

## **The Law Society of Scotland**

### **Annual General Meeting – Thursday 30 May 2019 at 17:30pm**

#### **Report by Graham Watson, Treasurer**

The Society reported an operating loss of £312,000 for the year out of a Turnover of £10.9m, with the biggest fluctuation between 2018 and 2017 being the performance of the investment portfolio, with the impact of BREXIT concerns leading to unrealised losses being recorded at the year end valuation date. Looking ahead, Council is aware of the need to avoid any ongoing structural deficit. The inflationary increase in the Practising Certificate subscription which took place for 2018/19 is aimed at restoring the Society to at least a break-even position in the current year.

The presentation of the Society's financial statements has changed this year in order to comply with Financial Reporting Standard 102. For the first time the figures of the Society and its subsidiary, Law Society of Scotland (Services) Limited, have been consolidated with those of the Scottish Solicitors' Guarantee Fund and presented as group financial statements. It should be noted that, as required by statute, all income received by the SSGF is legally ringfenced to meet only future claims and therefore is not available under any circumstances for the Society's use. Similarly, the reserves of the Guarantee Fund are also ringfenced and designated for the Fund's use only.

There is more detailed commentary on the accounts within the Financial Review section of the Annual Report <https://www.lawscot.org.uk/about-us/strategy-reports-plans/annual-reports/>

The auditors have completed their work and have concluded that these financial statements give a true and fair view of the state of the Society's affairs as at 31 October 2018 and of its deficit for the year then ended.

I therefore propose that the members approve the Report and Consolidated Financial Statements of the Law Society of Scotland for the year ended 31 October 2018.

Graham Watson

Treasurer