



## **Annual General Meeting 2022**

### **Client Protection sub-committee (CPSC) on the Scottish Solicitors' Guarantee Fund (trading as the Client Protection Fund) Convener Report**

The Fund reports a surplus for the 2020/2021 financial year of £716,000 (2019/2020: £281,000).

No subscription income was collected in the 2021 financial year following the decision of Council to set the subscription level at zero as a part of support package to help solicitors during the pandemic.

Dividends of £55,000 were received in respect of the winding up of one Judicial Factor in the year.

Two grants to compensate applicants were approved by the CPSC in the year amounting to £18,000. This was a decrease from the 5 claims approved in 2020 at a cost of £38,000.

After taking additions and disposals into account, the investment portfolio increased in value in the year by £973,000, 18.8% (2020: £155,000 reduction, 2.9%). This increase reflected the overall economic recovery from the initial impact of the covid pandemic in 2020.

Reserves increased to £7,840,000 at 31 October 2021 from the previous level of £7,124,000. This increase is due almost entirely to the recovery of the investment portfolios to and above pre-pandemic valuations. The lack of subscription collected in the year has not had an impact on reserves due to the low value of successful claim payments being made.

At an early stage following the Covid-19 outbreak, the CPSC undertook a comprehensive review to assess the appropriateness of the going concern basis of preparation for the previous year's financial statements and to guide future decision making regarding the fund's financial position. Since the onset of the Covid-19 outbreak the claims environment has remained benign, therefore the Council are satisfied it is appropriate that the accounts are prepared on the going concern basis.