

Report of the Convener of the Guarantee Fund for the Law Society of Scotland

Annual General Meeting – 2018

The Guarantee Fund (which trades as the Client Protection Fund) reports a surplus for the year 2016/2017 of £114,000 in comparison to a deficit of £1,010,000 during the previous year.

Fund income has been similar to the previous year. There has been an increase in non-claim expenditure largely due to repayment to the Judicial Factor of claims expenditure on one previous Judicial Factory appointment which had initially been paid by the Judicial Factor.

Reserves have risen from £5.6M to £5.7M as a result of the surplus. This continues to be a strong financial position for the Fund. The total of all claims intimated but not resolved at the year-end totalled £3.98M compared to £5M at the previous year end. However by April 2018 this had fallen to £2.2M. Reserves are therefore considered to be at a sufficient level.

New claim volumes and values are currently at a modest level. Claims have arisen from only one of two recent Judicial Factories and in this case the claim volume and value is not high.

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