Annual Report

of

Judicial Administration

For the 2009/10 Financial Year

Contents

1. Overview of Performance for the Year

Introduction

This annual report details the performance of the *Judicial Administration* for the fiscal year ending 30 June 2010

It includes information about outputs actually delivered during the year as compared to the planned performance documented in the Annual Budget Statement for the Judicial Administration for 2009/10, or as amended through the supplementary appropriation process.

It also reports those aspects of ownership performance that were contained in the Annual Budget Statement for 2009/10 or as amended through the supplementary appropriation process.

Summary of Performance

Output Performance

All outputs operated below the approved appropriation.

Ownership Performance

The approved appropriation for 2009/10 was $5,040,975 the actual for the year was $246,052 lower at $4,794,923. This reduction in costs was achieved by not filling vacant positions and curtailing expenditures.

STATEMENT OF RESPONSIBILITY FOR THE STATEMENT OF OUTPUTS DELIVERED

These statement of outputs delivered have been prepared by Judicial Administration in accordance with the provisions of the *Public Management and Finance Law (2005 Revision).*

We accept responsibility for the accuracy and integrity of the information in this statement of outputs delivered and their compliance with the *Public Management and Finance Law (2005 Revision).*

As Chief Officer and Chief Financial Officer, we are responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the transactions recorded in the statement of outputs delivered are authorised by law, and properly record the output transactions of Judicial Administration

As Chief Officer and Chief Financial Officer we are responsible for the preparation of Judicial Administration statement of outputs delivered and for the judgements made in them.

We represent that both the cost and quantity for each output is materially correct. With respect to quality and timeliness measures they are difficult to measure and can be subjective. As a result, we are unable to confirm the completeness and reliability of the quality and timeliness.

Delene Cacho
Chief Officer
Date: 10/5/11

John Regan
Chief Financial Officer
Date: May 10. 2011

Auditor's Responsibility for the Statement of Outputs Delivered
I was engaged to conduct my audit in accordance with International Standards on Auditing. Because of the matters described in the basis of disclaimer of opinion paragraph below, I do not express an opinion on the statement of outputs.

Overall Scope Limitations
The parameters included for each of the output measures included in these statements have been provided to me by the management of Judicial Administration and are solely his responsibility. I do not review the basis of the determination of these parameters that measure each of the outputs, or for their appropriateness or relevance. Nor do I review the accuracy of the information contained in the "Description" field of each statement or the "Explanation of Variances" commentary following each Statement. The information as documented included therein has been determined by the management of Judicial Administration in their best judgment and, as such, its accuracy and relevance are solely their responsibility.

Management could not represent to me the fairness of the information contained in the statement of outputs delivered.

Basis for Disclaimer for the Statement of Outputs Delivered:
I was not provided with sufficient information to conduct an audit and determine whether the statement of outputs delivered is fairly presented in all material respects.

Disclaimer of Opinion for the Statement of Outputs Delivered
Because of the significance of the matter discussed in the preceding paragraph, I do not express an opinion on the statement of outputs delivered.

Alastair Swarbrick, MA (Hons), CPFA
Auditor General

Cayman Islands
10 May 2011

Part B

Statement of Outputs Delivered

Statement of Outputs Delivered

JUD 1	Administrative Support to the Judiciary

Description

Administrative Support to the Judiciary, involving:

- Secretarial, court reporting, listing and administrative support to the Chief Justice and the Judiciary
- Administrative support relating to the Mutual Legal Assistance Treaty activities (MLAT).
- Administration of Justice in the Cayman Islands
- Provision of a comprehensive legal library to be used by Judges, Magistrates, Attorneys and Public
- Listing of both civil and criminal cases for hearing.

Measures	2009/10 Actual	2009/10 Budget	Annual Variance
Quantity			
• Number of judgments typed or transcribed	69	75-100	6
• Number of statistical reports	1	1-2	
• Number of transcripts for appeals	75	70-100	
• Number of periodicals and bound volumes in library.	3,937	3,937	25
Quality			
• Judgments prepared accurately in accordance with the Judge's and Magistrates drafts and directions	100%	100%	
• Statistical reports are accurate and subject to peer review	95%	95%	
• Transcripts of trials and Hearings prepared accurately and based on Judges/Magistrates directions	95%	95%	
• Library requests for additional books to be met	100%	100%	
• Library staff qualified	100%	100%	
Timeliness			
• Judgments are prepared in accordance with Judges request	100%	100%	
• Transcripts are prepared within 2-4 weeks of appeals being lodged	95%	95%	
• Library opens 9am - 4:30pm on Monday-Friday	100%	100%	
• Policy initiatives to be developed within deadlines	100%	100%	
Location			
Courts Office, Grand Cayman			
Cost (of producing the output)	**807,502**	**849,023**	**41,521**
Price (paid by Cabinet for the output)	**807,502**		

Related Broad Outcome:

: Address Crime and Improve Policing

JUD 2	Collection of Revenue

Description

Provide support for the collection and recording of Court and Traffic Ticket fines and Civil Court fees.

Measures	2009/10 Actual	2009/10 Budget	Annual Variance
Quantity			
Number of hours collecting and recording fine and fees	3,000-3,500	3,000-3,500	
Quality			
• Amount collected equates to amount ticketed or fined or amount of fee	100%	100%	
• All monies collected recorded accurately and in accordance with government accounting regulations	95%	95%	
• Warrant accurate, and issued in accordance with relevant laws and signed by Judge/Magistrate	100%	100%	
Timeliness			
• Money received deposited to the bank within one working day	100%	100%	
• Warrants issued on outstanding fines within one month of default	60%	60%	
Location			
Courts Office Grand Cayman, Ashton Rutty Centre, Cayman Brac, Kirk House, Grand Cayman	100%	100%	
Cost (of producing the output)	250,851	263,723	12,872
	250,851		
Price (paid by Cabinet for the output)			

Related Broad Outcome:

: Address Crime and Improve Policing

JUD 7	Administration of Legal Aid

Description

Administration of legal aid including:

- Processing applications
- Assign Attorneys
- Processing and issuing legal aid certificates
- Taxation of legal aid bills

Measures	2009/10 Actual	2009/10 Budget	Annual Variance
Quantity			
• Number of Civil legal aid applications processed	147	200-250	53
• Number of Criminal legal aid applications processed	181	180-220	39
• Number of Legal aid certificates issued	214	250-300	36
Quality			
• Applications processed in accordance with the Legal Aid Law for Judges and Magistrates consideration	80%	80%	
• Attorney's assigned and certificates issued in accordance with Judge's/Magistrates decisions, and based on Attorney expertise in the relevant field	80%	80%	
• Assessment of bills to be in accordance with the Legal Aid Law and with the Chief Justice's practice direction	95%	95%	
Timeliness			
• Applications processed within 2 days	80%	80%	
• Attorney assigned and legal aid certificate issued within 5 days after being granted	90%	90%	
• Court files reviewed when requested by Attorney, Judge or applicant	90%	90%	
• Number of days from receipt Certified bills processed for payment	5	5	
Location			
Courts Office Grand Cayman	100%	100%	
Cost (of producing the output)	160,926	169,184	8,258
Price (paid by Cabinet for the output)	160,926		

Related Broad Outcome:

: Address Crime and Improve Policing

JUD 9	Court Room Services		

Description

Management of courts including:

- Swearing in witnesses
- Recording exhibits
- Keeping order in court
- Liaising with jurors
- Court reporting
- Checking the court list and making sure files are available for that particular court
- Ushering Judges and Magistrates

Measures	2009/10 Actual	2009/10 Budget	Annual Variance
Quantity			
• Court room services provided to 5 court rooms by:			
• Marshals	9	9	
• Court room reporters	4	4	
Quality			
• Court room personnel to be prepared and in attendance before the start of court each day	90%	90%	
• Prepare courtrooms to ensure that everything is ready before the court commences	95%	95%	
• Correct files available for the relevant courts	95%	95%	
Timeliness			
• Files delivered to courtroom at least ½ hour before court sitting	100%	100%	
• Case files to Judiciary at least 4 days for Judges and 1 day for Magistrates before hearing	100%	100%	
• Courtroom prepared at least 1 hour before court sits	100%	100%	
Location			
Courts Office Grand Cayman, Ashton Rutty Building Cayman Brac	100%	100%	
Cost (of producing the output)	1,353,104	1,422,538	69,434
Price (paid by Cabinet for the output)	1,353,104		

Related Broad Outcome

: Address Crime and Improve Policing

JUD 13	Financial Management of Court Funds

Description

Financial management of Court Funds for the Grand Court of the Cayman Islands
Collect and distribute compensations and child support

Measures	2009/10 Actual	2009/10 Budget	Annual Variance
Quantity			
• Number of Nominated Accounts	55	80-90	25
• Number of General Accounts	860	1,500-1,600	640
• Number of Financial Statements	1	1	
Quality			
• Receipts and payments are in accordance with Court Order	100%	100%	
• Account balances reconciled to General Ledger monthly	90%	90%	
Timeliness			
• Disbursement of cheques three (3) times per week	95%	95%	
• Batches posted to General Ledger daily	95%	95%	
• Annual Financial Statements to be prepared on a timely basis	60%	60%	
Location			
Courts Office Grand Cayman	100%	100%	
Cost (of producing the output)	364,937	383,664	18,727
Price (paid by Cabinet for the output)	364,937		

Related Broad Outcome:

: Address Crime and Improve Policing

Jud 15	Administrative Support for the Conduct of Civil Proceedings

Description

administrative Support for the Conduct of Civil proceedings, involving:

- Receiving and filing legal documents relating to cases in the Grand & Summary Courts
- Preparing Appeal Bundles
- Issuing civil summonses and bail bonds
- Maintenance of Originating Process, registers of Attorneys, Notaries Public and Justices of the Peace
- Servicing and enforcement of court documents including: writs, petitions, originating summonses, foreign process, warrants of execution.
- Administration of the Maintenance and Affiliation Law (child and spouse support) involving: processing of applications, processing Court Orders, following-up delinquent payers and processing and issuing Attachment of Earnings Orders

Measures	**2009/10 Actual**	**2009/10 Budget**	**Annual Variance**
Quantity			
Civil Case Management			
• Number of Civil cases processed	924	1000-1100	76
• Number of Divorce cases processed	246	200-240	(6)
• Number of Probate and Administration processed	126	150-180	424
Case Management - Court of Appeal			
• Number of Civil appeals processed	25	15-25	
• Number of Criminal Appeals processed	31	20-30	(1)
Servicing and enforcement of court documents			
• Number of Court documents serviced	1,707	1500-1700	(7)
Administration of the Maintenance and Affiliation Law (child and spouse support)			
• Number of applications processed, summonses issued and Court orders processed	320	350-400	30
• Number of Attachment of Earnings Orders issued	51	60-80	9
Quality			
Originating process filed accurately			
• Appeal bundles prepared in accordance with the relevant Law	100%	100%	
• Orders prepared and issued in accordance with the relevant laws and Court rulings	100%	100%	
• Court documents: to be serviced and executed in accordance with the rules of the relevant court and convention	100%	100%	
• Administration of the Maintenance and Affiliation Law (child and spouse support) relevant documents processed accurately and in accordance with the relevant laws and procedures	95%	95%	
Timeliness			
• Documents filed within 2-5 working days based on urgency	100%	100%	
• Bundles prepared before the relevant court session	95%	95%	
• Orders processed within five (5) days	95%	95%	
• Court documents serviced within 14 days	80%	80%	
• Administration of the Maintenance and Affiliation Law (child and spouse support) applications processed and summonses issued within 1week	95%	95%	

Location Courts Office Grand Cayman, Kirk House Grand Cayman, Ashton Rutty Building Cayman Brac	100%	100%	
Cost (of producing the output)	**742,555**	**780,659**	**38,104**
Price (paid by Cabinet for the output)	**742,555**		

Related Broad Outcome:

2: Address Crime and Improve Policing

Jud 16	Administrative Support for the Conduct of Criminal Proceedings

Description

Administrative Support for the Conduct of Criminal proceedings, involving:

- Receiving and processing charges & legal documents relating to cases
- Selecting, summons and empanel jurors
- Preparing trial and Appeal Bundles
- Preparing Coroner's files & Certificates
- issuing summonses and bail bonds
-

Measures	2009/10 Actual	2009/10 Budget	Annual Variance
Quantity			
Criminal Case Management			
• Number of Criminal Summary Court Cases processed	1,264	1500-1600	236
• Number of Criminal appeals processed	81	45-60	
• Number of Jury trials processed	26	100-120	(21)
• Number of Juvenile Court cases processed	55	50-60	84
• Number of Youth Court cases processed	145	150-180	
• Number of Jurors Summoned	496	440-510	5
			5
	23	30-40	
Coroners Support & Administration	13	10-20	14
• Number of coroners cases registered			7
• Number of coroners Inquests held			
Traffic Case Management	11396	9000-11000	(396)
• Number of Traffic cases processed			
CAYMAN BRAC	47	50-60	3
• Number of Criminal Summary Court cases filed	322	300-360	38
• Number of Traffic Cases filed			
Quality			
• Charges are filed accurately	95%	95%	
• Trial bundles and Appeal bundles prepared in accordance with the relevant Law and Judge/Magistrates instructions	95%	95%	
• Charges and summonses signed in accordance with the relevant laws and procedures	100%	100%	
• Coroners files prepared accurately	95%	95%	
Timeliness	100%	100%	
• Documents filed within 1-5 working days based on urgency	95%	95%	
• Bundles prepared before the relevant court session	80%	80%	
• Coroner's certificates issued within 5 working days			
Location			
Courts Office Grand Cayman, Kirk House Grand Cayman, Ashton Rutty Building Cayman Brac	100%	100%	
Cost	**884,697**	**$930,096**	**45,399**
Price (paid by Cabinet for the output)	**884,697**		

Related Broad Outcome
2: Address Crime and Improve Policing

Jud 17	Administration of Drug Rehabilitation Court (DRC)

Description

Administration and support for the conduct of Drug Rehabilitation Court proceedings, involving:

- Processing applications
- Receiving and filing legal documents relating to cases
- Preparing pre-court and courtroom materials and reports
- Issuing summonses and bail bonds
- Maintenance of registers of DRC participants
- Conducting U/A Random protocol & Courtroom U/A testing
- Programme coordination and monitoring

Measures	2009/10 Actual	2009/10 Budget	Annual Variance
Quantity			
• Number of DRC applications processed	58	50-100	42
• Number of DRC Provisional Orders made	50	50-100	
• Number of DRC Prescribed Treatment Programme Orders Made	39	50-100	11
• Number of DRC graduates	24	10-15	(9)
• Number of U/A's	1,436	1,000-1,200	(236)
• Number of DRC Team meetings	5	10-12	5
Quality			
• Applications processed in accordance with the Drug Rehabilitation Court Law for consideration by the DRC Team	80%	80%	
• Orders signed and issued in accordance with the Rules of Court	80%	80%	
• Assessment for suitability completed within the 30-day provisional period	95%	95%	
• Client progress is assessed before advancement to next phase of programme	100%	100%	
• Client meets all the requirements for graduation as set out in Rule of Court			
Timeliness			
• Applications processed within 14 days	80%	80%	
• DRC materials and reports prepared before the relevant court session	80%	80%	
• Orders processed within 2 working days			

Location Courts Office Grand Cayman, Kirk House Grand Cayman Islands Government	100%	100%	
Cost ***Price (paid by Cabinet for the output)***	230,721 230,721	$242,088	11,367
Related Broad Outcome: 2: Address Crime and Improve Policing			

Part C

Ownership Performance Achieved During the Year

(UNAUDITED)

Nature and Scope of Activities

Approved Nature and Scope of Activities

General Nature of Activities

To provide administrative support for the dispensation of Justice in the Cayman Islands for Judicial and Mutual Legal assistance to foreign Courts and Governments and for the resolution of disputes that come before the Courts.

Scope of Activities

Case Management – Criminal and Civil

- Provision of services to support the work of the Judiciary in determining and managing criminal and civil cases.
- Services include:
  - Register all actions, ensure their custody and progress through the Judicial system.
  - Scheduling cases and rostering judges
  - Managing documents and exhibits
  - Recording and transcribing evidence
  - Undertaking functions prescribed by statute (for example granting bails, issuing summonses etc. in Criminal cases and dissolutions and probate etc. in Civil cases).
  - Dealing with enquiries from parties and their lawyers.

Financial Management

- Collection or enforcement of monetary penalties, and the enforcement of judgments of the Courts on behalf of Judgment creditors.
- Administration of Legal Aid services.
- Collection of forfeited funds

Customers and Location of Activities

The services provided by the Judicial Administration are provided to members of the Legal Profession, the Police, other Government Agencies and the public in the Cayman Islands and abroad. Customers:- Chief Justice, other government agencies and the general public.

Compliance during the Year

Judicial Administration complied with the activities listed above.

Strategic Ownership Goals

Approved Strategic Ownership Goals

The key strategic ownership goals for the *Judicial Administration* in 2009/10 and the subsequent two years are as follows:

- Ensure optimum use of Government resources so that costs are reduced as much as possible.
- Creation of a Commercial and other Divisions of the Grand Court
- Continue ongoing technological modernization of the Courts system, including the creation of an inter-active website
- Implementation of Children's Law
- Implementation of the Alternative Sentencing Law and Policies.

Achievement during Year

- Ensure optimum use of Government resources so that costs are reduced as much as possible.

  Because of the need for austerity the following action was taken to reduce costs: vacant positions were not filled and operating expenses were curtailed.

- Establishment of the Family Court

  Cannot establish a separate family court until there is available space, however family court matters are before the courts on a daily basis.

- Creation of a Commercial and other Divisions of the Grand Court

  Court was established in November 2009 with the appointment of 3 part-time Financial Services Division judges.

- Continue ongoing technological modernization of the Courts system, including the creation of inter-active website:

  This is in the final stages of completion.

- Implementation of Children's Law:

  This Law is being revised and is awaiting public input.

- Implementation of the Alternative Sentencing Law and Polices

  The above law has been passed.

Ownership Performance Targets

Financial Performance

Financial Performance Measures	2009/10 Actual $	2009/10 Budget $	Annual Variance $
Revenue from Cabinet	4,794,923	*5,040,975*	246,052
Revenue from ministries, portfolios, statutory authorities, government companies			
Revenue from others			
Surplus/deficit from outputs			
Ownership expenses	4,794,923	*5,040,975*	246,052
Operating Surplus/Deficit			
Net Worth	2,514,000	*2,514,000*	
Cash flows from operating activities	112,000	*137,000*	25,000
Cash flows from investing activities	(560,000)	*(670,000)*	(110,000)
Cash flows from financing activities	230,000	*230,000*	
Change in cash balances	(218,000)	*(303,000)*	(85,000)

Financial Performance Ratios	2009/10 Actual	2009/10 Budget	Annual Variance
Current Assets: Current Liabilities (Working Capital)	3.74	*8.35*	4.61
Total Assets: Total Liabilities	5.8	*13.6*	7.8

Maintenance of Capability

Human Capital Measures	2009/10 Actual	2009/10 Budget	Annual Variance
Total full time equivalent staff employed	55	57	2
Staff turnover (%) Managers			
Professional and technical staff	6	6	
Clerical and labourer staff	6	6	
Average length of service (number of years in current position) Managers	6	6	
Professional and technical staff	10	10	
Clerical and labourer staff	10	10	
Changes to personnel management system:			

Physical Capital Measures	2009/10 Actual	2009/10 Budget	Annual Variance
Value of total assets	3,041,000	2,714,000	(327)
Asset replacements: total assets	18%	25%	7%
Book value of assets: initial cost of those assets	51.2%	54%	2.8%
Depreciation: cash flow on asset purchases	19%	34%	15%
Changes to asset management policies			

Major New Entity Capital Expenditures for the Year	2009/10 Actual	2009/10 Budget	Annual Variance
Library books, office equipment, furniture	560,000	670,000	110,000
Build-out costs			

Major Entity Capital Expenditures continuing from previous years	2009/10 Actual	2009/10 Budget	Annual Variance

Risk Management

Key risks faced by the Portfolio	Change in status from 2006/7	Actions to manage risk	Financial value of risk
Loss of key personnel	Unchanged	• Training Plan • Regular Performance feedback	Unknown
Judicial Enforcement Management System (JEMS) training	Unchanged	Continue with training and implementation schedule.	Unknown
Hurricane or other damage and/or loss of confidential documents/exhibits and the inability of the courts to operate fully	Unchanged	• Maintenance of strong-room and vault; and back-up computer disks. • Generator to be acquired	Unknown

Equity Investments and Withdrawals

Equity Movement	2009/10 Actual	2009/10 Budget	Annual Variance
Equity Investment from Cabinet into the *[insert Ministry/Portfolio name]*	230,000	230,000	
Capital (Equity) Withdrawal by Cabinet from the *[insert Ministry/Portfolio name]*			

Appendix: Financial Statements for the year ended 30 June 2010

CONTENTS

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 (2005 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 (2005 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.

Subject to IPSAS 23 Revenue from Non-Exchange Transactions the financial statements fairly present the financial position, financial performance and cash flows of Judicial Administration, for the financial year ended 30 June 2010. IPSAS 23 requires that the Judicial Administration report in the financial statements the fair value of services provided by other departments of the Cayman Island Government. For the 2009-10 budget the practice of inter departmental charges was abolished. As the amount appropriated did not include such charges; we have made no adjustment in the financial statements for such charges.

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 2010;

(b) fairly reflect the financial position as at 30th June 2010 and performance for the Year ended 30th June 2010;

(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.

Delene Cacho
Chief Officer

Date- 10/5/11

John Regan
Chief Financial Officer

Date- May 10 2011

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CAYMAN ISLANDS

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AUDITOR GENERAL'S REPORT

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

I have audited the accompanying financial statements of Judicial Administration, which comprise the statement of financial position as at 30 June 2010, and the statement of financial performance, statement of changes in net worth and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes as set out on pages 29 to 50 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 representation of these financial statements in accordance with International Public Sector Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Qualified Opinion

<u>Lack of sales invoices for Outputs Sold to Cabinet</u>
I was unable to satisfy myself as to the existence of accounts receivable (debtor Cabinet) in the amount of $211,555 in the 30 June 2010 financial statements. These balance and amount are 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 culmination of the earning of the amount, such as sales invoices for the current and prior periods.

<u>Contributed Capital - Goods and Services</u>
The Entity received goods and services from other core government entities during the current year for which no charge was levied. In accordance with IPSAS 23 – Revenue from non-exchange transactions (taxes and transfer) shall initially be measured at its fair value from the date of acquisition. The Entity, however, did not estimate the fair value of goods and services received as at 30 June 2010. As a result, I was unable to satisfy myself as to the completeness of supplies and consumables in the amount of $1.4M on the statement of financial performance and of contributed capital in the amount of $2.5M on the statement of financial position and statement of changes in net worth.

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 amounting to $211,555, and the adjustments necessary for recording the fair value of goods and services received from non-exchange transactions, in all material respects, the financial position of the Judicial Administration as of 30 June 2010, 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
10 May 2011

JUDICIAL ADMINISTRATION
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010
(Expressed in Cayman Islands Dollars)

Prior Year Actual CI$000		Note	Current Year Actual CI$000	Final/Original Budget CI$000	Variance (Original vs. Actual) CI$000
	Current Assets				
1,274	Cash and cash equivalents	2	1,056	969	(87)
997	Trade receivables	3	856	625	(231)
75	Inventory	4	60	75	15
2,346	**Total Current Assets**		**1,972**	**1,669**	**(303)**
	Non-Current Assets				
6	Accounts receivable	3	21	-	(21)
596	Property, plant and equipment	5	1,048	1,045	(3)
602	**Total Non-Current Assets**		**1,069**	**1,045**	**(24)**
2,948	**Total Assets**		**3,041**	**2,714**	**(327)**
	Current Liabilities				
573	Trade payables	6	424	170	(254)
35	Other payables and accruals	6	39	-	(39)
56	Employee entitlements	7	64	30	(34)
664	**Total Current Liabilities**		**527**	**200**	**(327)**
664	**Total Liabilities**		**527**	**200**	**(327)**
2,284	**Net Assets**		**2,514**	**2,514**	-
	Net Worth				
2,284	Contributed capital		2,514	2,514	-
-	Accumulated surpluses		-	-	-
2,284	**Total Net Worth**		**2,514**	**2,514**	-

The accounting policies and notes on pages 33-50 form part of these financial statements.

JUDICIAL ADMINISTRATION
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2010
(Expressed in Cayman Islands Dollars)

Prior Year Actual CI$000		Note	Current Year Actual CI$000	Final /Original Budget CI$000	Variance (Original vs. Actual) CI$000
	Revenue				
5,982	Sale of goods and services	8	4,795	5,041	246
63	Other revenue	8	42	-	(42)
6,045	**Total Revenue**		4,837	5,041	204
	Expenses				
3,398	Personnel costs	9	3,368	3,433	65
2,360	Supplies and consumables	10	1,361	1,378	17
175	Depreciation	5	108	230	122
112	Other expenses (Capital charge)	11	-	-	-
6,045	**Total Expenses**		4,837	5,041	204
-	**Surplus or (Deficit) for the period**		-	-	-

The accounting policies and notes on pages 33-50 form part of these financial statements.

JUDICIAL ADMINISTRATION
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 30 JUNE 2010
(Expressed in Cayman Islands Dollars)

	Contributed Capital CI$000	Accumulated Surplus/(deficits) CI$000	Total Net worth CI$000	Final/Original Budget CI$000	Variance (Original vs. Actual) CI$000
Balance at 30 June 2008	1,732	-	1,732	1,732	-
Equity Investment from Cabinet	552	-	552	552	-
Surplus/(deficit) for the period (2008/09)	-	-	-	-	-
Balance at 30 June 2009	**2,284**	-	**2,284**	**2,284**	-
Equity Investment from Cabinet	230	-	230	230	-
Surplus/(deficit) for the (period 2009/10)	-	-	-	-	-
Balance at 30 June 2010	**2,514**	-	**2,514**	**2,514**	-

The accounting policies and notes on pages 33-50 form part of these financial statements.

JUDICIAL ADMINISTRATION
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2010
(Expressed in Cayman Islands Dollars)

Prior Year Actual CI$000		Note	Current Year Actual CI$000	Final/Original Budget CI$000	Variance (Original vs. Actual) CI$000
	CASH FLOWS FROM OPERATING ACTIVITIES				
	Receipts				
5,860	Outputs to Cabinet		5,152	5,041	(111)
62	Outputs to other government agencies		(216)	-	216
-	Sale of goods and services - third party		27	-	(27)
	Payments				
(3,281)	Personnel costs		(3,360)	(3,433)	(73)
(2,029)	Supplies and consumables		(1,491)	(1,471)	20
(112)	Other payments		-	-	-
500	**Net cash provided by operating activities**	12	**112**	**137**	**25**
	CASH FLOWS FROM INVESTING ACTIVITIES				
(205)	Purchase of property, plant and equipment	5	(560)	(670)	(110)
(205)	**Net cash used by investing activities**		**(560)**	**(670)**	**(110)**
	CASH FLOWS FROM FINANCING ACTIVITIES				
552	Equity Investment		230	230	-
552	**Net cash provided by financing activities**		**230**	**230**	-
847	**Net increase/(decrease) in cash and cash equivalents**		(218)	(303)	(85)
427	Cash and cash equivalents at beginning of period		1,274	1,272	(2)
1,274	**Cash and cash equivalents at end of period**		**1,056**	**969**	**(87)**

The accounting policies and notes on pages 33-50 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 (2008 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 2010.

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 2010 the Entity had 55 employees (2009: 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.

<u>Changes in Accounting Policies</u>

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.

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 2010.

(c) Budget Amounts

The original budget amounts for the financial year are as presented in the 2009/2010 Annual Budget Statement and approved by the Legislative Assembly on the 14 October 2009. 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.

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.

Note 1: Significant Accounting Policies (continued)

(l) Property, Plant and Equipment (continued)

Asset Type	***Estimated Useful life***
• 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 of 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.

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-recognition 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.

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.

Note 2: Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank accounts in the name of the Entity maintained at Royal Bank of Canada. As at 30 June 2010 the Entity held no restricted cash balances (30 June 2009: $0). No interest was earned during the year on the amounts held in these bank accounts (30 June 2009: $0)

Actual Prior Year	Description	Foreign Currency	Exchange Rate	Actual Current Year
CI$000		$000		CI$000
1,065	CI$ Operational Current Account	CI$892	-	892
102	US$ Operational Current Account	US125	0.83	104
107	Payroll Current Account	CI$ 60	-	60
1,274	**TOTAL**			**1,056**

JUDICIAL ADMINISTRATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

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 CI$000	Trade Receivables	Actual Current Year CI$000	Final/Original Budget CI$000	Variance (Original vs. Actual CI$000
-	Sale of goods and services	-	-	-
715	Outputs to Cabinet	358	625	267
333	Other	564	-	(564)
(45)	Less: provision for doubtful debts	(45)	-	45
1,003	Total trade receivables	877	625	(252)

	Trade Receivables CI$000	Prior Year Impairment CI$000	Net CI$000	Gross amount CI$000
Current	869	-	869	869
Past due 1-30 days	-	-	-	-
Past due 31-60 days	-	-	-	-
Past due 61 and above	2	-	2	2
Past due 90 and above	51	(45)	6	51
Total	922	(45)	877	922

Changes in the provision of doubtful debts:

Actual Prior Year CI$000	Description	Actual Current Year CI$000
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, 2010, accounts receivable are all due within one year from financial position date.

Note 4: Inventory

Actual Prior Year CI$000	Inventories	Actual Current Year CI$000	Final/Original Budget CI$000	Variance (Original vs. Actual) CI$000
-	Inventory held for use in the provision of goods and services	-	-	-
75	Inventory held for sale	60	75	15
75	**Total inventories**	60	75	15

Note 5: Property, plant and equipment

	2010					
	Vehicles $000	Furniture and fittings $000	Computer hardware and software $000	Office equipment $000	Other Assets $000	Total $000
Cost						
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
Accumulated depreciation						
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 2010

Note 5: Property, plant and equipment (continued)

	2009					
	Vehicles $000	Furniture and fittings $000	Computer hardware and software $000	Office equipment $000	Other Assets $000	Total $000
Cost						
At July 1, 2008	30	180	31	141	898	1,280
Additions	-	-	-	16	189	205
At June 30, 2009	30	180	31	157	1,087	1,485
Accumulated depreciation						
At July 1, 2008	19	145	16	126	408	714
Depreciation charge for the year	6	18	8	25	118	175
At June 30, 2009	25	163	24	151	526	889
Net book value at June 30, 2009	5	17	7	6	561	596

As of 30 June 2010 and 2009, other assets composed of:

Actual Prior Year CI$000	Description	2009-10 Cost CI$000	2009-10 Accumulated Depreciation CI$000	2009-10 Net book Value CI$000
166	Library books	591	352	239
3	Other	26	24	2
85	Lease improvements	469	69	400
47	Electrical & A/C	99	27	72
260	Website	395	161	234
561	**Total other assets**	1,580	633	947

Note 6: Trade payables, other payables and accruals

Actual Prior Year CI$000	Description	Actual Current Year CI$000	Final/Original Budget CI$000	Variance (Original vs. Actual CI$000
12	Creditors	14	10	(4)
542	Creditors Ministries/Portfolios	397	130	(267)
35	Accrued Expenses	39	30	(9)
19	Payroll deductions	13	-	(13)
608	**Total trade payables, other payables and accruals**	**463**	**170**	**(293)**

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

Note 7: Employee entitlements

Actual Prior Year CI$000	Description	Actual Current Year CI$000	Final/Original Budget CI$000	Variance (Original vs. Actual CI$000
	Current employee entitlements are represented by:			
56	Annual Leave	64	30	(34)
56	Total current portion	64	30	(34)
	Non-current employee entitlements are represented by:			
-	Retirement and long service leave	-	-	-
56	**Total employee entitlements**	**64**	**30**	**(34)**

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

JUDICIAL ADMINISTRATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Note 8: Revenue

Actual Prior Year	Revenue type	Actual Current Year	Final/Original Budget	Variance (Original vs. Actual)
CI$000		CI$000	CI$000	CI$000
5,982	Outputs to Cabinet	4,795	5,041	246
-	Outputs to other government agencies	-	-	-
63	Fees and charges	42	-	(42)
6,045	**Total sales of goods and services**	**4,837**	**5,041**	**204**

Note 9: Personnel costs

Actual Prior Year	Description	Actual Current Year	Final/Original Budget	Variance (Original vs Actual)
CI$000		CI$000	CI$000	CI$000
2,610	Salaries, wages and allowances	2,604	2,707	103
431	Health care	474	403	(71)
340	Pension	284	323	39
17	Other personnel related costs	6	-	(6)
3,398	**Total Personnel Costs**	**3,368**	**3,433**	**65**

Note 10: 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
76	Supplies and Materials	119	128	9
742	Purchase of services	174	125	(49)
330	Lease of Property and Equipment	442	442	-
265	Utilities	261	261	-
110	Insurance	84	93	9
475	Interdepartmental expenses	38	38	-
14	Travel and Subsistence	11	10	(1)
348	Other	232	281	49
2,360	**Total Supplies & consumables**	**1,361**	**1,378**	**17**

JUDICIAL ADMINISTRATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Note 11: Capital charge

A capital charge is payable to the Entity of Finance and Economics as required by *Public Management and Finance Law*, (*2005 Revision*) section 41(5). The Financial Secretary annually sets the capital charge rate which was 0% as no capital was budgeted for in 2009-10 (2009: 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 2009-10, the capital charge is $0K (2009: $105K).

Note 12: 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			
	Non-cash movements			
175	Depreciation expense	108	230	122
	Changes in current assets and liabilities:			
363	(Increase)/decrease in receivables	126	-	(126)
(38)	(increase/(decrease) in payables	(137)	(93)	44
	(Increase)/decrease in inventories	15		(15)
500	Net cash flows from operating activities	112	137	25

JUDICIAL ADMINISTRATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Note 13: 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	-	-	-	-	-

Note 14: 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				
325	Non-cancellable accommodation leases	432	310		742
-	Other non-cancellable leases	-	-	-	-
-	Non-cancellable contracts for the supply of goods and services	-	-	-	-
-	Other operating commitments	-	-	-	-
325	**Total Operating Commitments**	432	310		742
325	**Total Commitments**	432	310		742

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 15: 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

Revenue from cabinet was $246k lower than budget.

Other Revenue

Revenue from other sources was $42K versus a budget of $0.

Personnel Costs

Personnel costs were $65K below budget due to the decision to delay the filling of certain positions.

JUDICIAL ADMINISTRATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 15: Explanation of major variances against budget (continued)

Supplies and consumables
Supplies and consumables were $17K below budget.

Depreciation
Depreciation expenses were $122K below budget at $108K.

Statement of financial position
Cash and cash equivalents
The actual year-end cash balances were $87K above budget at $1.056 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 $327K higher than the budget. The principle reason was that a budgeted repayment of inter-agency payable did not take place.

Statement of cash flows
Cash from operating activities
There was a small decrease in cash from operating activities of $25K.

Cash from investing activities
Capital additions were $110K below budget at $560K. This is primarily due to timing.

Cash from financing activities
The $230K of equity injection was the amount budgeted.

NOTE 16: 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 2010 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 2009-10 was $131k (2008-09: $131k). There were no loans made to key management personnel or their close family members in 2009-10 (2008-09: $0).

NOTE 17: 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).

<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 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.

NOTE 16: 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 2010 and 2009, 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 2010 and 2009, all of the financial liabilities were due within three months of the year end dates.

NOTE 17: Financial instruments – fair values

As at 30 June 2010 and 2009, 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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE: 18 Appropriations used

Appropriation Description (including Output number and name)	Amount Appropriated	Appropriation Used	Variance
JAD 1 Admin. support to the Judiciary	849,023	807,502	(41,521)
JAD 2 Support for court proceedings	3,544,565	3,371,633	(172,932
JAD 3 Collection of revenue	263,723	250,851	(12,872)
JAD 4 Financial Management of court funds	383,664	364,937	(18,727)
Total	**5,040,975**	**4,794,923**	**246,052**