FINANCIAL STATEMENTS

JUDICIAL ADMINISTRATION

30 JUNE 2015



GOVERNMENT OF THE CAYMAN ISLANDS

JUDICIAL ADMINISTRATION

FINANCIAL STATEMENTS
30 JUNE 2015

Judicial Administration

Financial Statements for the year ended 30 June 2015

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CAYMAN ISLANDS

Judicial Administration
Cayman Islands Government
P.O. Box 495
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CAYMAN ISLANDS.

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by the Judicial Administration in accordance with the provisions of the Public Management and Finance Law (2013 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 (2013 Revision).

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

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

The financial statements fairly present (except for property and equipment) the financial position, financial performance and cash flows for the financial year ended 30 June 2015.

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

(a) Completely and reliably reflect the financial transactions of the Judicial Administration for the year ended 30 June 2015;
(b) fairly reflect the financial position as at 30 June 2015 and performance for the year ended 30 June 2015;
(c) comply with International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board under the responsibility of the International Federation of Accountants.

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

Kevin McCormac
Court Administrator

Date: 30/10/15

Kim France
Chief Financial Officer

Date: 30/10/2015

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CAYMAN ISLANDS

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AUDITOR GENERAL'S REPORT

To the Court Administrator and the Members of the Legislative Assembly

I have audited the accompanying financial statements of Judicial Administration, which comprise the statement of financial position as at 30 June 2015, and the statements of financial performance, cash flows, and changes in net assets/equity for the year then ended and a summary of significant accounting policies and other explanatory information as set out on pages 5 to 23 in accordance with the Section 60(a)(i) of the *Public Management and Finance Law (2013 Revision)*.

Management's Responsibility for the Consolidated 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.

Auditors' Responsibility

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 we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 on 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 qualified audit opinion. In rendering my audit opinion on the financial statements of Judicial Administration, I have relied on the work carried out on my behalf by a public accounting firm who performed their work in accordance with International Standards on Auditing.

AUDITOR GENERAL'S REPORT (continued)

Basis for Qualified Opinion

A detailed fixed asset register was not maintained by Judicial Administration and was therefore not available at 30 June 2015. As a result, we were unable to form an opinion on the completeness, existence, accuracy and valuation of the property and equipment recorded at 30 June 2015, as well as the depreciation expense for the year then ended and the related impact this would have on the equity of Judicial Administration as at 30 June 2015.

A detailed fixed asset register was not maintained by Judicial Administration and was therefore not available at 30 June 2014. As a result, we were unable to form an opinion on the completeness, existence, accuracy and valuation of the property and equipment recorded at 30 June 2014, as well as the depreciation expense for the year then ended and the related impact this would have on the equity of Judicial Administration as at 30 June 2014.

Qualified Opinion

In my opinion, except for the effects of such adjustments, if any, as might have determined to be necessary in respect of the matters discussed in the "Basis for Qualified Opinion" paragraph above, the financial statements present fairly, in all material respects, the financial position of Judicial Administration as at 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Garnet Harrison

Garnet Harrison, CPA, CA
Acting Auditor General

30 October 2015
Cayman Islands

JUDICIAL ADMINISTRATION
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015
(Expressed in Cayman Islands Dollars)

Prior Year Actual CI$000		Note	Current Year Actual CI$000	Approved Budget (Note 1(c)) CI$000	Variance (Budget vs. Actual) CI$000
	Current Assets				
1,141	Cash and cash equivalents	2,16	1,150	1,434	284
485	Receivables from exchange transactions	3,16,17	503	460	(43)
130	Prepayments	16	65	25	(40)
77	Inventory	4	73	80	7
1,833	**Total Current Assets**		1,791	1,999	208
	Non-Current Assets				
923	Property and equipment	5	763	738	(25)
923	**Total Non-Current Assets**		763	738	(25)
2,756	**Total Assets**		2,554	2,737	183
	Current Liabilities				
4	Payables under exchange transactions	6,16	5	56	51
208	Other payables and accruals	6,16	118	125	7
187	Employee entitlements	8	159	125	(34)
713	Surplus payable	7,17	713	713	-
1,112	**Total Current Liabilities**		995	1,019	24
1,112	**Total Liabilities**		995	1,019	24
1,644	**Net Assets**		1,559	1,718	159
	Net Assets/Equity				
2,849	Contributed capital		2,849	2,849	-
(1,205)	Accumulated deficits		(1,290)	(1,131)	159
1,644	**Total Net Assets/Equity**		1,559	1,718	159

The accounting policies and notes on pages 9 to 23 form part of these financial statements.

JUDICIAL ADMINISTRATION
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2015
(Expressed in Cayman Islands Dollars)

Prior Year Actual CI$000		Note	Current Year Actual CI$000	Approved Budget (Note 1(c)) CI$000	Variance (Budget vs. Actual) CI$000
	Revenue				
5,327	Sale of outputs to Cabinet	10	5,516	5,516	-
58	Other revenue	10	65	39	(26)
5,385	**Total Revenue**		**5,581**	**5,555**	**(26)**
	Expenses				
3,578	Personnel costs	11,17	3,543	3,543	-
1,696	Supplies and consumables	12,16,17	1,850	1,806	(44)
221	Depreciation	5	219	206	(13)
-	Impairment of inventory	4	54	-	(54)
5,495	**Total Expenses**		**5,666**	**5,555**	**(111)**
(110)	**Deficit for the year**		**(85)**	**-**	**85**

The accounting policies and notes on pages 9 to 23 form part of these financial statements.

JUDICIAL ADMINISTRATION
STATEMENT OF CHANGES IN NET ASSETS/EQUITY
FOR THE YEAR ENDED 30 JUNE 2015
(Expressed in Cayman Islands Dollars)

	Contributed Capital CI$000	Accumulated Deficits CI$000	Total Net Assets/Equity CI$000	Approved Budget Note 1(c)) CI$000	Variance (Budget vs. Actual) CI$000
Balance at 1 July 2013	2,669	(1,095)	1,574	1,718	144
Equity investment from Cabinet in the year 2013/14	180	-	180	-	(180)
Deficit for the year 2013/14	-	(110)	(110)	-	110
Balance at 30 June 2014	**2,849**	**(1,205)**	**1,644**	**1,718**	**74**
Deficit for the year 2014/15	-	(85)	(85)	-	85
Balance at 30 June 2015	**2,849**	**(1,290)**	**1,559**	**1,718**	**159**

The accounting policies and notes on pages 9 to 23 form part of these financial statements.

JUDICIAL ADMINISTRATION
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2015
(Expressed in Cayman Islands Dollars)

Prior Year Actual CI$000		Note	Current Year Actual CI$000	Approved Budget (Note 1(c)) CI$000	Variance (Budget vs. Actual) CI$000
	CASH FLOWS FROM OPERATING ACTIVITIES				
	Receipts				
5,279	Sale of outputs to Cabinet		5,518	5,553	35
36	Sale of goods and services - third party		45	0	(45)
	Payments				
(3,529)	Personnel costs		(3,571)	(3,543)	28
(1,735)	Supplies and consumables		(1,924)	(1,806)	118
51	**Net cash flows used in operating activities**	**14**	**68**	**204**	**136**
	CASH FLOWS FROM INVESTING ACTIVITIES				
(229)	Purchase of property and equipment	5	(59)	(60)	(1)
(229)	**Net cash flows used in investing activities**		**(59)**	**(60)**	**(1)**
	CASH FLOWS FROM FINANCING ACTIVITIES				
180	Equity investment		-	-	-
180	**Net cash flows from financing activities**		-	-	-
2	**Net increase in cash and cash equivalents**		9	144	135
1,139	Cash and cash equivalents at beginning of year		1,141	1,290	149
1,141	**Cash and cash equivalents at end of year**		**1,150**	**1,434**	**284**

The accounting policies and notes on pages 9 to 23 form part of these financial statements.

JUDICIAL ADMINISTRATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015
(Expressed in thousands of Cayman Islands Dollars)

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 (2013 Revision) and is domiciled in the Cayman Islands.

Its principal activities and operations include all activities carried out in terms of the outputs purchased by the Entity as defined in the purchase agreements for the Government of the Cayman Islands (the "Government") for the financial year ended 30 June 2015.

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

The principal address of the Entity is located in the Court House, George Town, Grand Cayman. As of 30 June 2015, Judicial Administration had 57 employees (2014: 74).

Note 1: Significant accounting policies

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

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. There have been no significant changes to the accounting policies during the year ended 30 June 2015.

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

(b) Reporting period
The reporting period is the year ended 30 June 2015.

(c) Budget amounts
The 2014/15 final/original budget amounts were prepared using the accrual basis of accounting and the accounting policies have been consistently applied with the actual financial statement presentation. The 2014/15 final/original budget was presented in the 2014/15 Annual Budget Statement and approved by the Legislative Assembly on 25 June 2014. There have been no subsequent adjustments to the approved budget and therefore this represents the final budgeted amounts.

Note 1: Significant accounting policies (continued)

(d) Judgements and estimates

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period that is affected by those revisions. As at 30 June 2015, no reliable fair value estimate of contributed goods and services provided to the Entity by Government entities could be made and therefore no estimated amounts are recorded in these financial statements (2014: $0).

(e) Revenue

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

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

(f) Expenses

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

(g) Operating leases

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

(h) Cash and cash equivalents

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

(i) Inventory

Inventories are recorded at the lower of cost or net realisable value. Where inventories are valued at cost, specific identification of their individual costs or the first-in-first-out (FIFO) method is used.

(j) Prepayments

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

Note 1: Significant accounting policies (continued)

(k) Property and equipment

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

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

Asset type	***Estimated useful life***
• Computer hardware and software	3 – 10 years
• Office equipment; furniture and fittings	3 – 25 years
• Vehicles	3 – 20 years
• Other fixed assets	5 – 20 years

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

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

Disposals

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

Note 1: Significant accounting policies (continued)

(l) 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 Pensions Board (the "Board"). Contributions of 12.384% on basic salary employer 6.192% and employee 6.192% are made to the Fund by the Entity. Contributions of 12% on acting, duty allowances employer 6% and employee 6% are made to the Fund by the Entity.

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 defined benefit 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 of the Government of the Cayman Islands and not within individual Government entities.

(m) Financial instruments

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

Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, or to exchange financial instruments under conditions that are potentially favourable. Financial assets comprise of cash and cash equivalents and receivables from exchange transactions.

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 liabilities comprise of payables under exchange transactions, other payables and accruals, employee entitlements and surplus payable.

Recognition

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

Note 1: Significant accounting policies (continued)

(m) Financial instruments (continued)

Measurement

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

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

De-recognition

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

(n) Provisions and contingencies

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

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

(o) Foreign currency

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

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

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

Note 1: Significant accounting policies (continued)

(p) Comparative figures

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

(q) Revenue from non-exchange transactions

The Entity receives various services from other Government entities for which payment is made by the Government. These services include but are not limited to computer repairs and software maintenance by the Computer Services Department and human resources management by the Portfolio of the Civil Service. 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 an item of property and equipment, such service in-kind is recognized in the cost of property and equipment.

(r) Impairment

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

Note 2: Cash and cash equivalents

As at 30 June 2015 the Entity held no restricted cash balances (2014: $0). No interest was earned during the year ended 30 June 2015 on the amounts held in the bank accounts (2014: $0).

Prior Year Actual CI$000	Description	Foreign Currency $000	Exchange Rate	Current Year Actual CI$000	Approved Budget CI$000	Variance (Budget vs. Actual) CI$000
916	CI$ Operational current account	909	1.00	909	1,225	316
147	US$ Operational current account	190	0.83	158	121	(37)
78	CI$ Payroll current account	83	1.00	83	88	5
1,141	Total cash and cash equivalents			1,150	1,434	284

Note 3: Receivables from exchange transactions

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 Entities losses in previous periods.

Note 3: Receivables from exchange transactions (continued)

Prior Year Actual CI$000	Receivables from exchange transactions	Current Year Actual CI$000	Approved Budget CI$000	Variance (Budget vs. Actual) CI$000
458	Sale of outputs to Cabinet	460	457	(3)
-	Sale of goods and services	2	3	1
27	Other	41	-	(41)
485	**Receivables from exchange transactions**	**503**	**460**	**(43)**

Prior Year Actual CI$000	Description	30 June 2015 Current Year Receivables from exchange transactions CI$000	Approved Budget CI$000	Variance (Budget vs. Actual) CI$000
-	Current	501	460	(41)
485	Past due 1-30 days	-	-	-
-	Past due 31-60 days	-	-	-
-	Past due 61 – 90 days	2	-	(2)
-	Past due 91 days and above			
485	**Total**	**503**	**460**	**(43)**

As of 30 June 2015, receivables from exchange transactions are all due within one year from the statement of financial position date (2014: all receivable from exchange transactions due within one year).

Note 4: Inventory

Inventory held by the Entity comprise of legal publications that are available for sale to the public. As at 30 June 2015 management considered the net realisable value of inventory held in comparison to its carrying amount, and an impairment charge of $54 thousand (2014: $0) was recorded in the statement of financial performance.

Note 5: Property and equipment

	30 June 2014						
	Vehicles CI$000	Furniture and fittings CI$000	Computer hardware and software CI$000	Office equipment CI$000	Other Assets CI$000	Work in Progress CI$000	Total CI$000
Cost							
At 1 July 2013	30	291	169	252	1,719	-	2,461
Additions	36	28	9	28	90	38	229
Transfers	-	-	-	-	-	-	-
At 30 June 2014	66	319	178	280	1,809	38	2,690
Accumulated depreciation							
At 1 July 2013	30	199	52	178	1,087	-	1,546
Depreciation charge for the year	4	12	35	22	148	-	221
At 30 June 2014	34	211	87	200	1,235	-	1,767
Carrying value at 30 June 2014	**32**	**108**	**91**	**80**	**574**	**38**	**923**

	30 June 2015						
	Vehicles	Furniture and fittings	Computer hardware and software	Office equipment	Other Assets	Work in Progress	Total
	CI$000	CI$000	CI$000	CI$000	CI$000	CI$000	CI$000
Cost							
At 1 July 2014	66	319	178	280	1,809	38	2,690
Additions	-	8	7	17	27	-	59
Transfers	-	-	-	-	38	(38)	-
At 30 June 2015	66	327	185	297	1,874	-	2,749
Accumulated depreciation							
At 1 July 2014	34	211	87	200	1,235	-	1,767
Depreciation charge for the year	7	17	36	23	136	-	219
At 30 June 2015	41	228	123	223	1,371	-	1,986
Carrying value at 30 June 2015	**25**	**99**	**62**	**74**	**503**	**-**	**763**

Note 5: Property and equipment (continued)

There was no work-in-progress as at 30 June 2015. At 30 June 2014 work-in-progress of $38 thousand represented Courtroom construction.

As of 30 June 2015, other assets are composed of:

Prior Year Carrying Value Actual CI$000	Description	30 June 2015 Cost Actual CI$000	Accumulated Depreciation Actual CI$000	Carrying Value Actual CI$000
245	Library books	789	575	214
215	Lease improvements	482	294	188
16	Website	395	392	3
39	Electrical & A/C	99	68	31
59	Other	109	42	67
574	**Total other assets**	**1,874**	**1,371**	**503**

Note 6: Payables under exchange transactions and other payables and accruals

Prior Year Actual CI$000	Description	Current Year Actual CI$000	Approved Budget CI$000	Variance (Budget vs. Actual) CI$000
4	Payables under exchange transactions	5	4	(1)
15	Other payables	16	-	(16)
17	Ministries/Portfolios	5	52	47
175	Accrued expenses	97	125	28
1	Payroll deductions	-	-	-
212	**Payables under exchange transactions and other payables and accruals**	**123**	**181**	**58**

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

Note 7: Surplus payable

Under the *Public Management & Finance Law (2013 Revision)* section 39 (3)(f), the Entity may "retain such part of its net operating surplus as is determined by the Financial Secretary". There is no additional surplus payable to the Government of the Cayman Islands during the year. The Financial Secretary has not confirmed whether the Entity can retain the surplus achieved during the prior years.

Note 8: Employee entitlements

Actual Prior Year CI$000	Description	Current Year Actual CI$000	Approved Budget CI$000	Variance (Budget vs. Actual CI$000
	Current employee entitlements payables are represented by:			
187	Annual leave and time-in-lieu	159	125	(34)
187	**Total employee entitlements (Current)**	**159**	**125**	**(34)**

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

Note 9: Revenue from non-exchange transactions

During the year ended 30 June 2015, the Entity received Services-in-kind in the form of computer repairs and software maintenance by the Computer Services Department and human resources management by the Portfolio of the Civil Service. The fair value of these services cannot be determined and therefore no expense has been recognized for the year ended 30 June 2015 (2014: $0).

Note 10: Revenues

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

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

Note 11: Personnel costs

Actual Prior Year CI$000	Description	Current Year Actual CI$000	Approved Budget CI$000	Variance (Budget vs Actual) CI$000
2,953	Salaries, wages and allowances	2,889	2,866	(23)
476	Health care	506	524	18
143	Pension	148	148	-
6	Other	-	5	5
3,578	**Total Personnel costs**	**3,543**	**3,543**	**-**

Note 12: Supplies and consumables

Prior Year Actual	Description	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)
CI$000		CI$000	CI$000	CI$000
586	Lease of property and equipment	577	540	(37)
412	Purchase of services	563	445	(118)
274	Utilities	311	275	(36)
142	Supplies and materials	187	215	28
106	Repairs and maintenance	82	121	39
75	Insurance	61	80	19
58	Others	40	62	22
25	Professional fees	23	30	7
17	Recruitment and training	6	30	24
1	Travel and subsistence	-	8	8
1,696	**Total Supplies and consumables**	1,850	1,806	(44)

Note 13: Litigation costs

The Attorney General's Office provides litigation services to the Entity, and accounted for together with other Services in-kind received by the Entity. During the year ended 30 June 2015, there were no litigation costs (2014: $0) recognized as expenses by the Entity.

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

Actual Prior year	Description	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)
CI$000		CI$000	CI$000	CI$000
(110)	Deficit for the year	(85)	-	85
	Non-cash movements:			
221	Depreciation expense	219	206	(13)
	Changes in current assets and liabilities:			
(70)	(Increase) in receivables from exchange transactions	(18)	(2)	16
(107)	Decrease/(increase) in prepayments	65	-	(65)
10	Decrease in inventory	4	-	(4)
107	(Decrease)/increase in total liabilities	(117)	-	117
51	**Net cash flows from operating activities**	68	204	136

Note 15: 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
	Operating Commitments				
1,458	Non-cancellable accommodation leases	575	388	-	963
1,458	**Total Commitments**	**575**	**388**	**-**	**963**

The Entity has medium to long-term accommodation leases for the premises it occupies in George Town. The annual leases will terminate in February 2017. The amounts disclosed above as future commitments are based on the current rental rates.

Note 16: Explanation of major variances against budget

Statement of financial position

Cash and cash equivalents
The decrease in year-end cash of $284 thousand is due to the increased spending on supplies and consumables as well as higher than budgeted prepayments and receivables from exchange transactions. Total liabilities were also slightly lower than budgeted.

Receivables from exchange transactions
The increase in receivables from exchange transactions of $43 thousand is primarily due to $15 thousand due from a Government Ministry for a refund of salaries relating to the secondment of the HR Manager, and $16 thousand paid on behalf of Executive, not refunded by year-end.

Prepayments
The year-end balance of prepayments is higher than budgeted primarily due to the early payment of $23 thousand for an on-line reference service shared with the Portfolio of Legal Affairs, and $15 thousand for 2014 bound volume 2 of law reports that had not been received by year end.

Payables under exchange transaction and other payables and accruals
The year-end payables under exchange transactions and other payables and accruals were $58 thousand lower than budgeted primarily due to an over estimation in the amount due to other Ministries and Portfolios, and the timing of actual payments.

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

Statement of financial performance

Judicial Administration recorded a deficit of $85 thousand. Explanations for major variances for the Entity performance against the budget are as follows:

Supplies and consumables
Per note 12 total supplies and consumables was $44 thousand over budget although varying fluctuations against budget within individual categories occurred.

The increase in purchase of services of $118 thousand versus budget is due to the substantial increase in use of Interpreters; consultancy to cover HR strategic development and provision of additional outsourced secretarial support for an Acting Judge not planned for when the budget was agreed. Included in this category are also security services that increased by $42 thousand which was mainly due to the increased use of external providers given the reduction in support by the Royal Cayman Islands Police Service. An increase in janitorial services of $24 thousand was due mainly to the addition of the new court and cleaning of common areas. Previously cleaning of the common areas were included as part of the related rent, however there has since been a reduction in some of the rent charges from the Landlord.

The net increase of $37 thousand in lease of property and equipment is due to the use of a new court (Court 7). The increase in utilities of $36 thousand is as a direct result of the addition of Court 7.

Supplies and materials was $28 thousand under budget due to lower than budgeted printing and office supplies and law reports expenditure and the cost of repairs and maintenance was $39 thousand less than budgeted due to lower than anticipated I.T. maintenance costs.

Note 17: Related party and key management personnel disclosures

Related party disclosure
The Entity is a wholly owned entity of the Government of the Cayman Islands from which it derives a major source of its revenue. The Entity transacts with other government entities on a regular basis. These transactions were provided in kind during the financial year ended 30 June 2015 and were consistent with normal operating relationships between entities and were undertaken on terms and conditions that are normal for such transactions.

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

Related party disclosure (continued)

Prior Year Actual	Statement of financial position	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)
CI$000		CI$000	CI$000	CI$000
485	Receivables from exchange transactions	494	460	(34)
713	Surplus payable	713	713	-

Prior Year Actual	Statement of financial performance	Current Year Actual	Approved Budget	Variance (Budget vs. Actual)
CI$000		CI$000	CI$000	CI$000
5,327	Sale of goods and services	5,516	5,516	-
75	Insurance expense	61	-	(61)

Key management personnel

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

There are six (2014: six) full-time equivalent personnel considered at the senior management level in addition to the chief financial officer. The total remuneration includes: regular salary, allowances, pension contributions and health insurance contributions. Total remuneration for senior management in the year ended 30 June 2015 was $639 thousand (2014: $651 thousand). There were no loans made to key management personnel or their close family members in the year ended 30 June 2015 (2014: $0).

Note 18: Financial instrument risks

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

Note 18: Financial instrument risks (continued)

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 Entity to credit risk comprise cash and cash equivalents and receivables from exchange transactions.

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

The Entity is also exposed to a significant concentration of credit risk in relation to receivables from exchange transactions, significant of which are due from other Government entities. No credit limits have been established. As at 30 June 2015, no provision for doubtful debts (2014: $0) has been made on these receivable as management considers these debts to be recoverable in full.

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

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

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

The ability of the Entity to meet its debts and obligation is dependent upon its ability to collect the debts outstanding to the Entity in a timely basis. In the event of being unable to collect its outstanding debts, it is expected that the Government would temporarily fund any shortfalls the Entity would have with its own cash flows. As at 30 June 2015, all of the financial liabilities were due within three months of the year end date (2014: all within three months of the year-end date).

Note 19: Financial instruments – fair values

As at 30 June 2015 and 2014, the carrying values of cash and cash equivalents, receivables from exchange transactions, payables under exchange transactions, other payables and accruals, employee entitlements and surplus payable approximate their fair values due to their relative short-term maturities.

Note 20: Subsequent events

In preparing these financial statements management has evaluated and disclosed all material subsequent events up to 30 October 2015 which is the date that the financial statements were available to be issued.