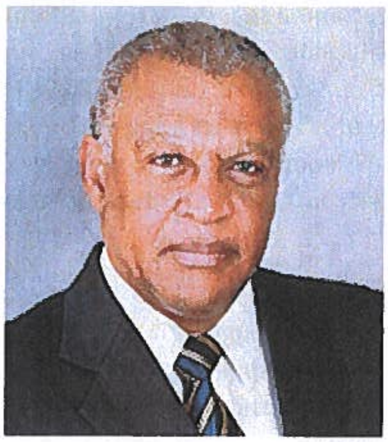
The Cayman Islands Judiciary & Judicial Administration

Annual Report 2016/2017

TABLE OF CONTENTS

Law Courts

Foreword by the Honourable
Chief Justice



Hon. Anthony Smellie QC

Chief Justice

I am pleased to present the 2016-17 Annual Report for Judicial Administration. The report highlights the achievements of the Judiciary's administrative support arm and explains the steps taken to further the Government's policy outcome goal of ensuring equitability and justice in our society.

2016-17 was another busy year for the Judiciary. Noteworthy are the appointments of Mrs. Shiona Allenger, attorney-at -law as Clerk of Court and of the Legal Aid Director, Ms. Stacy Parke attorney at law, who has responsibility for administering the Legal Aid Law, 2015 and managing the newly created Legal Aid Office. We also welcome on board Ms. Jenesha Simpson, our new Senior Deputy Clerk of Court. She is also an attorney at Law, and former Crown Counsel with the Solicitor General's Office.

To the Judiciary, we also take this opportunity to welcome Acting Justice Marlene Carter, formerly a practising attorney within the Island, and more recently, a High Court Judge in St. Kitts. We welcome her to the Cayman Islands Judiciary, and thank her for joining our panel of Judges.

Several Committees continued their work in 2016-17 to reform the practices and procedures of the courts. Hon. Justice Quin of the Criminal Justice Reform Committee has been chairing this committee, working collaboratively to draft a number of new Sentencing Guidelines, and Chief Magistrate Nova Hall through the Criminal Justice Board continues to lead collaboration with other government court users, to facilitate the streamlining of services.

A number of projects commenced in the 2016 – 17 period under the leadership of the Courts Administrator Mrs. Suzanne Bothwell, and they are aimed at bringing about strategic reform to the operations of the court to enhance the services employed to administer justice effectively and efficiently in these changing times. These include the

MISSION STATEMENT

The Judicial Administration is committed to fairly dispensing justice in the Cayman Islands and disposing of cases as quickly and efficiently as is consistent with the interests of justice and to providing international legal assistance pursuant to treaties such as the Mutual Legal Assistance Treaty with the United States of America.

upgrade to the judicial database, which will allow court users to manage their cases online, and to file and pay from the comfort of their offices or homes. The E-filing pilot is due to commence in March 2018. Likewise, in furtherance of providing the public with increased access to information, the Court commenced a project to bring Court Searches online, accessible through the Judicial Website www.judicial.ky and commenced work to publish unreported judgments on the public side of the site.

This does not however diminish the need for additional court rooms and office space which has now become a real matter of national concern. The inadequate existing facilities continue to affect our ability to dispose of a number of our criminal cases resulting in delayed trials for defendants, many of whom must await trial while in custody. At present, the Cayman Islands continues to struggle to meet international standards when it comes to the disposal of cases for persons in custody.

I am grateful for the work of the administrative staff in Judicial Administration and my Colleagues throughout our justice community. Their continued support of the administration of justice is crucial for the efficient dispensation of justice and our efforts to develop and modernise our court system.

Hon Anthony Smellie Q.C.
Chief Justice of the Cayman Islands

Foreword by the Court Administrator

This Annual Report is for the Judicial Administration of the Cayman Islands Government. Judicial Administration is responsible for the administration and management of the courts in the Cayman Islands. Its primary functions are to manage the courts, support the judiciary, provide information on the courts system to the public, and provide court buildings and facilities for court users.

The Annual Report outlines the performance of Judicial Administration during the 2016-17 fiscal year and compares it to the budgeted performance for the corresponding period. Its requirements are grounded in section 44 of the Public Management and Finance Law (2013 Revision) (PMFL).

The Annual Report covers four main areas:

- Organisational overview;
- Support for Outcome Goals;
- Financial performance; and
- Governance.

Judicial Administration and the Judiciary continue to work towards providing a high quality service in the administration of justice. The most significant of these is to find ways to provide speedy access to justice, appropriate tools that would allow us to do our job better, and serve the public's needs, and to facilitate greater efficiencies in our operations.

The 2016/2017 budget cycle saw Judicial Administration embark on a number of strategic initiatives to set us on the "right track" to achieve the aforementioned goals. These include:

- The upgrade of our Judicial Management Database which will facilitate:
    - Enhanced access to court information by the judiciary, and court staff;
    - The introduction of Electronic Filing of court documents
    - The ability of litigants to manage to monitor their cases electronically;

Suzanne Bothwell

Court Administrator

- The facilitation of electronic hearing bundles;
- Electronic licensing of law practitioners, firms, notaries;

The electronic issuance of court orders. Other companion court automation projects that will also be coming down the pipeline is free online viewing of all public registers which include unreported judgments and originating documents, and the ability to pay online and download such registers.

Suzanne Bothwell

Court Administrator

History & Structure of the Courts

The Cayman Islands has enjoyed for almost 50 years a form of fully democratic government based upon the British Westminster model. The judiciary is one of three separate arms of the State. It administers the law independently of the Executive and the Legislative branches, an independence that is safeguarded in the Constitution of the Cayman Islands.

Dating as far back as 1798, there is evidence of the appointment of Justices of the Peace by the Governor of Jamaica on behalf of the British Crown, to administer public affairs in the Cayman Islands. This arrangement was the forerunner to today's judiciary.

In 1811, the post of Clerk of Courts was established. In 1898, a transition took place that saw the powers of the Custos vested in a Commissioner, who combined administrative duties with those of a Judge of the Grand Court.

In 1957, a Stipendiary Magistrate was appointed to perform all judicial and legal functions, which included all matters laid before the Court of Petty Session with the exception of capital offences.

Further changes took place in 1975 with the appointment of a Judge of the Grand Court (upon constitution of the Court in its modern form) and a Magistrate. At this time the Grand Court was upgraded to supreme court status, Summary Courts replaced the petty sessions court and a Juvenile Court was established. The following year, a Chief Justice was appointed in accordance with the Grand Court Law of 1975.

The final and most recent change in constitution of the local courts took place in 1984, with the establishment of the Cayman Islands Court of Appeal to exercise an appellate jurisdiction formerly held by the Jamaican Court. Henceforth, all judicial proceedings could be heard within the Cayman Islands, subject to a possible final appeal to the Privy Council in London.

The Hon. Chief Justice is the head of the Judiciary. In view of its historical and constitutional ties to the United Kingdom, the judicial system of the Cayman Islands bears many similarities to, and connections with, the English judicature. These similarities are nowhere more evident than in the hierarchy of the courts, with traditional appellate jurisdiction in the higher courts determining appeals from lower courts. In addition, the final appellate body of much of the Commonwealth – the Judicial Committee of Her Majesty's Privy Council – hears final appeals from courts in the Cayman Islands.

The courts of the Cayman Islands administer justice in keeping with the Constitution, the Laws of the Islands and the well-established principles of common law which have been developed by the local, the British and other courts of the Commonwealth of Nations.

In ascending order of jurisdiction, the structure of the courts may be represented as follows:

The Summary Court

The Summary Court exercises jurisdiction over a wide variety of civil and criminal matters. Civil jurisdiction in monetary claims is limited by the amount of the claim, which at present cannot exceed CI$20,000.

The Summary Court also hears affiliation, maintenance and domestic violence applications.

All criminal cases start in the Summary Court, with more serious cases being committed to the Grand Court for trial on indictment. The Summary Court is empowered to impose sentences of up to four years' imprisonment, and in certain types of drug cases, this power is extended to 20 years or, on second or subsequent convictions, 30 years. Customarily, there are three summary court sittings daily, one of which is usually a traffic court where cases heard comprise mainly of traffic matters.

In October 2007, the Drug Treatment Court was established within the Summary Court. This creation as well as plans for a Family Court, have emphasized the need to organize the work of the Summary Court into divisions.

The Grand Court

Apart from when it sits as an appellate court from the lower courts or other tribunals (usually statutory, quasi-judicial), this court is a Superior Court of Record of First Instance, having unlimited jurisdiction in both criminal and civil matters. As such, it exercises within the Cayman Islands similar jurisdiction as is vested in or capable of being exercised in England by Her Majesty's High Court of Justice and its divisional courts.

Judges of the Grand Court are appointed from amongst persons who must have the same qualifications as are required for appointment to the English High Court of Justice or Courts of equivalent jurisdiction throughout the Commonwealth of Nations.

The Grand Court was first created as a court of special limited jurisdiction by statute in 1877. In its present modern form, the Grand Court was established by the Grand Court Law of 1975, and enshrined as a Constitutional Court in 1984.

The Chief Justice has responsibility for "all matters arising in judicature." By this means and by the other statutory and constitutional processes which establish and separate the Courts from the Legislative and Executive arms of Government, the separation of powers and independence of the Judiciary is formalised.

Appeals from the Grand Court go to the Court of Appeal. Like the Grand Court, the Court of Appeal is a Superior Court of Record. Unlike the Grand Court, however, the Court of Appeal does not exercise inherent jurisdiction but is a creature of statute and of the Constitution.

The Court of Appeal is comprised of judges who have held high judicial office for many years in the Cayman Islands and elsewhere in the Commonwealth. Three judges sitting together constitute the Court. There is at present a roster of four or more appellate judges.

The current President is the Rt. Hon. Sir John Goldring, and is one of two members of the Cayman Islands Court of Appeal who have been members of the Judicial Committee of Her Majesty's Privy Council.

The Cayman Islands Court of Appeal usually sits for three sessions of three weeks each year in the Cayman Islands. Before 1984, appeals were heard by the Court of Appeal of Jamaica exercising jurisdiction for the Cayman Islands. Sittings were held either in Grand Cayman or Jamaica.

Appeals from the Court of Appeal go to the Judicial Committee of the Privy Council which is the final Appellate Court for the Cayman Islands.

Equity and Justice in a Society

The precepts of "justice" and "equity" can mean different things to different people. They are inherently subjective terms which are largely based on perception.

For our role in Judicial Administration, it is important that users of the system see it as being procedurally just. That means, the way the courts are administered, the way users are facilitated and the efficiency in which we dispense our work need to meet the standards expected by the users at all levels of our society.

This requires a judiciary that is independent in all respects; can dispense justice without fear or favour; and is reasonably free of all constraints, inclusive of financial constraints.

Any system administered by humans is inherently imperfect. However, whilst we may never attain a perfect system, we should always strive to ensure certain universally accepted elements within our judicial system. These include:

- **Access;**
- **Transparency;**
- **Fairness; and**
- **Independence.**

A fundamental goal of a justice system in a constitutional democracy is to ensure a fair and proper outcome for any dispute according to the rules of the legal system.

This requires, among other things, appropriate **access** to properly staffed facilities and the ability to use those facilities for the necessary duration to fully articulate cases.

Judicial Administration has, and will continue to advocate, for improved court facilities to ensure citizens have access to justice in a timely manner through more efficient scheduling of the growing list of cases to be adjudicated.

In recent times, the courts have been utilizing external facilities (such as the Town Hall) to consider cases. While we have taken this measure to ensure continued timely access, it is far less than ideal and cannot be sustained.

An important part of our remit is to accommodate victims and witnesses while preserving the rights of defendants to achieve a fair trial within our court system. This requires access to information, resources and a safe environment where individuals can make representation without any perceived threats to their personal safety.

Principles of natural justice require cases to be adjudicated in an open and **transparent** manner. The system must not only be "just and equitable" in the eyes of those administering it; but must also be <u>seen</u> to be that way by users at all levels of society.

Public participation in the administration of justice through the jury system is an important part of transparency. A jury of peers to consider perceived infractions against the laws of society has long been a cornerstone of our system and continues to be a significant draw on the resources of the courts.

Work to summon jurors and facilitate their presence at the courts has been a continuous challenge given our small community and the relatively small pool of potential jurors.

Nonetheless, our Bailiffs, Marshalls and security personnel work on a daily basis to ensure actual and potential jurors are facilitated and processed as efficiently as possible to keep the wheels of justice turning.

This system improves the public's confidence in the administration of justice and increases transparency and understanding of the decisions made by the courts.

It is important for people charged with serious criminal offences to have access to appropriate legal representation within the constraints of public funding. Equality of arms is a jurisprudential principle issued by the European Court of Human Rights and is an important component of the right to a fair trial enshrined in the Cayman Islands Bill of Rights.

The planned Legal Aid Office and the new Director of Legal Aid are key intervention of what the public purse can afford. We believe the Legal Aid Office will serve the courts well in our efforts to ensure continued fairness in our system.

The **independence** of the Judiciary is of fundamental importance for the Cayman Islands to maintain its high standards on the world stage, and for citizens to have confidence in our justice system.

Constrained public resources have become a way of life for the Cayman Islands. This requires public agencies to innovate and adapt to ensure continued service delivery within the ambits measures to ensure continued **fairness** and equality of arms within our justice system.

Whilst no country can afford an unlimited financial budget for its judiciary, continued access to an appropriate level of public funding to support the justice system must always be maintained.

Judicial Administration has been working hard to reduce the annual demand on the public purse by exploring avenues for revenue generation which do not compromise the integrity and independence of the courts. These include subscription to our websites and law reports and fees for value added services (such as photocopying) while also exploring avenues to improve efficiencies and lower costs.

International Outlook

The Cayman Islands' Courts continue to compete at a global level in settling international disputes. The largest trial in the history of the jurisdiction, and perhaps the largest ever, with billions of dollars at stake, took place in July 2017 in Grand Court, presided over by Chief Justice Anthony Smellie QC.

The case, which involves borrowings from some 118 banks worldwide, arises from a credit crisis involving a huge family conglomerate in the Middle East and which extends to financial institutions in Saudi Arabia, Bahrain, London, New York, Switzerland and the Cayman Islands.

Some 30 lawyers, accountants, and liquidators and their staffs assembled in Cayman for the hearing that seeks to resolve a tangle of complex claims and counter claims. Four different firms of local lawyers instructing and assisting London counsel and three different teams of liquidators, originally liquidating 42 companies now winnowed down to 17, will be represented at the hearing, which has necessitated the discovery of some five million documents, the procuring of data management technology housed in London and commissioned at a cost of millions of dollars, and the retrofitting of Court facilities in Kirk House.

"As a leading international financial centre, the Islands must rise to the challenge of ensuring its courts provide the facilities required in circumstances with such far-reaching implications," said Chief Justice Smellie. "In the face of the widely acknowledged need for upgraded court facilities towards which we have long been striving, we have worked assiduously with the various interests to ensure that we do not compromise the smooth and efficient management of this case from the perspective of resources and facilities. But exceptional though this case may be, large and complex cases are an everyday feature of the business of the courts, largely the result of our international financial business. Our reputation as a leading centre will depend on our ability to resolve these cases in a timely and effective manner and that will obviously depend upon having the facilities and human resources to do so."

The principal defendant in the case is a Saudi billionaire of Kuwaiti origin, Mr. Maan Al-Sanea, who is the head of the Saad Group, a prominent Saudi investment company.

Mr. Sanea, who is married to a daughter of a founder of Ahmad Hamad Algosaibi Brothers (AHAB), was put in charge of AHAB's financial services business after his marriage into the family. The allegation is that over a twenty-year period, Mr. Sanea negotiated huge amounts of loans, most unsecured, on the strength of the AHAB name. By 2009, crisis weary banks stopped lending and one by one AHAB defaulted on payments to them. The upshot is that the Algosaibi family has alleged that it has been the victim of a massive $9.2 billion fraud that it claims resulted from Mr Al-Sanea's manipulation of the affairs of its finances, involving allegations of forged documents and the siphoning off of proceeds to Mr. Sanea's Saudi and Bahraini companies and then on to others established by him in the Cayman Islands; those 17 of which are in liquidation here and are the other defendants to the AHAB claim.

The case is made even more complicated by the fact that the liquidators of those companies must respond to other competing claims from several other banks who entered into very large loans or other financial arrangements with them, acting through Mr Al-Sanea.

Litigation to this point includes a personal judgment in favour of AHAB in 2011 against Mr Al-Sanea to the tune of US$2.5 billion and which survived appeals all the way up to the UK Privy Council. While seeking to enforce that judgment against him in Saudi Arabia and elsewhere, AHAB is pressing on in the upcoming trial for the recovery of another $5.9 billion which it claims to be able to trace into his Cayman companies.

For their part, the liquidators of one group of the Al-Sanea Cayman companies have brought a counter-claim against AHAB for some $6 billion, which must also be resolved in the trial.

The case concluded in 2017.

Case Disposals & Statistics

At the Opening of the 2017 Grand Court Session, the Chief Justice cited that it was a testament to the dedication and hard work of the judges, magistrates, the lawyers (both Crown and private), the support staff of the Administration and the RCIPS, that despite all the challenges, we have not yet arrived at a kind of "*gridlock*".

Summary Court
Notwithstanding the lack of court rooms, and the other practical challenges facing the Summary Courts, last year they managed to dispose, nonetheless than in years before, of 1,639 criminal and some 8,860 traffic cases in Grand Cayman and 277 such cases in Cayman Brac. They also dealt with 144 cases involving offenders and the Coroner, almost exclusively in the person of Magistrate Eileen Nervik, disposed of 53 inquests.

Diversionary Courts
Also worthy of note is that the informal Mental Health Court disposed of 47 criminal cases.

The Drug Rehabilitation Court enrolled 44 new applicants and graduated 13 rehabilitated offenders.

At the same time, more than 500 civil, family and maintenance cases were heard in the Summary Courts.

Grand Court Criminal
In 2016, 121 indictments were filed but 132 were disposed of, a significant increase over the 72 disposed in 2015. At the same time on the criminal side, 76 appeals were heard from the Summary Courts.

Of the 132 indictments resolved, many involved lengthy and complex cases each running over a number of weeks. These included allegations of fraud, murder and robbery. There has also been a marked and troubling increase of very sensitive child sex abuse cases, gun crimes, death by dangerous or careless driving and credit card scams. All in all, as the Attorney General also earlier recognised, there has been a relentless workload of cases on a scale no less demanding than those facing the courts in much larger jurisdictions.

There is a constant quest for ways in which to improve efficiency and effectiveness.

Financial Services Division
In the FSD, there were 225 new filings, the third largest number since inception in 2009.
In the General Civil Division there were 250 new filings, only slightly less than the average for past years but this was offset by 171 estate filings, up somewhat from the numbers in recent years.

Family Division
In the Family Division, the number of divorce filings at 245 remained on par with previous years. These cases are notoriously time consuming and demanding of judicial attention, although their resolution can often be attained by agreement within the parties. Where young children are involved, the responsibility placed on the judge becomes even more urgent and burdensome. Yet a judicially imposed solution is often resisted because one side or the other is reluctant to accept it and this results in these cases often coming back before the courts over the course of several years, especially while the children are not yet of age.
And so they require constant judicial case management and attention. It is therefore in this division that the need for mediation is most apparent.

Mediation was introduced in 2017 to facilitate a conciliatory approach to dispute resolution as it relates to families. The Judiciary now offers to mediate in cases coming before the courts, especially family cases where that is appropriate, and the parties agree to submit to mediation. Some cases have already been successfully mediated and attendance at Mediation Information and Assessment Meetings (MIAMs) at which the process and benefits are explained, is now mandated by the Rules of Court for all matrimonial disputes brought before the courts.

JUDICIAL AND COURT STATISTICS

Cases filed per year	2008	2009	2010[R]	2011[R]	2012	2013	2014	2015	2016	2017
Privy Council	0	0	3	0	2	0	3	4	7	7
Court of Appeal										
Criminal	33	28	38	30	27	39	33	28	35	33
Civil	16	19	26	16	24	29	24	24	18	28
Grand Court										
Summary Ct. Appeals										
Criminal	50	65	85	54	30	20	27	44	37	25
Civil	3	0	0	0	0	0	0	0	0	2
Indictments	102	70	109	114	139	98	109	108	121	104
Civil (incl. Admiralty)	480	482	408	478	587	446	297	318	250	222
FSD (from Nov. 2009)	-	67	280	206	176	157	167	255	225	286
Family Matters	215	232	292	271	287	271	286	260	245	290
Estate Matters	154	140	129	116	138	135	138	136	171	212
Summary Court										
Criminal (incl. Traffic)	9,678	-	-	-	-	-				
Criminal	1506	1228	1301	1290	1260	1579	1591	1641	1451	1342
Traffic	8172	10011	9293	4687	5909	7020	5959	6028	6886	5320
Youth	178	138	114	92	97	109	98	98	49	90
Juvenile (now Family)	46	44	50	66	49	23	33	63	53	54
Civil	467	430	407	478	347	421	342	318	321	252
Maintenance and Affiliation	101	118	124	138	113	108	101	118	142	80
Coroner	-	26	33	60	61	51	43	55	55	54
Cayman Brac	68	3349	219	147	209	171	122	126	196	97
Mental Health	-	-	-	-	-	-	-	-	25	26
Other Services										
Drug Rehab Court										
Applications	78	94	74	60	54	45	41	54	44	54
Graduates	0	17	23	15	13	6	10	8	13	14
Legal Aid										
Criminal	173	176	187	208	276	370	303	285	242	353
Civil	223	156	160	244	281	313	341	232	211	302
Attorneys										
Licensed to practice	511	524	541	553	582	657	625	566	541	611
Limited Admissions	36	100	121	96	56	63	133	75	70	83
General Admissions	92	54	74	57	70	68	132	81	84	70
Notaries Public	445	467	467	480	501	543	587	588	622	575
Justices of the Peace										
Grand Cayman	136	136	136	137	162	166	177	176	179	175
Cayman Brac and Little Cayman	28	28	28	28	30	30	30	30	30	28

Judicial Committees

Judicial Education Committee

The Judicial Education Committee (JEC), responsible for setting up a more formal framework for the training and continuing education of judges and magistrates was established in early 2016 by the Chief Justice. The broad function of the JEC is to promote excellence, efficiency and professionalism in the administration of justice for the people of the Cayman Islands.

Establishing the JEC meets a long recognised need for continued training, education and development for the Cayman Islands Judiciary and is part of an aim to create a learning environment that embraces formal local and overseas opportunities for development as well as more practical, on-the-job training.

A specific area of responsibility will be to support the Court Administrator in identifying continuing education and training needs among administrative staff. Where appropriate and possible, delivery of this training will involve the judiciary.

The JEC will take primary responsibility for the Judicial Administration's Annual Guest Lecture Series and for the development of a programme through which judges and magistrates will provide oversight and guidance to trainee lawyers. This is to be structured as a formal part of their Articles (the final stage of training leading to qualification to practise).

The current JEC members (June 2016) are Justice Ingrid Mangatal (Chairperson), Chief Justice Smellie QC, Justice Dennis Morrison (Justice of the Court of Appeal and President of the Court of Appeal of Jamaica), Justice Richard Williams, Chief Magistrate Nova Hall, and Mr. Mitchell Davies, Director of the Truman Bodden Law School. Mr. Mitchell will work in close collaboration with Court Administrator Suzanne Bothwell.

In strengthening and formalising its internal capacity to organise and arrange delivery of continuing education and training, the Court system reinforces its culture of embracing international standards and best practices.

In 2017, the Committee hosed the Right Hon. The Lord Thomas of Cwmgiedd, Lord Chief Justice of England and Wales to give a Guest Lecture to the profession, entitled *"Giving Business What it Wants – A Well run Court for Commercial and Business Disputes"*.[1]

Lord Thomas of Cwmgiedd, Lord Chief Justice of England and Wales

Source – law.gazette.co.uk

[1] https://www.judicial.ky/wp-content/uploads/publications/speeches/GrandCourtoftheCaymanIslandsguestlectureMarch2017.pdf

Grand Court Rules Committee

This committee promulgated new rules under the Coroner's Law for the management of inquests; under the Registered Land Law to regulate mortgage enforcement actions; under the Grand Court (Amendment) Law 2014 to allow for injunctive orders to be made in aid of foreign proceedings; under the Children Law for prohibited steps orders; and under the Judicature Law for interim awards of costs.

In the GCR also settled the rules for the reference of Family Court proceedings to Mediation, a practice which has been adopted by the courts in the UK and elsewhere.

In anticipation of this development, 15 judges, magistrates, attorneys and senior staff participated in an accredited mediation training conducted by the London School of Mediation in February 2016.

The Mediation rules will require the parties in all family proceedings, which are amenable to resolution by mediation, to first go for a mediation information and assessment meeting (MIAM) at which the benefits of mediation will be explained, before the case will be allowed to proceed to trial.

If the parties, having had the benefit of this meeting agree to mediate, their case will be referred to a mediator who will be either a judge, magistrate or private practice mediator who is trained and certified to mediate in family proceedings.

The philosophy of the rules is that spouses or partners who are facilitated to arrive at their own solutions on family disputes by way of mediation rather than having a solution decided and imposed upon them by order of the court, will more readily abide by the outcome of the process. In this way, mediation is seen as a means by which a less acrimonious, less expensive but more acceptable and lasting outcome to family disputes can be attained.

These new rules will be the first step to be taken by our Administration towards alternative dispute resolution.

Criminal Justice Reform Committee

The CJRC continues to work on modernising Sentencing Guidelines, setting out the general overarching principles and the specific guidelines for offences.

In 2017, the committee completed the Cayman Islands Sentencing Guidelines on Money Laundering which were published in October 2017.

There is a first draft now being reviewed by the CJRC of the Death by Driving Sentencing Guidelines which are expected to be published by June 2018.

Research into the treatment of sexual offences continues, with the intention to issue those guidelines as the next major step.

The Financial Services Division Users Committee (FSD)

The FSD Users Committee chaired by Retired Justice Angus Foster. The Committee continues to meet annually to discuss matters concerning the operations of the Financial Services Division of the Court. In 2017, it committed to overseeing a pilot of the electronic filing system, work which is to commence in March 2018.

Strategic Management

Stacy Parke - Director of Legal Aid

The Legal Aid Office

In September 2017, the New Legal Aid Director was formally appointed under the Legal Aid Law, 2015. The Chief Justice and the Court Administrator welcomed Ms. Parke, a senior associate at a local law firm to her new role.

In her new role, Ms. Parke will have "to carefully assess, monitor and safeguard expenditure of the Legal Aid Fund, which will allow the Director to apply public funds to allow persons who could otherwise not afford legal representation, to be represented in the courts by a legal officer.

The creation of the Legal Aid Office will also allow the Legal Aid Office to implement the appropriate means testing that the law envisages and to allow for the proper administration of the fund, to those genuinely in need.

It is anticipated that once the Office of the Director of Legal Aid is fully established, her office will commence work on the establishment of a Legal Aid Clinic, aimed at providing greater access to justice for residents. It will serve as a volunteer clinic, in collaboration with the Truman Bodden Law School and the local Bar.

For the year 2017, the Director reports that:

1. The active list of legal aid attorneys comprise:

- Civil and Family Practice – 46;
- Criminal practice – 29; and
- Duty Counsel - 23.

2. In 2017, the number of Criminal Legal Aid Applications received was 353. The number granted was 284 (not including applications and grants for extension of certificates).

3. In 2017, the number of Civil/Family Legal Aid applications received was 302. The number granted was 190 (not including applications and grants for extension of certificates).

4. From the figures provided by the Accounts Department, the amount paid out for legal aid matters in 2017 (including Q.C. fees, expert fees and reports, etc.) was $2,845,813.00 [2]

[2] The amount reflected relates to Executive Expenses only, and do not include entity expenses.

By the end of 2017, the Legal Aid office also recovered some $226,763.00 in fees pursuant to the obligations placed on legally aided clients under the Law.

Good Court Practice & Embracing

To effectively administer justice in the Islands and administer professional service to both our domestic and international users, Judicial Administration continues to implement best practice standards to meet the modern needs of our society.

In 2016 the World Bank in its Report *"Good Practice for Courts: Helpful Elements for Good Court Performance and the World Bank's Quality Judicial Process Indicators"*, published key indicators of Good Court Performance are:

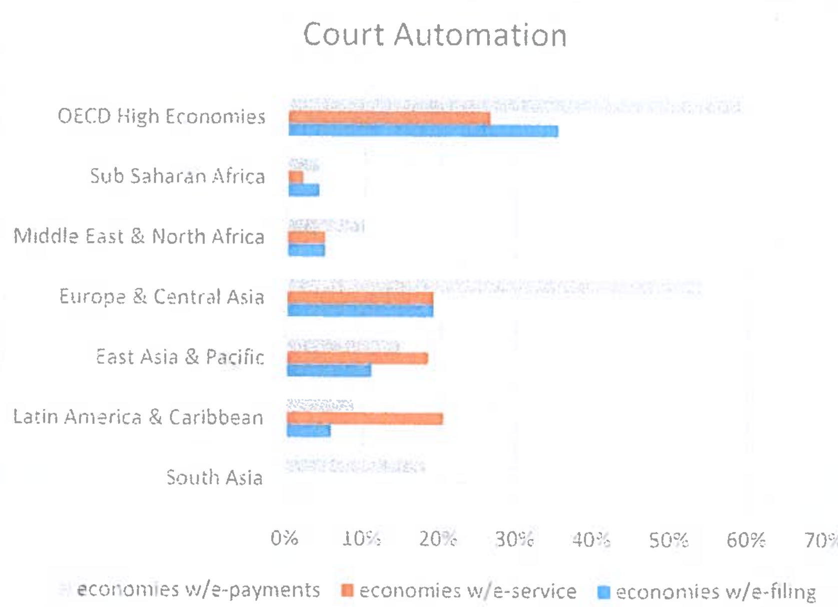
- Court Structures & Proceedings
- Case Management
- Court Automation
- Alternative Dispute Resolution

Over the years, the Court and Judicial Administration have made many advancements in many of the areas described above. The Cayman Islands was an early adopter of using technology to facilitate court processes, by implementing a Judicial Enforcement Management (JEMS) database in the 1990s. This allowed the organisation to manage court cases in all of its divisions electronically.

The introduction of the JEMS system was transformative at the time, however, with the passage of time, a new database is needed.

In 2016/2017 Judicial Administration commenced work to procure a new AMANDA JEMS database. The database is web based, and replaces the DOS base programme, and will allow the organization to integrate many of its processes, and will allow for third party court users to use the database through its e-filing and case management features.

The World Bank Report in its section on Court Automation identifies that court automation is not widespread, and out of the three e-court services, namely, (a) e-filing (b) e-service and (c) e-payments, data collected from the *Doing Business database*[3] showed that in. 74 of the 189 economies measured, none of these features are automated.



The Cayman Islands Judicial Administration in seeking to upgrade its court automation services, will now seek to introduce the full gamut of core e-services, which will include

[3] http://www. doingbusiness.org/data.

- ✓ ability to file initial complaint electronically;
- ✓ ability to serve process electronically
- ✓ ability to pay court fees electronically

Electronic Filing of Court Documents

It is recognized that e-filing of court documents, will bring significant advances to Cayman's court processes. Recognising the complex and intricate requirements that it takes to realise such a project, Judicial Administration has taken on the project through the lens that the purpose of an e-filing platform is not just to deposit original applications electronically, but also requires key components such as:

- Ensuring that documents filed undergo rigorous gate keeping scrutiny to ensure only documents filed in compliance with court rules are authorized;
- Creating a framework for electronically sealing all court documents, including applications and orders;
- The ability to electronically service parties through the database which allows for e-filing;
- To send case related communications to parties through;
- To allow parties to pay related filing fees electronically;
- Integrating E-filing as a part of the wider case management

Before the court introduces the e-filing platform, the Financial Services Users Committee, a user Grand Court will e-filing court rules for consideration by the Grand Court Rules Committee and will participate in an e-filing pilot to test the system, once built. The drafting of rules is to commence in 2018.

Free Electronic Publication of Public Registers

With the expansion of e-services for the benefit of court users, the Hon. Chief Justice has also authorized Judicial Administration to introduce wider e-services for the benefit of the wider public.

This new initiative is to create an electronic platform for the free publication of the Court's Public Registers which comprise of all original Grand Court filings, court orders, and unreported judgments.

This increased publication scheme will allow for significantly wider access to these publicly available registers which at present are only available by attending the Law Courts and with the requirement to pay a prescribed fee to view the registers.

This change in policy, will seek to remove all fees for viewing electronic public registers, including the full documents that are contained in the registers, and to enable the remote purchase downloading of said documents through e-payment.

Judicial Administration is excited to introduce this new initiative, particularly the online free publication of its 4000 plus unreported judgments for the public to view on its electronic devices, by connecting to the court's website www.judicial.ky.

Judicial Administration

Transitions

Shiona Allenger

Clerk of Court

With the departure of former Clerk of Court, Ms. Tabitha Philander, the Judiciary and Judicial Administration is pleased to announce the appointment of Ms. Shiona Allenger, attorney at law. The former Senior Deputy Clerk of Court, was a natural choice, and brings a solid background of the statutory duties of the Clerk of Court to the post.

Ms. Allenger has a wealth of experience, energy and vision that will be a tremendous asset to the Judicial Administration as we continue to develop the procedures and processes of the civil Courts.

Ms. Allenger's appointment was finalized in June 2017

Jenesha Simpson

Senior Deputy Clerk of Court

Judicial Administration is also happy to welcome Ms. Jenesha Simpson in her return to the public service. Former Crown Counsel with the Attorney General's Chambers, and attorney at Maples and Calder, she joins the senior administrative team in the position of Senior Deputy Clerk of Court, Registrar of the Financial Services Division and Clerk of the Court of Appeal upon the retirement of Ms. Audrey Bodden, who retired from Judicial Administration as Registrar to the Court of Appeal. Ms. Simpson comes with a wealth of public law and civil litigation experience.

Judicial Administration

Judicial Administration facilitated key training interventions, filled key vacancies, said goodbye to some long serving officers and offered internship opportunities to several young Caymanians during the 2016-17 fiscal year.

A key milestone in our training and development programme was the formation of the Judicial Education Committee by the Hon. Chief Justice. Further details on the work of this committee are outlined in the training and development section.

The internship programme to assist with the development of young Caymanians provided a number of young people with opportunities to intern or volunteer with the Courts. Invariably, participants in the internship programme find opportunities within Judicial Administration, and often times are able to provide temporary assistance to the organisation whilst they are pursuing their studies.

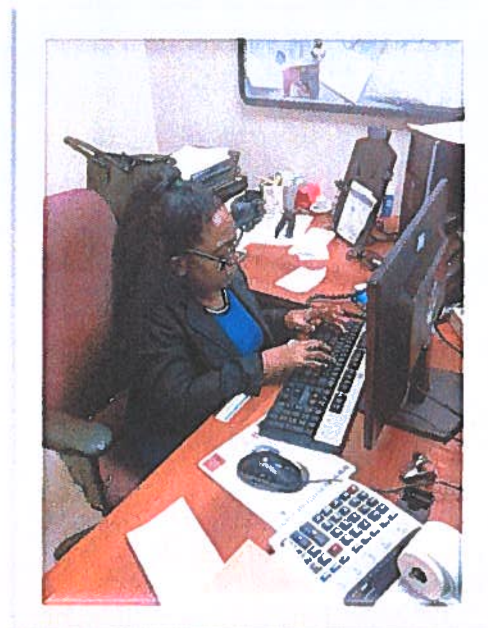
There was one retirement during the fiscal year. Ms. Jackie Scott, Case Manager of the Family Support Unit.

At the Judiciary level, Court staff Justices Clifford and Jones retired from the Financial Services Division. Their contributions to the establishment of that division are greatly appreciated.

A key element of managing this multigenerational workforce is an effective succession planning programme where staff with high potential are identified at an early stage and mentored through a career development plan and a proper performance management system.

This requires a training programme that is current, diverse, and effective in addressing skill gaps which could potentially impede upward mobility.

Through the commitment and efforts of our HR team, we will work to ensure the availability of appropriate tools and levels of support to provide our staff with the best opportunities to be successful.



University Summer Intern

Kasinda McField working in the Finance Centre

Employment Statistics

Judicial Administration employed **67 full-time staff and 2 part-time** staff as at 31 December 2017. The organisation still averages at about 84% of employees being Caymanian. Other nationalities that work in the organisation include persons from Canada, Barbados, Jamaica, Dominican Republic, Trinidad and the United Kingdom.

There were 17 interns employed with Judicial Administration in 2017, comprising a complement of CIFEC, Passport2Success and university students.

Length of Service:

- Less than 5 years - 27 employees
- 5-10 years – 11 employees
- 11-15 years - 11 employees
- 16-20 years - 8 employees
- Over 20 years – 10 employees

The Longest Serving employee has 36 years of experience within the organisation. This is Mrs. Cecile Collins and her wealth of institutional knowledge is greatly appreciated.

The longest serving employee has 36 years of experience with the organisation. This is Mrs. Cecile Collins and her wealth of institutional knowledge is greatly appreciated.

Judicial Administration Supervisor Training with Coordinators of the Civil Service College

2017 Employee Accolades and Awards

Employee Charmaine Bodden of the Finance Centre is recognised for outstanding performance by Chief Officer's Panel – June 2017

Ms. Charmaine Bodden was also nominated for the Deputy Governor's Award, to be named as Employee of the Month (Civil Service wide) for June 2017. Although, this recognition was awarded to someone else, Charmaine was considered by the panel as a truly outstanding Civil Servant.

Charmaine is recognized for her years of dedicated service and great show of "grace under fire". Her ability to remain calm under pressure is greatly admired and appreciated.

Employee Bridget Meyers, personal Assistant to the Financial Services Division Judge's receives Deputy Governor's Chief Officer Award for November 2017.

Ms. Bridget Myers was nominated by one of her supervisors, Jenesha Simpson. Mrs. Simpson explained: "Not only does Bridget provide administrative support to the judges to whom she is assigned, and assists attorneys and the public, but she goes beyond that and selflessly contributes to co-workers not assigned to the unit."

Ms. Meyers expressed that she found that every day at work is a learning experience that strengthens her to make her the person she is today. Ms. Myers states that the love that she has for her country is beyond words, hence the reason she endeavours to do her best, not only in the carrying out of duties as a civil servant, but also as a citizen of these beautiful Cayman Islands.

Financial Statements

GOVERNMENT OF THE CAYMAN ISLANDS

JUDICIAL ADMINISTRATION

FINANCIAL STATEMENTS
31 DECEMBER 2017

CONTENTS

Judicial Administration
Cayman Islands Government
P.O. Box 495
Grand Cayman KY1-1106
Cayman Islands
Tel: 345-949-4296

CAYMAN ISLANDS

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Judicial Administration in accordance with the provisions of the Public Management and Finance Law (2017 Revision).

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the Public Management and Finance Law (2017 Revision).

As Court Administrator, I am responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by law, and properly record the financial transactions of the Judicial Administration.

As Court Administrator and Chief Financial Officer, we are responsible for the preparation of the Judicial Administration's financial statements, representation and judgments made in these statements.

The financial statements fairly present the financial position, financial performance and cash flows for the 18 month period ended 31 December 2017.

To the best of our knowledge we represent that these financial statements:

(a) completely and reliably reflect the financial transactions of the Judicial Administration for the 18 month period ended 31 December 2017;
(b) fairly reflect the financial position as at 31 December 2017and performance for the 18 month period ended 31 December 2017;
(c) comply with International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board under the responsibility of the International Federation of Accountants.

The Office of the Auditor General conducts an independent audit and expresses an opinion on the accompanying financial statements which is carried out by its agent. The Office of the Auditor General and its agent have been provided access to all the information necessary to conduct an audit in accordance with International Standards on Auditing.

Suzanne Bothwell
Court Administrator

Date: 30 April 2018

Tiffany Ebanks
Chief Financial Officer

Date: 30 April 2018

Office of the Auditor General
CAYMAN ISLANDS

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AUDITOR GENERAL'S REPORT

To the Court Administrator and the Members of the Legislative Assembly

Opinion
I have audited the financial statements of Judicial Administration, which comprise the statement of financial position as at 31 December 2017, the statements of financial performance, changes in net assets/equity and cash flows for the period from 1 July 2016 to 31 December 2017, and notes, comprising significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Judicial Administration as at 31 December 2017, and its financial performance and its cash flows for the period from 1 July 2016 to 31 December 2017 in accordance with International Public Sector Accounting Standards.

Basis for Opinion
I have conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of Judicial Administration in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in the Cayman Islands and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. In rendering my audit opinion on the financial statements of Judicial Administration, I have relied on the work carried out on my behalf by a public accounting firm that performed its work in accordance with International Standards on Auditing.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards, and for such internal control as management determines 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, management is responsible for assessing Judicial Administration'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 management either intends to liquidate Judicial Administration or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Judicial Administration's financial reporting process.

AUDITOR GENERAL'S REPORT (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Judicial Administration's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Judicial Administration's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of our auditors' report.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I have undertaken the audit in accordance with the provisions of section 60(1)(a)(ii) of the Public Management and Finance Law (2017 Revision). I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Sue Winspear, CPFA
Auditor General

30 April 2018
Cayman Islands

JUDICIAL ADMINISTRATION
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017
(Expressed in Cayman Islands Dollars)

30 June 2016 Actual CI$000		Note	Current Period Actual CI$000	Original Budget CI$000	Variance (Original vs Actual) CI$000
	Current Assets				
1,487	Cash and cash equivalents	**2,16**	2,329	1,527	(802)
499	Receivables from exchange transactions	**3,17**	236	562	326
-	Other receivables	**3,16,17**	132	6	(126)
-	Inventories		-	41	41
43	Prepayments	**16**	381	75	(306)
2,029	**Total Current Assets**		**3,078**	**2,211**	**(867)**
	Non-Current Assets				
673	Property and equipment	**4,16**	556	393	(163)
12	Intangible Assets	**5**	10	2	(8)
685	**Total Non-Current Assets**		**566**	**395**	**(171)**
2,714	**Total Assets**		**3,644**	**2,606**	**(1,038)**
	Current Liabilities				
3	Trade Payables	**6**	4	10	6
113	Accruals and other liabilities	**6**	168	150	(18)
112	Employee entitlements	**7**	55	173	118
-	Other payable	**17**	335	-	(335)
927	Surplus payable	**8,16,17**	1,523	713	(810)
1,155	**Total Current Liabilities**		**2,085**	**1,046**	**(1,039)**
1,155	**Total Liabilities**		**2,085**	**1,046**	**(1,039)**
1,559	**Net Assets**		**1,559**	**1,560**	**1**
	Equity				
2,849	Contributed capital		2,849	2,849	-
(1,290)	Accumulated surplus/(deficit)		(1,290)	(1,289)	1
1,559	**Total net assets/equity**		**1,559**	**1,560**	**1**

The accounting policies and notes on pages 10 to 26 form part of these financial statements.

JUDICIAL ADMINISTRATION
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2017
(Expressed in Cayman Islands Dollars)

30 June 2016 Actual CI$000		Note	Current Period Actual CI$000	Original Budget CI$000	Variance (Orginal vs Actual) CI$000
	Revenue				
5,946	Sales of outputs to Cabinet	**10,16,17**	9,721	10,112	391
47	Other revenue		71	-	(71)
5,993	**Total Revenue**		**9,792**	**10,112**	**320**
	Expenses				
3,735	Personnel costs	**11,16,17**	6,380	6,970	590
1,753	Supplies and consumables	**12,16**	2,531	2,866	335
218	Depreciation	**4,5**	284	276	(8)
73	Impairment of inventory		-	-	-
-	Gains/(losses) on financial instruments		1	-	(1)
5,779	**Total Expenses**		**9,196**	**10,112**	**916**
214	**Surplus or (Deficit) for the period**		**596**	**-**	**(596)**

The accounting policies and notes on pages 10 to 26 form part of these financial statements.

JUDICIAL ADMINISTRATION
STATEMENT OF CHANGES IN NET ASSETS/EQUITY
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2017
(Expressed in Cayman Islands Dollars)

	Contributed Capital	Accumulated Surpluses/(Deficits)	Total Net Assets/Equity	Original Budget	Variance (Budget vs. Actual)
	CI$000	CI$000	CI$000	CI$000	CI$000
Balance at 1 July 2015	2,849	(1,290)	1,559	1,560	1
Surplus for the year 2015/16	-	214	214	-	(214)
Surplus repayment due for the year 2015/16	-	(214)	(214)	-	214
Balance at 30 June 2016	**2,849**	**(1,290)**	**1,559**	**1,560**	**1**
Surplus for the period 2016/17	-	596	596	-	(596)
Surplus repayment due for the period 2016/17	-	(596)	(596)	-	596
Balance at 31 December 2017	**2,849**	**(1,290)**	**1,559**	**1,560**	**1**

The accounting policies and notes on pages 10 to 26 form part of these financial statements.

JUDICIAL ADMINISTRATION
STATEMENT OF CASH FLOWS
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2017
(Expressed in Cayman Islands Dollars)

30 June 2016 Actual		Note	Current Period Actual	Approved Budget	Variance (Budget vs. Actual)
CI $'000			CI $'000	CI $'000	CI $'000
	Cash flows managed on behalf of Cabinet				
	Operating Activities				
	Cash received				
47	Sale of goods and services - third party		71	56	(15)
5,950	Sales to Cabinet		9,852	9,992	140
	Cash used				
(3,782)	Personnel costs		(6,437)	(6,955)	(518)
(1,738)	Supplies and consumables		(2,814)	(2,815)	(1)
477	Net cash flows from operating activities	14	672	278	(394)
	Investing activities				
	Cash used				
(140)	Purchase of property and equipment and intangibles	4,5	(165)	-	165
(140)	Net cash flow from used in investing activities		(165)	-	165
	Financing activities				
	Cash received				
-	Equity injections from Cabinet	17	335	-	(335)
-	Net cash flows from financing activities		335	-	(335)
337	Net increase in cash and cash equivalents held		842	278	(564)
1,150	Cash and cash equivalents at beginning of period		1,487	1,249	(238)
1,487	Cash and cash equivalents at the end of the period		**2,329**	**1,527**	**(802)**

The accounting policies and notes on pages 10 to 26 form part of these financial statements.

Description and principal activities

Judicial Administration (the "Entity") is a Government-owned entity as defined by section 2 of the Public Management and Finance Law (2017 Revision) and is domiciled in the Cayman Islands.

Its principal activities and operations include all activities carried out in terms of the outputs purchased by the Entity as defined in the purchase agreements for the Government of the Cayman Islands (the "Government") for the 18 month period ended 31 December 2017.

In addition, the Entity has reported the activities that it administers on behalf of Cabinet.

The principal address of the Entity is located at 61 Albert Panton Street, George Town, Grand Cayman. As of 31 December 2017, Judicial Administration had 70 employees (2016: 59).

Note 1: Significant accounting policies

These financial statements have been prepared in accordance with International Public Sector Accounting Standards ("IPSAS") issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board using the accrual basis of accounting. Where additional guidance is required, International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board are used.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. There have been no significant changes to the accounting policies during the 18 month period ended 31 December 2017.

(a) Basis of preparation

These financial statements have been prepared on a going concern basis and the accounting policies set out below have been applied consistently to all periods presented. The financial statements are presented in Cayman Islands dollars and the measurement base applied to these financial statements is the historical cost basis.

(b) Reporting period

The Public Management and Finance (Amendment) section 2 (c) was passed on 15 October 2015 to reflect a change in the annual reporting date from 30 June to 31 December. The reporting period is for the 18 months commencing 1 July 2016 and ending 31 December 2017.

In changing the annual reporting date the entity underwent an 18 month transition period. The prior year amounts presented in the financial statements is for a 12 month period and therefore is not entirely comparable to the current period actuals for the 18 month period. IPSAS 1 (66) allows for the financial statements to be presented for a period longer or shorter than one year when an entity's reporting date changes.

Note 1: Significant accounting policies (continued)

(c) Budget amounts

The 2016/17 approved budget amounts were prepared using the accrual basis of accounting and the accounting policies have been consistently applied with the actual financial statement presentation. The 2016/17 original budget was presented in the 2016/17 Annual Budget Statement and approved by the Legislative Assembly 24 June 2016. Cabinet approved, as an equity injection, a reallocation of funds in the amount of $335 thousand from the operational to capital budget during the financial period, which as at 31 December 2017 has not been approved by the Legislative Assembly. Refer to note 17.

(d) Judgements and estimates

The preparation of financial statements in accordance with International Public Sector Accounting Standards requires judgments, estimates, and assumptions affecting the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The account balances that require judgment are receivables from exchange transactions, other receivables, property and equipment, trade payables and accruals and other liabilities. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period that is affected by those revisions.

(e) Revenue

Revenue is recognised in the accounting period in which it is earned. Revenue received but not yet earned at the end of the reporting period is deferred as a liability until it is earned.

The Entity derives its revenue through the provision of services to Cabinet, to other agencies in the Government and to third parties. Revenue is recognised at the fair value of services provided.

(f) Expenses

Expenses are recognised when incurred on the accrual basis of accounting. In addition, an expense is recognized for the consumption of the estimated fair value of contributed goods and services received, when an estimate can realistically be made.

(g) Operating leases

Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made under operating leases are recognised as expenses on a straight-line basis over the lease term.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in-transit and bank accounts with a maturity of no more than three months at the date of acquisition.

Note 1: Significant accounting policies (continued)

(i) Prepayments

The portion of amounts paid for goods and services in advance of receiving such goods and services are recognised as a prepayment.

(j) Property and equipment

Property and equipment is stated at historical cost less accumulated depreciation. Items of property and equipment are initially recorded at cost. Where an asset is acquired for nil or nominal consideration, the asset is recognized initially at fair value, where fair value can be reliably determined, and as revenue in the statement of financial performance in the period in which the asset is acquired.

Depreciation is expensed on a straight-line basis at rates stipulated below to allocate the cost or valuation of an item of property and equipment; less any estimated residual value, over its estimated useful life. Leasehold improvements are depreciated either over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is shorter.

Asset type	*Estimated useful life*
• Computer hardware and software	3 – 10 years
• Office equipment; furniture and fittings	3 – 10 years
• Vehicles	3 – 10 years
• Other fixed assets	5 – 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at period end. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amounts. The recoverable amount is the higher of the asset's fair value less costs to sell and its value for use in service.

Work in progress represents property and equipment projects which are not yet completed at the period end date. Upon completion the work in progress is transferred to the relevant category of property and equipment. No depreciation is charged on work in progress assets which are not in use.

Disposals

Gains and losses on disposals of property and equipment are determined by comparing the sale proceeds with the carrying amount of the asset. Gains and losses on disposals during the period are included in the statement of financial performance.

Note 1: Significant accounting policies (continued)

(k) Employee benefits

Employee entitlements to salaries and wages, annual leave, long service leave, retiring leave and other similar benefits are recognised in the statement of financial performance when they are earned by employees. Employee entitlements to be settled within one year following the period end are reported as current liabilities at the amount expected to be paid.

Pension contributions for employees of the Entity are paid to the Public Service Pension Fund (the "Fund") and administered by the Public Service Pensions Board (the "Board"). Contributions of 12% on basic salary employer 6% and employee 6% are made to the Fund by the Entity. Contributions of 12% on acting, duty allowances employer 6% and employee 6% are made to the Fund by the Entity.

(l) Financial instruments

The Entity is party to financial instruments as part of its normal operations. These financial instruments include cash and cash equivalents, receivables from exchange transactions, other receivables, trade payables, accruals and other liabilities, employee entitlements, other payable and surplus payable, all of which are recognised in the statement of financial position.

Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, or to exchange financial instruments under conditions that are potentially favourable.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

Recognition

The Entity recognises financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in fair value of the assets and liabilities are recognised in the statement of financial performance.

Measurement

Financial instruments are measured initially at cost which is the fair value of the consideration given or received. Subsequent to initial recognition all financial assets are measured at amortised cost, which is considered to approximate fair value due to the short-term or immediate nature of these instruments.

Financial liabilities are subsequently measured at amortised cost, being the amount at which the liability was initially recognised less any payment plus any accrued interest of the difference between that initial amount and the maturity amount.

Note 1: Significant accounting policies (continued)

(l) Financial instruments (continued)

De-recognition
A financial asset is de-recognised when the Entity realises the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or has expired.

(m) Provisions and contingencies
Provisions are recognised when an obligation (legal or constructive) is incurred as a result of a past event and where it is probable that an outflow of assets embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are not recognised but are disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised but are disclosed in the financial statements when an inflow of economic benefits is probable.

(n) Foreign currency
Foreign currency transactions are recorded in Cayman Islands dollars using the exchange rate in effect at the date of the transaction. Foreign currency gains or losses resulting from settlement of such transactions are recognised in the statement of financial performance.

At the end of the reporting period the following exchange rates are to be used to translate foreign currency balances:

- Foreign currency monetary items are to be reported in Cayman Islands dollars using the closing rate at year-end date;
- Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported in Cayman Islands dollars using the exchange rate at the date of the transaction; and
- Non-monetary items that are carried at fair value denominated in a foreign currency are reported using the exchange rates that existed when the fair values were determined.

(o) Comparative figures
Comparative figures are reclassified to ensure consistency with the current period unless it is impracticable to do so.

(p) Revenue from non-exchange transactions
The Entity receives various services from other Government entities for which payment is made by the Government. These services include but are not limited to computer repairs and software maintenance by the Computer Services Department and human resources management by the Portfolio of the Civil Service. Refer to note 9 for further disclosures on non-exchange transactions.

(Expressed in thousands of Cayman Islands Dollars)

Note 1: Significant accounting policies (continued)

(q) Impairment

An asset is impaired when its carrying amount exceeds its recoverable amount. If there is any indication of impairment present, the Entity is required to make a formal estimate of the recoverable amount.

Note 2: Cash and cash equivalents

As at 31 December 2017 the Entity held no restricted cash balances (2016: $0). No interest was earned during the 18 month period ended 31 December 2017 on the amounts held in the bank accounts (2016: $0).

30 June 2016 Actual CI$'000	Description	Current Period Actual CI$'000	Approved Budget CI$'000	Variance (Budget vs. Actual) CI$'000
1	Cash on hand /Petty Cash	1	1	-
1,343	Operational Current Account - KYD	2,287	1,285	(1,002)
19	Payroll Current Account - KYD	11	83	72
124	Operational Current Account - USD	30	158	128
1,487	**Cash and cash equivalents**	**2,329**	**1,527**	**(802)**

Note 3: Receivables from exchange transactions

At period end all overdue receivables have been assessed and appropriate provisions made.

30 June 2016 Actual CI $'000	Trade Receivables	Current Period Actual CI $'000	Approved Budget CI$'000	Variance (Budget vs. Actual) CI$'000
496	Outputs to Cabinet	234	560	326
3	Outputs to other government agencies	2	2	-
-	Less: provision for doubtful debts	-	-	-
499	**Net Trade receivables**	**236**	**562**	**326**

(Expressed in thousands of Cayman Islands Dollars)

Note 3: Receivables from exchange transactions (continued)

30 June 2016 Actual CI $'000	Maturity Profile	Current Period (Gross) CI $'000	Approved Budget CI$'000	Variance (Budget vs. Actual) CI$'000
	Current			
499	Past due 1-30 days	236	562	326
-	Past due 31-60 days	-	-	-
-	Past due 61-90 days	-	-	-
-	Past due 90 and above	-	-	-
499	**Total Trade Receivables**	**236**	**562**	**326**

As of 31 December 2017, receivables from exchange transactions are all due within one year from the statement of financial position date (2016: all receivable from exchange transactions due within one year).

As at 31 December 2017 and 30 June 2016, other receivables are comprised of:

30 June 2016 Actual CI$'000	Description	Current Period Actual CI$'000	Approved Budget CI$'000	Variance (Budget vs. Actual) CI$'000
-	Advances - Executive Salaries (note 16)	132	4	(128)
-	Less: provision for doubtful debts	-	2	2
-	**Net Total Other Receivables**	**132**	**6**	**(126)**

Note 4: Property and equipment

Cost of Property, plant & equipment

	Furniture & Fittings CI$000	Computer Hardware CI$000	Office Equipment CI$000	Other assets CI$000	Motor Vehicles CI$000	Work in Progress CI$000	Total Property Plant and Equipment CI$000
Balance as at 1 July 2015	327	116	297	1,874	66	-	2,680
Additions	10	-	9	68	17	36	140
Disposal/ Derecognition	-	-	-	-	-	-	-
Balance as at 30 June 2016	337	116	306	1,942	83	36	2,820

	Furniture & Fittings CI$000	Computer Hardware CI$000	Office Equipment CI$000	Other assets CI$000	Motor Vehicles CI$000	Work in Progress CI$000	Total Property Plant and Equipment CI$000
Balance as at 1 July 2016	337	116	306	1,942	83	36	2,820
Additions	-	10	12	62	-	72	156
Disposal/ Derecognition	(177)	(38)	(172)	(431)	(30)	-	(848)
Balance as at 31 December 2017	160	88	146	1,573	53	108	2,128

Note 4: Property and equipment (continued)

Accumulated Depreciation and impairment losses

	Furniture & Fittings CI$000	Computer Hardware CI$000	Office Equipment CI$000	Other assets CI$000	Motor Vehicles CI$000	Work in Progress CI$000	Total Property Plant and Equipment CI$000
Balance as at 1 July 2015	228	83	223	1,371	41	-	1,946
Disposal/Derecognition	-	-	-	-	-	-	-
Depreciation Expense	15	20	23	134	9	-	201
Balance as at 30 June 2016	243	103	246	1,505	50	-	2,147

	Furniture & Fittings CI$000	Computer Hardware CI$000	Office Equipment CI$000	Other assets CI$000	Motor Vehicles CI$000	Work in Progress CI$000	Total Property Plant and Equipment CI$000
Balance as at 01 July 2016	243	103	246	1,505	50	-	2,147
Disposal/Derecognition	(177)	(38)	(172)	(431)	(30)	-	(848)
Depreciation Expense	24	15	31	187	16	-	273
Balance as at 31 December 2017	90	80	105	1,261	36	-	1,572
Net Book value 30 June 2016	94	13	60	437	33	36	673
Net Book value 31 December 2017	**70**	**8**	**41**	**312**	**17**	**108**	**556**

As of 31 December 2017, other assets are composed of:

30 June 2016 Carrying Value Actual CI$'000	Description	31 December 2017 Current Actual CI$'000	Accumulated Depreciation Actual CI$'000	Carrying Value Actual CI$'000
185	Library Books	523	364	159
133	Lease Improvements	430	358	72
-	Website	396	396	-
23	Electrical & A/C	99	88	11
96	Other	125	55	70
437	**Total Other assets**	**1,573**	**1,261**	**312**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2017
(Expressed in thousands of Cayman Islands Dollars)

Note 5: Intangible Assets

Cost of Intangible Asset

	Computer Software CI$000
Balance as at 1 July 2015	69
Additions	-
Disposal/ Derecognition	-
Balance as at 30 June 2016	69

	Computer Software CI$000
Balance as at 01 July 2016	69
Additions	9
Disposal/ Derecognition	-
Balance as at 31 December 2017	78

Accumulated Amortization and impairment losses

	Computer Software CI$000
Balance as at 1 July 2015	40
Eliminate on Disposal/Derecognition	-
Amortization Expense	17
Balance as at 30 June 2016	57

	Computer Software CI$000
Balance as at 01 July 2016	57
Eliminate on Disposal/Derecognition	-
Amortization Expense	11
Balance as at 31 December 2017	68
Net Book value 30 June 2016	12
Net Book value 31 December 2017	10

JUDICIAL ADMINISTRATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2017
(Expressed in thousands of Cayman Islands Dollars)

Note 6: Trade payables and accruals and other liabilities

30 June 2016 Actual CI$'000	Description	Current Period Actual CI$'000	Approved Budget CI$'000	Variance (Budget vs. Actual) CI$'000
3	Trade Payables	4	10	6
94	Accrued expenses	140	148	8
5	Core government trade with other public entities	25	-	(25)
14	Other	3	2	(1)
116	**Total Trade Payables, Accruals and Other Liabilities**	**172**	**160**	**(12)**

Payables under exchange transactions and other payables and accruals are non-interest bearing and are normally settled on 30-day terms.

Note 7: Employee entitlements

30 June 2016 Actual CI$'000	Details	Current Period Actual CI$'000	Approved Budget CI$'000	Variance (Budget vs. Actual) CI$'000
	Employee entitlements are represented by:			
112	Annual leave	55	173	118
112	**Total employee entitlements**	55	173	118

Leave entitlements are calculated based on current salary paid to those employees who are eligible for this benefit.

Note 8: Surplus payable

Surplus payable represents accumulated surplus of $1,523 thousand as at 31 December 2017 (2016: $927 thousand). Under the *Public Management & Finance Law (2017 Revision)* section 39 (3) (f), the Entity may "retain such part of its net operating surplus as is determined by the Financial Secretary". The Financial Secretary has not confirmed whether they can retain the surplus achieved during this period and the prior year.

Note 9: Revenue from non-exchange transactions

During the 18 month period ended 31 December 2017, the Entity received Services-in-kind in the form of computer repairs and software maintenance by the Computer Services Department and human resources management by the Portfolio of the Civil Service. The Entity has designated these non-exchange transactions as Services in-Kind as defined under IPSAS 23 - Revenue from Non-Exchange Transactions. The fair value of these services cannot be determined and therefore no expense has been recognized for the 18 month period ended 31 December 2017 (2016: $0).

JUDICIAL ADMINISTRATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2017
(Expressed in thousands of Cayman Islands Dollars)

Note 10: Revenues

30 June 2016 Actual CI$'000	Description	Current Period Actual CI$'000	Approved Budget CI$'000	Variance (Budget vs. Actual) CI$'000
-	Fees and charges	3	1	(2)
-	General sales	13	25	12
5,946	Outputs to Cabinet	9,721	10,056	335
47	Other	55	30	(25)
5,993	**Total Sale of Goods & Services**	**9,792**	**10,112**	**320**

Sale of Outputs to Cabinet consists of billings to the Government for services agreed under the Annual Budget Statement Agreement between the Entity and the Government.

Other revenue consists of fees and charges payable by the general public, including bailiff fees, photocopying fees, and sale of books.

Note 11: Personnel costs

30 June 2016 Actual CI$'000	Description	Current Period Actual CI$'000	Approved Budget CI$'000	Variance (Budget vs. Actual) CI$'000
3,155	Salaries, wages and allowances	5,288	5,598	310
480	Health care	876	1,034	158
147	Pension	270	313	43
(47)	Leave	(57)	15	72
-	Other Personnel related costs	3	10	7
3,735	**Total Personnel Cost**	**6,380**	**6,970**	**590**

Note 12: Supplies and consumables

30 June 2016 Actual CI$'000	Description	Current Period Actual CI$'000	Approved Budget CI$'000	Variance (Budget vs. Actual) CI$'000
143	Supplies and Materials	150	231	81
608	Purchase of services	905	1,100	195
575	Lease of property and equipment	896	878	(18)
296	Utilities	390	459	69
48	General Insurance	58	97	39
-	Travel and Subsistence	20	7	(13)
30	Recruitment & Training	46	30	(16)
53	Other	66	64	(2)
1,753	**Total Supplies & Consumables**	**2,531**	**2,866**	**335**

Note 13: Litigation costs

The Attorney General's Office provides litigation services to the Entity, and accounted for together with other Services in-kind received by the Entity. During the 18 month period ended 31 December 2017, there were no litigation costs (2016: $0) recognized as expenses by the Entity.

Note 14: Reconciliation of net cash flows from operating activities to surplus

30 June 2016 Actual CI $'000	Reconciliation of Surplus to Net Operating Cash	Current Period Actual CI $'000	Approved Budget CI $'000	Variance (Budget vs. Actual) CI $'000
214	**Surplus/(deficit) from ordinary activities**	596	-	(596)
	Non-cash movements			
218	Depreciation	284	276	(8)
	Changes in current assets and liabilities:			
4	Decrease in receivables from exchange transactions	263	(64)	(327)
-	Increase in other receivables	(132)	-	132
73	(Decrease) in inventories	-	-	-
22	Decrease/(Increase) in prepayments	(338)	-	338
(54)	(Decrease)/Increase in payables and other accruals	56	37	(19)
-	Increase/(decrease) in employee entitlements	(57)	15	72
477	**Net cash flows from operating activities**	672	264	(408)

Note 15: Commitments

Type	One Year or Less CI$000	One to Five Years CI$000	Over Five Years CI$000	31 December 2017 CI$000	30 June 2016 CI$000
Non-Cancellable Operating Leases					
Operating leases	40	135	-	175	398
Total Commitment	**40**	**135**	**-**	**175**	**398**

Note 16: Explanation of major variances against budget

Statement of financial position

Cash and cash equivalents
The $802 thousand increase in cash and cash equivalents in comparison to the budgeted amount is primarily a result of achieving favourable operating variances of $394 thousand. In addition, the Entity received cash of $335 thousand related to an equity injection from Cabinet which was not included in the approved budget and is still subject to approval by the Legislative Assembly.

Other receivables
This variance is as a result of salaries and related costs paid to Judges and Magistrates on behalf of the Executive entity of the Judicial Administration. The Entity has an outstanding receivable relating to reimbursement for these costs. This would not have been budgeted by the Entity.

Prepayments
The actual prepayment is higher than budget by $306 thousand as a payment was made prior to period end for fit out of a new legal aid office.

Property and equipment
The increase in property and equipment over budget is primarily due to major purchases to additions in property and equipment during the period which would have not been included in the budget.

Employee entitlements
The $118 thousand decrease in employee entitlements to budget is as a direct result of management's efforts to encourage the use of annual leave during the period and ultimately reduced the liability.

Surplus payable
Judicial Administration has recorded a surplus of $596 thousand due to the billings to the Government exceeding the actual spend plus $214 thousand of the prior year's surplus payable to be repaid during the period. Refer to notes 11 and 12 and the discussion below for the favourable variances noted.

Statement of financial performance

Sales of outputs to Cabinet
This variance is substantially explained by the decision taken by the entity to obtain approval from Government to reallocate the operational funding to capital funding during the period.

Personnel costs
The net reduction in personnel costs of $590 thousand is primarily due to the non-fulfilment of budgeted positions or filling at a later than anticipated date. See Note 11.

Supplies and consumables
Total supplies and consumables was $335 thousand under budget although there were varying fluctuations against budget within individual categories. See Note 12.

Note 16: Explanation of major variances against budget (continued)

The net decrease is primarily due to decreases in the purchase of services of $195 thousand, supplies and materials of $81 thousand, utilities of $69 thousand and general insurance of $39 thousand. These are driven by a reduction in professional fees, lower utility expenses than budgeted and better rates obtained on the general insurance by the Government.

Note 17: Related party and key management personnel disclosures

Related party disclosure

The Entity is a wholly owned entity of the Government of the Cayman Islands from which it derives a major source of its revenue. The Entity transacts with other government entities on a regular basis. These transactions were provided in kind during the 18 month period ended 31 December 2017.

30 June 2016 Actual	Statement of financial position	Current Period Actual	Approved Budget	Variance (Budget vs. Actual)
CI$000		CI$000	CI$000	CI$000
499	Receivables from exchange transactions	236	562	326
-	Other receivables	132	6	(126)
-	Prepayments	381	75	(306)
-	Other payable	335	-	(335)
927	Surplus payable	1,523	713	(810)

30 June 2016 Actual	Statement of financial performance	Current Period Actual	Approved Budget	Variance (Budget vs. Actual)
CI$000		CI$000	CI$000	CI$000
5,946	Sale of goods and services	9,721	10,112	391
48	Insurance expense	58	97	40

As disclosed in note 1 (c) the Cabinet approved a reallocation of funds in the amount of $335 thousand from the operational budget to be an equity injection for capital funding during the 18-month period ended 31 December 2017. Under the provisions of subsection 11(6)(b) of the Public Management and Finance Law (2017 Revision) where the Cabinet has authorized executive financial transactions in accordance with subsection 11(5), the executive

Note 17: Related party and key management personnel disclosures (continued)

financial transactions are to be included in the next Supplementary Appropriation Bill for that financial year and effectively approved by the Legislative Assembly. As of 31 December 2017, the Legislative Assembly's approval has not yet been obtained and accordingly an other payable has been recognized for cash received by the Entity during the period. Once the Legislative Assembly has approved the reallocation of funds, the Entity will recognize a capital injection of $335 thousand.

Key management personnel

Key management personnel, defined as Court Administrator, Chief Financial Officer, Clerk of Court, Deputy Clerk of Court, Senior Deputy Clerk of Court, Administrative and Finance Manager and Human Resource Manager are considered to be related parties.

There are six (2016: six) full-time equivalent personnel considered at the senior management level in addition to the Chief Financial Officer. The total remuneration includes: regular salary, allowances, pension contributions and health insurance contributions. Total remuneration for senior management in the 18 month period ended 31 December 2017 was $918 thousand (2016: $697 thousand). There were no loans made to key management personnel or their close family members in the 18 month period ended 31 December 2017 (2016: $0).

Note 18: Financial instrument risks

The Entity is exposed to a variety of financial risks including credit risk, exchange rate risk and liquidity risk. The Entity's risk management policies are designed to identify and manage these risks, to set appropriate risk limits and controls, and to monitor the risks and adhere to limits by means of up to date and reliable information systems. These risks are managed within the parameters established by the Financial Regulations (2013 Revision).

<u>Credit risks</u>
Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Entity. Financial assets which potentially expose the Entity to credit risk comprise cash and cash equivalents and receivables from exchange transactions.

The Entity is exposed to potential loss that would be incurred if the counterparty to the bank balances fails to discharge its obligation to repay. All bank balances are with one financial institution located in the Cayman Islands which management considers to be financially secure and well managed.

The Entity is also exposed to a significant concentration of credit risk in relation to receivables from exchange transactions, significant of which are due from other Government entities. No credit limits have been established. As at 31 December 2017, no provision for doubtful debts (2016: $0) has been made on these receivables as management considers these debts to be recoverable in full.

The carrying amount of financial assets recorded in the financial statements represents the Entity's maximum exposure to credit risk. No collateral is required from debtors.

Note 18: Financial instrument risks (continued)

Exchange rate risk

The entity does not have significant exposure to currency exchange rate risk as the Cayman Islands dollar is pegged to the United States Dollar.

Liquidity risk

Liquidity risk is the risk that the Entity is unable to meet its payment obligations associated with its financial liabilities when they are due.

The ability of the Entity to meet its debts and obligation is dependent upon its ability to collect the debts outstanding to the Entity in a timely basis. In the event of being unable to collect its outstanding debts, it is expected that the Government would temporarily fund any shortfalls the Entity would have with its own cash flows. As at 31 December 2017, all of the financial liabilities were due within three months of the year end date (2016: all within three months of the year-end date).

Note 19: Subsequent events

In preparing these financial statements management has evaluated and disclosed all material subsequent events up to April 30, 2018 which is the date that the financial statements were available to be issued.