

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

### **Annual General Meeting – 2019**

The Guarantee Fund (which operates as the Client Protection Fund) reports a surplus for the year 2017/2018 of £252,000 (2016/2017 - £114,000).

Fund income has been similar to the previous year except for a variation in income received from judicial factories. A fall in claims expenditure from £488,000 in 2016/2017 to £180,000 in 2017/2018 is the only notable change in expenditure. This decline in claims expenditure reflects the relatively low level of claims arising from recent judicial factories and the continuing decline in open claims related to older judicial factories. New claim volume and values have been modest throughout the year.

Reserves have risen from £5.72M to £5.98M 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 £2.1M compared to £3.98M at the previous year end. On 1 November this total fell again to £1.72M following the rejection of one large claim. Reserves are therefore considered to be at a sufficient level.

The “Review of the Year” within the Annual Report contains further information on the activity during the year and risk management policies.