



GOVERNMENT OF THE CAYMAN ISLANDS

Judicial Administration

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2011

Appendix: Financial Statements for the year ended 30 June 2011

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CAYMAN ISLANDS.

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by Judicial Administration in accordance with the provisions of the Public Management and Finance Law (2010 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 (2010 Revision).

As Chief Officer I am responsible for establishing; and have established and maintain 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 Judicial Administration.

As Chief Officer and Chief Financial Officer we are responsible for the preparation of Judicial Administration financial statements, representation and judgements made in these statements.

The financial statements fairly present the Statement of Financial Position, Statement of Financial Performance and Statement of Changes in Equity for the financial year ended 30 June 2011.

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

- (a) Completely and reliably reflect the financial transactions of Judicial Administration for the year ended 30 June 2011;
- (b) fairly reflect the financial position as at 30th June 2010 2011 and performance for the Year ended 30th June 2011;
- (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. Where guidance is not available, the financial statements comply with International Accounting Standards issued by the International Accounting Standards Committee or accounting practice that is generally accepted in the United Kingdom as appropriate for reporting in the public sector.

The Office of the Auditor General conducts an independent audit and expresses an opinion on the accompanying financial statements. The Office of the Auditor General has been provided access to all the information necessary to conduct an audit in accordance with International Standards of Auditing.

A handwritten signature in blue ink, appearing to read "Delene Cacho".

Delene Cacho
Chief Officer

Date- 23/11/11

A handwritten signature in blue ink, appearing to read "John Regan".

John Regan
Chief Financial Officer

Date- Nov 23 2011

AUDITOR GENERAL'S REPORT

To the Chief Officer of Judicial Administration and to the Members of the Legislative Assembly of the Cayman Islands

I have audited the accompanying financial statements of the Judicial Administration (the "Entity"), which comprise the statement of financial position as at 30 June 2011, and the statement of financial performance, statement of changes in net worth and statement of cash flow for the year then ended and a summary of significant accounting policies and other explanatory notes as set out on pages 5 to 27 in accordance with the provisions of Section 44(3) of the Public Management and Finance Law (2010 Revision).

Management's Responsibility 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.

Auditor's Responsibility for the Financial Statements

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend upon the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Qualified Opinion for the Financial Statements

Lack of sales invoices for Outputs Sold to Cabinet

I was unable to satisfy myself as to the existence of accounts receivable (debtor Cabinet) in the amount of \$187,674 in the 30 June 2011 financial statements. This amount is related to the practice of offsetting net surplus or net deficit every period by charging or crediting, respectively, outputs sold to Cabinet, and recognizing accounts receivable. I was not provided with documentation that clearly supports the existence of this amount, such as sales invoices for the current and prior periods.

Qualified Opinion

In my opinion, except for the possible effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the existence of receivable totalling to \$187,674, these financial statements present fairly, in all material respects, the financial position of the Judicial Administration as of 30 June 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.



Alastair Swarbrick, MA (Hons), CPFA
Auditor General

Cayman Islands
23 November 2011

**JUDICIAL ADMINISTRATION
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011
(Expressed in Cayman Islands Dollars)**

Prior Year Actual CIS\$000		Note	Current Year Actual CIS\$000	Final/Original Budget CIS\$000	Variance (Original vs. Actual) CIS\$000
	Current Assets				
1,056	Cash and cash equivalents	2	1,527	969	(558)
856	Trade receivables	3	569	537	(32)
60	Inventory	4	76	75	(1)
1,972	Total Current Assets		2,172	1,581	(591)
	Non-Current Assets				
21	Accounts receivable	3	20	-	(20)
1,048	Property, plant and equipment	5	933	1,105	172
1,069	Total Non-Current Assets		953	1,105	152
3,041	Total Assets		3,125	2,686	(439)
	Current Liabilities				
2	Trade payables	6	139	-	(139)
461	Other payables and accruals	6	109	170	61
64	Employee entitlements	7	59	30	(29)
527	Total Current Liabilities		307	200	(107)
-	Non-Current Liabilities		-	-	-
-	Employee entitlements		-	-	-
-	Total Non-Current Liabilities		-	-	-
527	Total Liabilities		307	200	(107)
2,514	Net Assets		2,818	2,486	(332)
	Net Worth				
2,514	Contributed capital		2,574	2,426	(148)
-	Accumulated surpluses		244	60	(184)
2,514	Total Net Worth		2,818	2,486	(332)

The accounting policies and notes on pages 9 to 27 form part of these financial statements.

JUDICIAL ADMINISTRATION
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2011
(Expressed in Cayman Islands Dollars)

Prior Year Actual CIS\$000		Note	Current Year Actual CIS\$000	Final /Original Budget CIS\$000	Variance (Original vs. Actual) CIS\$000
	Revenue				
4,795	Sale of goods and services	9	4,806	4,829	(23)
42	Other revenue	9	50	-	(50)
4,837	Total Revenue		4,856	4,829	(27)
	Expenses				
3,368	Personnel costs	10	3,210	3,311	101
1,361	Supplies and consumables	11	1,504	1,288	(216)
108	Depreciation	5	142	230	88
-	Litigation costs	12	-	-	-
-	Other expenses (Capital charge)	13	-	-	-
4,837	Total Expenses		4,856	4,829	(27)
-	Surplus or (Deficit) for the period		-	-	-

The accounting policies and notes on pages 9 to 27 form part of these financial statements.

JUDICIAL ADMINISTRATION
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 30 JUNE 2011
(Expressed in Cayman Islands Dollars)

	Contributed Capital CIS000	Accumulated Surplus/(deficits) CIS000	Total Net worth CIS000	Final/Original Budget CIS000	Variance (Original vs. Actual) CIS000
Balance at 30 June 2009					
Equity Investment from Cabinet	2,284	-	2,284		
Surplus/(deficit) for the period (2009/10)	230	-	230		
	-	-	-		
Balance at 30 June 2010	2,514	-	2,514	2,426	(88)
Equity Investment from Cabinet	60	-	60	60	-
Surplus/(deficit) for the (period 2010/11)	-	-	-	-	-
Prior years accruals no longer required	-	244	244	-	(244)
Balance at 30 June 2011	2,574	244	2,818	2,486	(332)

The accounting policies and notes on pages 9 to 27 form part of these financial statements.

JUDICIAL ADMINISTRATION
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2011
(Expressed in Cayman Islands Dollars)

Prior Year Actual CIS000		Note	Current Year Actual CIS000	Final/Original Budget CIS000	Variance (Original vs. Actual) CIS000
CASH FLOWS FROM OPERATING ACTIVITIES					
	<i>Receipts</i>				
5,152	Outputs to Cabinet		5,094	4,829	(265)
(216)	Outputs to other government agencies		-	-	-
27	Sale of goods and services - third party		50	-	(50)
	<i>Payments</i>				
(3,360)	Personnel costs		(3,214)	(3,311)	(97)
(1,491)	Supplies and consumables		(1,492)	(1,288)	204
-	Other payments		-	-	-
112	Net cash flows from operating activities	14	438	230	(208)
CASH FLOWS FROM INVESTING ACTIVITIES					
(560)	Purchase of property, plant and equipment		(27)	(290)	(263)
560	Net cash flows from investing activities		(27)	(290)	(263)
CASH FLOWS FROM FINANCING ACTIVITIES					
230	Equity Investment		60	60	-
230	Net cash flows from financing activities		60	60	-
(218)	Net increase/(decrease) in cash and cash equivalents		471	-	(471)
1,274	Cash and cash equivalents at beginning of period		1,056	969	(87)
1,056	Cash and cash equivalents at end of period		1,527	969	(558)

The accounting policies and notes on pages 9 to 27 form part of these financial statements.

**JUDICIAL ADMINISTRATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

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 (2010 Revision) and it 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 Annual Plan and Estimates for the Government of Cayman Islands for the financial year ending 30 June 2011.

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

The principal office of the Entity is located in the Court House George Town, Grand Cayman. As of 30 June 2011 Judicial Administration had 52 employees (2010: 55).

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.

There are no known accounting standards that have been adopted by the IPSAS Board for use in future years that will have a significant impact on these financial statements other than enhanced disclosures.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(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.

Changes in Accounting Policies

When presentation or classification of items in the financial statements is amended or accounting policies are changed, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

The presentation of the prior year financial statements has been changed to include a comparison of actual amounts with amounts in the original and final budget as required by IPSAS 24 including explanations of material difference between original budget and actual amounts.

**JUDICIAL ADMINISTRATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

Note 1: Significant Accounting Policies (continued)

The details and presentation of the Statement of Changes in Net Worth has been changed to show greater detail and to reflect changes in accounting policies and corrections of errors and omissions.

Segment reporting has been included in accordance with IPSAS 18.

(b) Reporting Period

The reporting period is the year ended 30 June 2011.

(c) Budget Amounts

The original budget amounts for the financial year are as presented in the 2010/2011 Annual Budget Statement and approved by the Legislative Assembly on the 24th of June 2010. The Final Budget is those budget amounts approved in Supplementary Budget.

(d) Judgments and Estimates

The preparation of financial statements is in conformity with International Public Sector Accounting Standards that 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. 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 and in any future periods that are 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 recognised as a liability (unearned revenue).

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

**JUDICIAL ADMINISTRATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

Note 1: Significant Accounting Policies (continued)

(g) Operating Leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, where this is representative of the pattern of benefits to be derived from the leased property. Lease payments under operating lease, net of lease incentives received, are recognised as expenses on a straight-line basis over the lease term. Lease incentives received are recognised evenly over the term of the lease as a reduction in rental expense.

(h) Capital Charges

Capital charges on the net assets due to the Cayman Islands Government are recognized as an expense in the period in which they are incurred.

(i) 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 from the date of acquisition.

When there is objective evidence that a financial asset or group of financial assets is impaired the losses are recognised as an expense in the Statement of Financial Performance.

(j) Inventory

Inventories are recorded at the lower of cost and net current value. Where inventories are valued at cost, specific identification or the FIFO method has been used. Appropriate allowance has been made for obsolescence.

(k) Prepayments

The portion of recognised expenditure paid in advance of receiving services has been recognised as a prepayment and is classified as accounts receivable in these financial statements.

(l) Property, Plant and Equipment

Property, plant and equipment, is stated at historical cost less accumulated depreciation. Items of property, plant 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 year in which the asset is acquired.

Depreciation is expensed on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment (other than land); 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.

**JUDICIAL ADMINISTRATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

Note 1: Significant Accounting Policies (continued)

(l) Property, Plant and Equipment (continued)

<u><i>Asset Type</i></u>	<u><i>Estimated Useful life</i></u>
• Computer Equipment	3 – 10 years
• Office equipment and furniture	3 – 25 years
• Motor vehicles	3 – 20 years
• Other equipment	5 – 20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at year end. Assets that are subject to amortization 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.

Disposals

Gains and losses on disposals of property, plant and equipment are determined by comparing the sale proceeds with the carrying amount of the asset. Gains and losses on disposals during the year are included in the Statement of Financial Performance.

(m) 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 year-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 and administered by the Public Service Pension Board (the "Board"). Contributions of 12% - employer 6% and employee 6% are made to the fund by the Entity.

Prior to 1 January 2000 the Board operated a defined benefit scheme. With effect from 1 January 2000 the Board continued to operate a defined benefit scheme for existing employees and a defined contribution scheme for all new employees. Obligations for contribution to defined contribution retirement plans are recognised in the Statement of Financial Performance as they are earned by employees. Obligations for defined benefit retirement plans are reported in the Consolidated Financial Statements for the Entire Public Sector of the Cayman Islands Government.

**JUDICIAL ADMINISTRATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

Note 1: Significant Accounting Policies (continued)

(n) Financial Instruments

The Entity is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short term deposits, trade and accounts receivables and trade and accounts 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, exchange financial instruments under conditions that are potentially favourable. Financial assets comprise of cash and cash equivalents and prepayments.

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. Financial instruments comprise of accounts payable and accrued expenses.

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 Statements 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 recorded at historical 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.

(o) Contingent Liabilities and Assets (including guarantees)

Contingent liabilities and assets are reported at the point the contingency becomes evident. Contingent liabilities are disclosed when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. Contingent assets are disclosed if it is probable that the benefits will be realised.

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 expired.

**JUDICIAL ADMINISTRATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

Note 1: Significant Accounting Policies (continued)

(p) 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;
- 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.

(q) Comparative Figures

The presentation of the prior year financial statements has been changed to include a comparison of actual amounts with amounts in the original and final budget. Comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

(r) Revenue from Non Exchange Transactions

The entity receives various services from other government entities for which payment is made by the Cayman Islands Government. These services include 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. When fair values of such services can be reliably estimated then the non-exchange transaction is recorded as an expense and an equal amount is recorded in other income as a service in-kind. Where services in-kind offered are directly related to construction or acquisition of a fixed asset, such service in-kind is recognized in the cost of the fixed asset.

**JUDICIAL ADMINISTRATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

Note 2: Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank accounts in the name of Entity maintained at Royal Bank of Canada. As at 30 June 2011 the Entity held no restricted cash balances (30 June 2010: \$0). No interest was earned during the year on the amounts held in these bank accounts (30 June 2010: \$0).

Actual Prior Year	Description	Foreign Currency	Exchange Rate	Actual Current Year
CI\$000		\$000		CI\$000
892	CI\$ Operational Current Account	1,131	-	1,131
104	US\$ Operational Current Account	136	0.83	113
60	Payroll Current Account	282	-	283
1,056	TOTAL			1,527

Note 3: Trade receivables and other receivables

At year end all overdue receivables have been assessed and appropriate provisions made. The provision for doubtful debts has been calculated based on expected losses for the Entity and review of specific debtors. Expected losses have been determined based on an analysis of the Entity losses in previous periods.

Actual Prior Year	Trade Receivables	Actual Current Year	Final/Original Budget	Variance (Original vs. Actual
CI\$000		CI\$000	CI\$000	CI\$000
-	Sale of goods and services	-	-	-
358	Outputs to Cabinet	589	537	(52)
564	Other	45	-	(45)
(45)	Less: provision for doubtful debts	(45)	-	45
877	Total trade receivables	589	537	(52)

**JUDICIAL ADMINISTRATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	Trade Receivables	Prior Year Impairment	Net	Gross amount
	CIS000	CIS000	CIS000	CIS000
Current	583	-	583	583
Past due 1-30 days	-	-	-	-
Past due 31-60 days	-	-	-	-
Past due 61 and above	2	-	2	2
Past due 90 and above	49	(45)	4	49
Total	634	(45)	589	634

Changes in the provision of doubtful debts:

Actual Prior Year	Description	Actual Current Year
CIS000		CIS000
45	Balance at 1 July	45
-	- Additional provisions made during the year	-
-	- Receivables written off during the year	-
45	Balance at 30 June	45

As of June 30, 2011, accounts receivable are all due within one year from financial position date.

Note 4: Inventory

Actual Prior	Inventories	Actual Current	Final/Original	Variance (Original
Year		Year	Budget	vs. Actual)
CIS000		CIS000	CIS000	CIS000
-	Inventory held for use in the provision of goods and services	-	-	-
60	Inventory held for sale	76	75	(1)
60	Total inventories	76	75	(1)

**JUDICIAL ADMINISTRATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

Note 5: Property, plant and equipment

	2011					
	Vehicles \$000	Furniture and fittings \$000	Computer hardware and software \$000	Office equipment \$000	Other Assets \$000	Total \$000
<u>Cost</u>						
At July 1, 2010	30	225	37	173	1,580	2,045
Additions	-	16	-	25	(14)	27
Disposals/transfers	-	-	-	-	-	-
At June 30, 2011	30	241	37	198	1,566	2,072
<u>Accumulated depreciation</u>						
At July 1, 2010	28	179	25	132	633	997
Depreciation charge for the year	2	3	5	11	121	142
At June 30, 2011	30	182	30	143	754	1,139
Net book value at June 30, 2011	-	59	7	55	812	933

	2010					
	Vehicles \$000	Furniture and fittings \$000	Computer hardware and software \$000	Office equipment \$000	Other Assets \$000	Total \$000
<u>Cost</u>						
At July 1, 2009	30	180	31	157	1,087	1,485
Additions	-	45	6	16	493	560
At June 30, 2010	30	225	37	173	1,580	2,045
<u>Accumulated depreciation</u>						
At July 1, 2009	25	163	24	151	526	889
Depreciation charge for the year	3	16	1	(19)	107	108
At June 30, 2010	28	179	25	132	633	997
Net book value at June 30, 2010	2	46	12	41	947	1,048

**JUDICIAL ADMINISTRATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

Note 5: Property, plant and equipment (continued)

As of 30 June 2011 and 2010, other assets composed of:

Actual Prior Year	Description	2010-11 Cost	2010-11 Accumulated Depreciation	2010-11 Net book Value
CIS000		CIS000	CIS000	CIS000
239	Library books	674	383	291
2	Other	26	25	1
400	Lease improvements	372	89	283
72	Electrical & A/C	99	33	66
234	Website	395	224	171
947	Total other assets	1,566	754	812

Note 6: Trade payables, other payables and accruals

Actual Prior Year		Actual Current Year	Final/Original Budget	Variance (Original vs. Actual)
CIS000		CIS000	CIS000	CIS000
14	Creditors	139	-	(139)
397	Creditors Ministries/Portfolios	38	-	(38)
39	Accrued Expenses	58	170	112
13	Payroll deductions	13	-	(13)
463	Total trade payables, other payables and accruals	248	170	(78)

Trade and other payables are non-interest bearing and are normally settled on 30-day terms.

**JUDICIAL ADMINISTRATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

Note 7: Employee entitlements

Actual Prior Year CI\$000		Actual Current Year CI\$000	Final/Original Budget CI\$000	Variance (Original vs. Actual CI\$000)
	<i>Current employee entitlements are represented by:</i>			
64	Annual Leave	59	30	(29)
64	Total current portion	59	30	(29)
	<i>Non-current employee entitlements are represented by:</i>			
-	Retirement and long service leave	-	-	-
64	Total employee entitlements	59	30	(29)

The retirement and long-service leave entitlements are calculated based on current salary paid to those employees who are eligible for this benefit.

Note 8: Revenue from Non Exchange Transactions

During the year ended 30 June 2011, the entity received services in-kind in the form computer repairs and software maintenance by the computer services department and human resources management by the Portfolio of the Civil Service. The fair value of these services cannot be determined and therefore no expense has been recognized in these financial statements.

Note 9: Revenue

Actual Prior Year CI\$000	Revenue type	Actual Current Year CI\$000	Final/Original Budget CI\$000	Variance (Original vs. Actual) CI\$000
4,795	Outputs to Cabinet	4,806	4,829	23
-	Outputs to other government agencies	-	-	-
42	Fees and charges	50	-	(50)
4,837	Total sales of goods and services	4,856	4,829	(27)

**JUDICIAL ADMINISTRATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

Note 10: Personnel costs

Actual Prior Year	Description	Actual Current Year	Final/Original Budget	Variance (Original vs Actual)
CI\$000		CI\$000	CI\$000	CI\$000
2,604	Salaries, wages and allowances	2,508	2,765	257
474	Health care	419	390	(29)
284	Pension	283	-	(283)
6	Other personnel related costs	-	156	156
3,368	Total Personnel Costs	3,210	3,311	101

Note 11: Supplies and consumables

Actual Prior Year	Description	Actual Current Year	Final/Original Budget	Variance (Original vs. Actual)
CI\$000		CI\$000	CI\$000	CI\$000
119	Supplies and Materials	191	252	61
174	Purchase of services	196	185	(11)
442	Lease of Property and Equipment	470	441	(29)
261	Utilities	287	269	(18)
84	Insurance	75	93	18
38	Interdepartmental expenses	37	-	(37)
11	Travel and Subsistence	21	10	(11)
232	Other	227	38	(189)
1,361	Total Supplies & consumables	1,504	1,288	(216)

Note 12: Litigation costs

The Attorney General's Office provides litigation services to the Entity.

Note 13: Capital charge

A capital charge is payable to the Portfolio of Finance and Economics as required by *Public Management and Finance Law, (2010 Revision)* section 41(5). The Financial Secretary annually sets the capital charge rate which was 0% as no capital was budgeted for in 2010-11 (2010: 5.95%). The capital charge is recorded semi-annually, on December 31 and June 30 and calculated by multiplying the capital charge rate by the net assets/net worth amount. For 2010-11, the capital charge is \$0K (2010: \$0K).

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

Actual Prior year CI\$000	Description	Actual Current year CI\$000	Final/Original Budget CI\$000	Variance (Original vs. Actual) CI\$000
-	Surplus/(deficit) from ordinary activities	244	-	(244)
	Prior years adjustment re accruals no longer required			
	Non-cash movements			
108	Depreciation expense	142	230	88
	Changes in current assets and liabilities:			
126	(Increase)/decrease in receivables	288	-	(288)
(137)	(Increase)/(decrease) in payables	(220)	-	220
15	(Increase)/decrease in inventories	(16)	-	16
112	Net cash flows from operating activities	438	230	(208)

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Note 15: Contingent liabilities and assets

	Beginning Balance	Additions	Disbursements	Adjustments	Ending Balance
Guarantees					
Item 1 heading					
Item 1 description/nature/timing of outflow/uncertainties of amounts and timing					
Item 2 heading					
Item 2 description/nature/timing of outflow/uncertainties of amounts and timing					
Total Quantifiable Guarantees	-	-	-	-	-
Legal Proceedings and Disputes					
Item 1 heading					
Item 1 description					
Item 2 heading					
Item 2 description					
Total Legal Proceedings and Disputes	-	-	-	-	-
Other Contingent Liabilities					
Item 1 heading					
Item 1 description					
Item 2 heading					
Item 2 description					
Total Other Contingent Liabilities	-	-	-	-	-
Total contingent liabilities	-	-	-	-	-
Contingent Assets					
Item 1 heading					
Item 1 description					
Item 2 heading					
Item 2 description					
Total Other Contingent Assets	-	-	-	-	-

**JUDICIAL ADMINISTRATION
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Note 16: Commitments

Prior Year Actual CI\$000	Type	One year or less CI\$000	One to five Years CI\$000	Over five Years CI\$000	Total CI\$000
	Capital Commitments				
-	Property, plant and equipment	-	-	-	-
-	Other fixed assets	-	-	-	-
-	Other commitments (list separately if material)	-	-	-	-
-	Total Capital Commitments	-	-	-	-
	Operating Commitments				
742	Non-cancellable accommodation leases	310	-	-	310
-	Other non-cancellable leases	-	-	-	-
-	Non-cancellable contracts for the supply of goods and services	-	-	-	-
-	Other operating commitments	-	-	-	-
742	Total Operating Commitments	310	-	-	310
742	Total Commitments	310	-	-	310

The Entity has medium to long term accommodation leases for the premises it occupies in George Town. The annual leases terminate in February 2012. The amounts disclosed above as future commitments are based on the current rental rates.

NOTE 17: Explanation of major variances against budget

Explanations for major variances for the Entity performance against the original budget are as follows:

Statement of financial performance

Cabinet revenue was \$23K Lower than budget.

Other Revenue

Revenue from other sources was \$50K versus a budget of \$0.

Personnel Costs

Personnel costs were \$101K below budget due to the decision to delay the filling of certain positions.

**JUDICIAL ADMINISTRATION
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FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 17: Explanation of major variances against budget (continued)

Supplies and consumables

Supplies and consumables were \$216K higher than budget the principle causes were higher security, utilities and CI law reports costs.

Depreciation

Depreciation expenses were \$88K below budget at \$142K.

Statement of financial position

Cash and cash equivalents

The actual year-end cash balances were \$558K above budget at \$1.527 million.

Debtors and other receivables

The actual year-end debtors and other receivables balances were lower than the original budget due to a reduction in inter-agency balances.

Creditors and other payables

Creditors, accruals and other payables were \$107 higher than the budget.

Statement of cash flows

Cash from operating activities

Cash from operating activities of \$208K higher than budget.

Cash from investing activities

Capital additions were \$27 versus a budget of \$290K.

Cash from financing activities

The \$60k of equity injection was the amount budgeted.

**JUDICIAL ADMINISTRATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 18: Related party and key management personnel disclosures

Related party disclosure

The Entity is a wholly owned entity of the government from which it derives a major source of its revenue. The Entity and its key management personnel transact with other government entities on a regular basis. These transactions were provided free of cost during the financial year ended 30 June 2011 and were consistent with normal operating relationships between entities and were undertaken on terms and conditions that are normal for such transactions.

Key management personnel

Key management personnel, defined as Chief Officer, are also considered to be related parties.

There is one full-time equivalent personnel considered at the senior management level. The total remuneration includes: regular salary, allowances, pension contributions and health insurance contributions. Total remuneration for senior management in 2010-11 was \$127k (2009-10: \$131k). There were no loans made to key management personnel or their close family members in 2010-11 (2009-10: \$0).

NOTE 19: Financial instrument risks

The Entity is exposed to a variety of financial risks including credit 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 (2008 Revision).

Credit risks

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 Portfolio to credit risk comprise cash and cash equivalents and accounts receivable.

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.

**JUDICIAL ADMINISTRATION
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NOTE 19: Financial instrument risks (continued)

Credit risks (continued)

The Entity is also exposed to a significant concentration of credit risk in relation to accounts receivable, significant of which are due from other Government entities. No credit limits have been established. As at 30 June 2011 and 2010, no provision for doubtful debts has been made on these receivable as none of these accounts are impaired and 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.

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 30 June 2011 and 2010, all of the financial liabilities were due within three months of the year end dates.

NOTE 20: Financial instruments – fair values

As at 30 June 2011 and 2010, the carrying values of cash and cash equivalents, accounts receivable, accounts payable and employee entitlements approximate their fair values due to their relative short-term maturities.

Fair values are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions, economic conditions and other factors could cause significant changes in fair value estimates.

**JUDICIAL ADMINISTRATION
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NOTE: 21 Appropriations used

Appropriation Description (including Output number and name)	Amount Appropriated	Appropriation Used	Variance
JAD 1 Admin. support to the Judiciary	784	782	2
JAD 2 Support for court proceedings	3,444	3,425	19
JAD 3 Collection of revenue	245	245	-
JAD 4 Financial Management of court funds	356	354	2
Total	4,829	4,806	23