b>155,250</b>	<b>83,250</b>	<b>57,458</b>	<b>31,608</b>

THE FACULTY OF ADVOCATES FACULTY FUNDS

NOTES TO THE ACCOUNTS (continued)

For the year ended 31 October 2024

13. Taxation on ordinary activities

a) Analysis of charge in the year

	2024	2023
	£	£
<u>Current tax charge/(credit):</u>		
UK Corporation tax based on the results for the year at 25% (2023 – 22.5%)	45,097	20,935
Adjustments in respect of previous periods	-	-
Total current tax charge/(credit)	<u>45,097</u>	<u>20,935</u>
<u>Deferred tax charge/(credit):</u>		
Origination and reversal of timing differences (note 4b)	3,437	19,559
Adjustments in respect of prior periods	-	-
Total deferred tax charge/(credit)	<u>3,437</u>	<u>19,559</u>
Tax charge/(credit) on profit on ordinary activities	<u>48,534</u>	<u>40,494</u>

(b) Factors affecting current tax charge

	2024	2023
	£	£
Profit on ordinary activities before taxation – Faculty Services Limited	<u>192,380</u>	<u>521,409</u>
Profit on ordinary activities by rate of tax	48,095	117,410
Fixed asset permanent differences	-	(784)
Expenses not deductible for tax purposes	439	-
Adjustments to brought forward values	-	(50,665)
Marginal relief	-	(268)
Adjustments in respect of previous periods – current tax	-	-
Adjustments in respect of previous periods – deferred tax	-	-
Deferred tax rate changes	-	4,934
Movement in deferred tax not recognised	-	(30,133)
Total current tax (note 13(a))	<u>48,534</u>	<u>40,494</u>

14. Heritage assets – Group and Faculty Funds

Cost and Net book value

	2020	2021	2022	2023	2024
Cost	57,718	62,218	67,434	69,583	105,443
Additions	4,500	5,216	2,149	35,860	10,000
Net book value	<u>62,218</u>	<u>67,434</u>	<u>69,583</u>	<u>105,443</u>	<u>115,443</u>

## THE FACULTY OF ADVOCATES FACULTY FUNDS

### NOTES TO THE ACCOUNTS (continued)

For the year ended 31 October 2024

#### 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 £
<b>Cost or valuation</b>							
At 31 October 2023	1,506,364	1,304,506	1,609,070	5,592	1,317,923	2,045,826	7,789,281
Additions	1,155	69,826	365,600	-	16,464	-	453,045
Transfers	-	-	-	-	-	-	-
Disposals	-	-	-	(5,592)	-	-	(5,592)
At 31 October 2024	1,507,519	1,374,332	1,974,670	-	1,334,387	2,045,826	8,236,734
<b>Accumulated depreciation</b>							
At 31 October 2023	1,118,065	1,203,990	1,407,810	5,592	312,934	1,022,885	5,071,276
Charge for year	58,457	24,512	129,423	-	73,890	40,916	327,198
Transfers	-	-	-	-	-	-	-
Disposals	-	-	-	(5,592)	-	-	(5,592)
At 31 October 2024	1,176,522	1,228,502	1,537,233	-	386,824	1,063,801	5,392,882
<b>Net book value</b>							
At 31 October 2024	330,997	145,830	437,437	-	947,563	982,025	2,843,852
At 31 October 2023	388,299	100,516	201,260	-	1,004,989	1,022,941	2,718,005

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. Assets previously reported within Buildings and Plant and Equipment, have been transferred to Leasehold Improvements in the current year. Depreciation charged on Leasehold Improvements was £73,890 (2023: £69,405).

## THE FACULTY OF ADVOCATES FACULTY FUNDS

### NOTES TO THE ACCOUNTS (continued)

For the year ended 31 October 2024

#### 15. Tangible fixed assets – Faculty Funds

	Plant & Equipment £	Furniture & fittings £	Computer equipment £	Vehicles £	Leasehold Improvements £	Buildings £	Total £
<b>Cost or valuation</b>							
At 31 October 2023	1,506,364	1,131,572	859,574	5,592	1,317,923	2,045,826	6,866,851
Additions	1,155	33,929	365,600	-	16,464	-	417,148
Transfers	-	-	-	-	-	-	-
Disposals	-	-	-	(5,592)	-	-	(5,592)
At 31 October 2024	1,507,519	1,165,501	1,225,174	-	1,334,387	2,045,826	7,278,407
<b>Accumulated depreciation</b>							
At 31 October 2023	1,118,065	1,092,124	763,047	5,592	312,934	1,022,885	4,314,647
Charge for year	58,457	8,975	80,523	-	73,890	40,916	262,761
Transfers	-	-	-	-	-	-	-
Disposals	-	-	-	(5,592)	-	-	(5,592)
At 31 October 2024	1,176,522	1,101,099	843,570	-	386,824	1,063,801	4,571,816
<b>Net book value</b>							
At 31 October 2024	330,997	64,402	381,604	-	947,563	982,025	2,706,591
At 31 October 2023	388,299	39,448	96,527	-	1,004,989	1,022,941	2,552,204

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. Assets previously reported within Buildings and Plant and Equipment, have been transferred to Leasehold Improvements in the current year. Depreciation charged on Leasehold Improvements was £73,890 (2023 : £69,405).

**THE FACULTY OF ADVOCATES FACULTY FUNDS**

**NOTES TO THE ACCOUNTS (continued)**

**For the year ended 31 October 2024**

**16. Investments – Group and Faculty Funds**

The Faculty of Advocates Faculty Funds owns 100% of the ordinary share capital of Faculty Services Limited, a company registered in Scotland. 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.

<b>Group and Faculty Funds</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>	<b>2023</b>
	Unrestricted Funds Total £	Restricted fund Faculty Scholarship Total £	Total £	Restricted fund Faculty Scholarship Total £
<b>UK investments</b>				
Opening market value	4,219,429	942,911	5,162,340	937,526
Additions at cost	1,450,302	112,551	1,562,853	6,404,548
Disposal proceeds	(1,353,574)	(65,277)	(1,418,851)	(2,234,753)
Gain/(loss) for the year:				
Realised	43,954	6,481	50,435	4,042
Unrealised	139,118	120,596	259,714	50,977
	4,499,229	1,117,262	5,616,491	5,162,340
<b>Cash</b>	4,939	19,565	24,504	69,354
<b>Market value at 31 October 2024</b>	4,504,168	1,136,827	5,640,995	5,231,694
<b>Total for Group</b>	<b>4,504,168</b>	<b>1,136,827</b>	<b>5,640,995</b>	<b>5,231,694</b>
Investment in Faculty Services Limited	100	-	100	100
<b>Total for Faculty Funds</b>	<b>4,504,268</b>	<b>1,136,827</b>	<b>5,641,095</b>	<b>5,231,794</b>

Individual investments in excess of 5% of the combined portfolio value:

	<b>Market Value</b>	
	<b>%</b>	<b>£</b>
UK Treasury 0.25% 31/01/2025 (TN25) Gilt	5.43	283,860

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.

**THE FACULTY OF ADVOCATES FACULTY FUNDS**

**NOTES TO THE ACCOUNTS (continued)**

**For the year ended 31 October 2024**

**17. Debtors**

	2024 Group	2024 Faculty Funds	2023 Group	2023 Faculty Funds
	£	£	£	£
Trade debtors	51,043	11,882	-	-
Prepayments and other debtors	359,893	228,021	466,574	137,916
Other taxation and social security	77,486	77,486	-	-
Due by Members' Fund	-	-	67,343	67,343
Due by subsidiary undertaking	-	311,557	-	225,000
<b>Total</b>	<b>488,422</b>	<b>628,946</b>	<b>533,917</b>	<b>430,259</b>

**18. Creditors**

	2024 Group	2024 Faculty Funds	2023 Group	2023 Faculty Funds
	£	£	£	£
Trade creditors	2,576,921	178,388	2,063,603	-
Corporation tax	16,132	-	20,935	-
Other taxation and social security	383,987	65,724	340,300	94,763
Other creditors	1,375,349	1,770	1,077,203	2,669
Due to Members' Fund	26,630	26,630	-	-
Due to subsidiary undertaking	-	-	-	178,934
Accruals	505,820	282,140	596,377	369,537
<b>Total</b>	<b>4,884,839</b>	<b>554,652</b>	<b>4,098,418</b>	<b>645,903</b>

**19. Unrestricted funds**

	Group	Faculty Funds
	£	£
At 1 November 2023	8,835,694	8,237,640
Surplus for the year	286,587	142,738
Transfer to Lord Hope Scholarship fund	-	-
<b>Funds at 31 October 2024</b>	<b>9,122,281</b>	<b>8,380,378</b>
At 1 November 2022	7,019,539	6,677,398
Surplus for the year	1,878,655	1,622,742
Transfer to Lord Hope Scholarship fund	(62,500)	(62,500)
<b>Funds at 31 October 2023</b>	<b>8,835,694</b>	<b>8,237,640</b>

The transfer to Lord Hope Scholarship Fund reflects grant awards made from unrestricted funds which were previously charged to the Lord Hope Scholarship Fund.

THE FACULTY OF ADVOCATES FACULTY FUNDS

NOTES TO THE ACCOUNTS (continued)

For the year ended 31 October 2024

20. Restricted funds – Group and Faculty Funds

	Library Archiving Project £	Lord Hope Scholarship Fund £	Lord Reid /Faculty Scholarship Fund £	2024 Total £
<b>Fund at 1 November 2023</b>	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)
Gain/(loss) on sale of investments	-	-	6,481	6,481
Unrealised loss on investments	-	-	120,596	120,596
Transfer from unrestricted funds	-	-	-	-
<b>Fund at 31 October 2024</b>	53,437	293,382	964,045	1,310,864

	Library Archiving Project £	Lord Hope Scholarship Fund £	Lord Reid /Faculty Scholarship Fund £	2023 Total £
<b>Fund at 1 November 2022</b>	36,824	119,671	891,349	1,047,844
Income on fund – dividends and interest	-	91,513	29,219	120,732
Expenditure on fund:				
Grant Awards	-	(53,500)	(44,000)	(97,500)
Investment management fee	-	-	(9,607)	(9,607)
Loss on sale of investments	-	-	1,520	1,520
Unrealised loss on investments	-	-	(31,395)	(31,395)
Transfer from unrestricted funds	-	62,500	-	62,500
<b>Fund at 31 October 2023</b>	36,824	220,184	837,086	1,094,094

THE FACULTY OF ADVOCATES FACULTY FUNDS

NOTES TO THE ACCOUNTS (continued)

For the year ended 31 October 2024

21. Analysis of net assets between funds

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

Group – 2023		Tangible and heritage assets	Investments	Net current assets	Total
		£	£	£	£
Restricted funds	Faculty Scholarship	-	964,124	(127,038)	837,086
	Lord Hope Scholarship	-	-	220,185	220,185
	Library Archiving Project	-	-	36,823	36,823
			964,124	129,970	1,094,094
Unrestricted funds		2,823,448	4,267,570	1,744,676	8,835,694
Total net assets		2,823,448	5,231,694	1,874,646	9,929,788

Faculty funds – 2023		Tangible and heritage assets	Investments	Net current assets	Total
		£	£	£	£
Restricted funds	Faculty Scholarship	-	964,124	(127,038)	837,086
	Lord Hope Scholarship	-	-	220,185	220,185
	Library Archiving Project	-	-	36,823	36,823
			964,124	129,970	1,094,094
Unrestricted funds		2,657,647	4,267,670	1,312,323	8,237,640
Total net assets		2,657,647	5,231,794	1,442,293	9,331,734

## THE FACULTY OF ADVOCATES FACULTY FUNDS

### NOTES TO THE ACCOUNTS (continued)

For the year ended 31 October 2024

#### 22. Lease commitments

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

	2024 Group	2024 Faculty Funds	2023 Group	2023 Faculty Funds
	£	£	£	£
Payable within 12 months	218,713	121,561	217,891	125,527
Payable within one to five years	742,793	472,000	581,270	475,561
Payable after more than five years	960,500	960,500	1,078,500	1,078,500
<b>Total</b>	<b>1,922,006</b>	<b>1,554,061</b>	<b>1,877,661</b>	<b>1,679,588</b>

Operating lease payments recognised as an expense in the year by the Group were £235,285 (2023: £234,358) and by Faculty Funds were £125,527 (2023: £134,264).

#### 23. Related parties

The Faculty Funds owns 100% of the issued share capital of Faculty Services Limited.

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.

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.

## THE FACULTY OF ADVOCATES FACULTY FUNDS

### NOTES TO THE ACCOUNTS (continued)

For the year ended 31 October 2024

#### 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 2024, by a qualified independent actuary. The major assumptions used by the actuary are shown below.

#### Assumptions

	31 October 2024	31 October 2023	31 October 2022
Rate of increase in salaries	4.80%	4.80%	4.75%
Rate of increase in pensions in payment	3.15%	3.15%	3.00%
Rate of revaluation for deferred pensions	2.75%	2.70%	2.55%
Discount rate	5.40%	5.75%	4.70%
Inflation assumption (RPI)	3.30%	3.30%	3.25%

**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 2024 £000	31 October 2023 £000	31 October 2022 £000
Equities	5,689	9,895	11,849
Gilts	-	5,963	3,942
Corporate bonds	22,400	10,242	10,520
Absolute Return	-	224	882
Cash	351	862	619
Property	-	-	-
Total market value of assets	<u>28,440</u>	<u>27,186</u>	<u>27,812</u>

#### Change in value of the assets

	2024 £000	2023 £000
Fair value of assets at 1 November 2024	27,186	27,812
Interest on assets	1,538	1,292
Company contributions	-	-
Contributions by Plan participants	-	-
Benefits paid	(864)	(673)
Administration costs	(41)	-
Change due to settlements and curtailments	-	-
Return on assets less interest	621	(1,245)
Fair value of assets at 31 October 2025	<u>28,440</u>	<u>27,186</u>

**THE FACULTY OF ADVOCATES FACULTY FUNDS**

**NOTES TO THE ACCOUNTS (continued)**

**For the year ended 31 October 2024**

**24. Pensions (Continued.)**

**Change in value of the DB liabilities**

	<b>2024</b>	<b>2023</b>
	£000	£000
Value of liabilities at 1 November 2024	16,007	19,435
Current service cost	-	-
Contributions by Plan participants	-	-
Past service costs	-	-
Interest on liabilities	896	898
Benefits paid	(864)	(673)
Change due to settlements and curtailments	-	-
Experience (gain)/ loss on liabilities	(150)	(1,022)
Changes to demographic assumptions	(551)	(145)
Changes to financial assumptions	858	(2,486)
Value of liabilities at 31 October 2025	<u>16,196</u>	<u>16,007</u>
Net pension asset	12,244	11,179
Restriction on asset realised	(12,244)	(11,179)
	<u>-</u>	<u>-</u>

The actuarial valuation as at 31 October 2024 showed an increase in the surplus from £11,179,000 to £12,244,000.

**THE FACULTY OF ADVOCATES FACULTY FUNDS**

**NOTES TO THE ACCOUNTS (continued)**

**For the year ended 31 October 2024**

**24. Pensions (Continued.)**

**Amount recognised in the statement of financial activities**

**Group and Faculty Funds –**

	<b>2024</b>	<b>2023</b>
	£000	£000
Current service costs	-	-
Administration costs	41	-
Interest on liabilities	896	898
Interest on assets	(1,538)	(1,292)
Past service costs	-	-
Settlement and curtailment costs	-	-
Total gain to statement of financial activities	<u>(601)</u>	<u>(394)</u>

**Remeasurements over the period**

	2024	2023
	£000	£000
Loss / (gain) on assets in excess of interest	(621)	1,245
Experience losses / (gains) on liabilities	(150)	(1,022)
Losses / (gains) from changes to demographic assumptions	(551)	(145)
Losses / (gains) from changes to financial assumptions	858	(2,486)
Losses / (gains) from change in effect of asset ceiling	1,065	2,802
Total remeasurements	<u>601</u>	<u>394</u>

At the year-end there were outstanding pension contributions of £Nil (2023: £Nil).

**Stakeholder Pension Scheme**

	<b>2024</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
	Group	Faculty	Group	Faculty
	£	Fund	£	Fund
	£	£	£	£
Stakeholder pension scheme - employer contributions	<u>476,066</u>	<u>187,287</u>	<u>382,094</u>	<u>149,922</u>

**THE FACULTY OF ADVOCATES FACULTY FUNDS**

**NOTES TO THE ACCOUNTS (continued)**

**For the year ended 31 October 2024**

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

	<b>2024</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
	Group	Faculty Funds	Group	Faculty Funds
	£	£	£	£
Net income	454,823	359,508	1,821,907	1,606,487
Corporation tax paid	48,534	-	40,494	-
Interest and dividends receivable	(176,646)	(133,364)	(92,500)	(92,284)
(Gains)/losses on investments	(310,149)	(310,149)	(55,019)	(55,019)
Depreciation charges	327,198	262,761	374,735	287,728
(Gain)/loss on Disposal of Fixed Assets	-	-	(843,058)	(843,193)
Decrease/(increase) in debtors	(268,277)	(198,687)	(168,884)	(102,880)
Increase/(decrease) in creditors	1,103,770	(91,251)	1,433,838	143,851
Net cash inflow from operating activities	<u>1,179,253</u>	<u>(111,182)</u>	<u>2,511,513</u>	<u>944,690</u>

**26. Analysis of changes in cash and cash equivalents**

**(a) Returns on investments and servicing of finance**

	<b>2024</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
	Group	Faculty Funds	Group	Faculty Funds
	£	£	£	£
Interest and dividends received	176,646	133,364	92,500	92,284
Net cash inflow for returns on investing and servicing of finance	<u>176,646</u>	<u>133,364</u>	<u>92,500</u>	<u>92,284</u>

**(b) Capital expenditure and financial investment**

Purchase of heritage assets	(10,000)	(10,000)	(35,860)	(35,860)
Purchase of tangible fixed assets	(453,045)	(417,148)	(183,733)	(89,416)
Purchase of investments	(1,562,853)	(1,450,302)	(6,404,548)	(6,404,548)
Sale of tangible fixed assets	-	-	1,170,000	1,170,000
Sale of investments	1,418,851	1,353,574	2,234,753	2,234,753
Net cash (outflow) for capital expenditure and financial investments	<u>(607,047)</u>	<u>(523, 876)</u>	<u>(3,219,388)</u>	<u>(3,125,071)</u>

**THE FACULTY OF ADVOCATES FACULTY FUNDS**

**NOTES TO THE ACCOUNTS (continued)**

**For the year ended 31 October 2024**

**27. Analysis of net funds**

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

<b>Group</b>	<b>1 November 2022 £</b>	<b>Cash Flow £</b>	<b>31 October 2023 £</b>
Cash at bank and in hand	6,090,787	(646,038)	5,444,749
Cash held in investments	38,686	30,668	69,354
<b>Total</b>	<b>6,129,473</b>	<b>(615,370)</b>	<b>5,514,103</b>

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

<b>Faculty Funds</b>	<b>1 November 2022 £</b>	<b>Cash Flow £</b>	<b>31 October 2023 £</b>
Cash at bank and in hand	3,762,740	(2,118,760)	1,643,980
Cash held in investments	38,686	30,668	69,354
<b>Total</b>	<b>3,801,426</b>	<b>(2,088,092)</b>	<b>1,713,334</b>

THE FACULTY OF ADVOCATES FACULTY FUNDS

NOTES TO THE ACCOUNTS (continued)

For the year ended 31 October 2024

28. Comparative Statement of Financial Activities – Group

	Notes	Unrestricted Funds £	Restricted Funds £	2023 Total £
<b>Income and Endowments from:</b>				
Grants and donations	5	1,633,236	91,513	1,724,749
Charitable activities	6	2,769,305	-	2,769,305
Trading activities	7	5,326,145	-	5,326,145
Investment and other income	8	636,241	29,219	665,460
Gain/(loss) on fixed asset disposal	15	843,058	-	843,058
<b>Total income</b>		<b>11,207,985</b>	<b>120,732</b>	<b>11,328,717</b>
<b>Expenditure on:</b>				
Raising funds – investment manager fees		12,596	9,607	22,203
Charitable activities	9	2,553,640	97,500	2,651,140
Operational & other costs	10	1,788,676	-	1,788,676
Trading Activities	7	4,624,818	-	4,624,818
<b>Total expenditure</b>		<b>8,979,730</b>	<b>107,107</b>	<b>9,086,837</b>
<b>Net gains/(losses) on investments</b>				
Realised	16	2,522	1,520	4,042
Unrealised	16	82,372	(31,395)	50,977
<b>Net income/(loss)</b>		<b>2,313,149</b>	<b>(16,250)</b>	<b>2,296,899</b>
<b>Other recognised gains/(losses):</b>				
Corporation tax credit		(40,494)	-	(40,494)
Actuarial losses -pension scheme		(394,000)	-	(394,000)
<b>Net movement in funds</b>		<b>1,878,655</b>	<b>(16,250)</b>	<b>1,862,405</b>
<b>Total funds brought forward</b>		<b>7,019,539</b>	<b>1,047,844</b>	<b>8,067,383</b>
Reserve transfer in year		(62,500)	62,500	-
<b>Total funds carried forward</b>		<b>8,835,694</b>	<b>1,094,094</b>	<b>9,929,788</b>

THE FACULTY OF ADVOCATES FACULTY FUNDS

NOTES TO THE ACCOUNTS (continued)

For the year ended 31 October 2024

28. Comparative Statement of Financial Activities – Faculty Funds

	Notes	Unrestricted Funds £	Restricted Funds £	2023 Total £
<b>Income and Endowments from:</b>				
Grants and donations	5	1,858,236	91,513	1,949,749
Charitable activities	6	2,949,305	-	2,949,305
Investment and other income	8	636,025	29,219	665,244
Gain/(loss) on fixed asset disposal		843,194	-	843,194
<b>Total income</b>		<b>6,286,760</b>	<b>120,732</b>	<b>6,407,492</b>
<b>Expenditure on:</b>				
Raising funds – investment manager fees		12,596	9,607	22,203
Charitable activities	9	2,553,640	97,500	2,651,140
Operational & other costs	10	1,788,676	-	1,788,676
<b>Total expenditure</b>		<b>4,354,912</b>	<b>107,107</b>	<b>4,462,019</b>
<b>Net gains/(losses) on investments</b>				
Realised	16	2,522	1,520	4,042
Unrealised	16	82,372	(31,395)	50,977
<b>Net income/(loss)</b>		<b>2,016,742</b>	<b>(16,250)</b>	<b>2,000,492</b>
<b>Other recognised gains/(losses):</b>				
Actuarial losses -pension scheme		(394,000)	-	(394,000)
<b>Net movement in funds</b>		<b>1,622,742</b>	<b>(16,250)</b>	<b>1,606,492</b>
<b>Total funds brought forward</b>		<b>6,677,398</b>	<b>1,047,844</b>	<b>7,725,242</b>
Reserve transfer in year		(62,500)	62,500	-
<b>Total funds carried forward</b>		<b>8,237,640</b>	<b>1,094,094</b>	<b>9,331,734</b>

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.

## **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 2024 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 2024 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 8, 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.

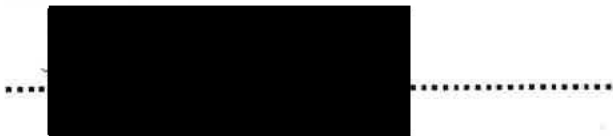
During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of 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](http://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  
9 Haymarket Square  
Edinburgh  
EH3 8RY

Statutory Auditors

Date: 28 OCTOBER 2025

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

