



# The Supreme Court Annual Report and Accounts 2018–2019





# The Supreme Court Annual Report and Accounts 2018–2019

Annual Report presented to Parliament pursuant to Section 54(1)  
of the Constitutional Reform Act 2005.

Accounts presented to the House of Commons pursuant to  
Section 6(4) of the Government Resources and Accounts Act 2000.

Accounts presented to the House of Lords by Command of  
Her Majesty.

Ordered by the House of Commons to be printed on  
6 June 2019.



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ISBN 978-1-5286-1045-2

CCS0219601024

Printed on paper containing 75% recycled fibre content minimum.

Printed in the UK by the APS Group on behalf of the Controller of Her Majesty's Stationery Office.

Designed by Design102.

Front cover image: © design102 / UKSC / Kevin Leighton

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# Foreword

**BY THE PRESIDENT OF THE SUPREME COURT  
THE RT HON THE BARONESS HALE OF RICHMOND DBE**



In February 2019 we were honoured to receive a visit from TRH The Prince of Wales and The Duchess of Cornwall, at the start of the year in which we celebrate our tenth anniversary. It was a very happy occasion. Their Royal Highnesses met and spoke with everyone who works in the building and saw our three courtrooms and splendid library. The visit gave a real boost to our morale and we are very grateful.

In my foreword last year I paid tribute to three departing justices, and this year has seen another three reach the statutory retirement age and leave us. Lord Mance, latterly Deputy President of the Court, served in the Appellate Committee of the House of Lords from 2005 before transferring to the Supreme Court of the United Kingdom (UKSC) when it was established in 2009. Lord Sumption and Lord Hughes were appointed to the UKSC in 2012 and 2013 respectively. Later in this report are excerpts from my valedictory remarks to each of them on their retirement, but it would be wrong not to open this foreword without mentioning them, and in particular Lord Mance who has served with such distinction at the highest level of the judiciary in the United Kingdom over so many years, and represented us so ably on the international stage. I was delighted that his career culminated in his appointment as Deputy President and am grateful to him for his support to me in that role.

Three departures have meant three arrivals and we were very pleased to welcome Lady Arden – the third woman to be appointed to the Court – Lord Kitchin and Lord Sales. They each bring different areas of expertise and qualities to the bench of the Court and

can expect an interesting time in the Court over the coming years.

I was delighted to lead the Court at our first sitting in Belfast in April 2018. We were very generously accommodated for the hearings in the Library of the Inn of Court, in the Royal Courts of Justice, and heard two important and high-profile cases and also judged a moot between Queen’s University and Ulster University. Lady Black and I addressed a meeting of women lawyers in the Government Legal Service. The justices were also able to meet the Deputy Lord Mayor, members of the Bar and the Law Society and the local judiciary. The judicial assistants (JAs) who came with us gave a talk to those interested in applying for the role.

It has been a busy year again, with 64 judgments in the UKSC (disposing of 76 appeals) and 40 in the Judicial Committee of the Privy Council (JCPC) (disposing of 50 appeals). I am very grateful for the support of my colleagues and the staff of the Court who work so hard to ensure that we continue to deliver a high level of service to the public and to the profession.

The changing of the guard has not yet stopped, and this will be my last foreword before I retire in January 2020, followed by Lord Carnwath in March 2020 and Lord Wilson in May 2020. It is a remarkable fact that nine out of the 12 justices will have retired between 2017 and 2020, but I know that the strong collegiality of the Court and its commitment to professional excellence will stand it in good stead over this challenging period.

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# Introduction

BY THE CHIEF EXECUTIVE  
MARK ORMEROD



I am pleased to present my fourth annual report, prepared in order to meet the obligation placed upon the holder of my office by section 54 of the Constitutional Reform Act 2005.

The President has referred to changes of Deputy President and justices. There have also been changes in senior staff, with the Director of Corporate Services, William Arnold, retiring and the Head of Communications, Sophia Linehan-Biggs, taking maternity leave. William had been with the UKSC since its opening in 2009, effectively filling a Deputy Chief Executive role to my predecessor Jenny Rowe and to me. William brought considerable experience from a long career in the civil service to his work as Director of Corporate Services and was instrumental in many of the decisions necessary to ensure the proper functioning of the support services and the protection of the Court's independence. I wish him a long and happy retirement.

The Court continues to work under increasing financial pressure, following the result of the Spending Review in 2015 which required us to absorb rising salary and other costs in a budget that has not increased materially since the early days of the Court's existence, in 2009-10. We have embraced this requirement for increased efficiency and have acquitted ourselves well. I am proud that the administration of the Court continues, against this tight financial background, to provide a high-quality service to justices, litigants, their representatives and members of the public.

During the year we launched a new initiative to bring the work of the justices closer to schools and colleges. We welcome a large number of educational establishments during the year, but obviously it is easier for those closer to London or with the necessary resources to visit us. We now have a programme of 'Ask a justice' in which schools can request a video conversation with a justice and this allows us to have face-to-face contact with schools across the United Kingdom. It has proved very popular and successful. We have also improved the video facility for hearings in the JCPC.

We have also launched a project to revise our website, principally to allow case papers and payment of fees to be lodged electronically but also to take the opportunity to refresh the presentation and links between the wealth of information provided, as well as to see whether more information about the arguments in the cases themselves could be provided.

Following the successful sitting of the Court in Edinburgh and Belfast, we are now working on the Court sitting in Cardiff in July 2019. These sittings out of London have proved popular and, although they present a number of administrative and logistical challenges, we are becoming more practised in their delivery and look forward to increasing the amount we can show of the Court's work when in Wales, to provide the best value for money we can.



TRH The Prince of Wales and The Duchess of Cornwall met the justices and members of staff of the UKSC in February.



# Section one

## Judicial appointments



## Judicial appointments

Lord Mance retired as Deputy President in June 2018, Lord Hughes retired in August 2018 and Lord Sumption in December 2018. Lord Hughes and Lord Sumption have been appointed to the Court's Supplementary Panel, which is open to those under 75 years old.



Valedictory ceremony for Lord Sumption, at the UKSC on 12 December 2018.

### Extract from Lady Hale's valedictory remarks for Lord Mance, 6 June 2018:

"His intellectual honesty is legendary – not for him the easy answer which will produce the result that he wants or thinks. It has to be the right answer. Si responsum erit verum ruat caelum – if the answer be correct, let the heavens fall – might be his motto. His devotion to duty is shown by the huge contribution which he has made to the work of the Judicial Committee of the Privy Council. He has frequently sat and presided there more often than any...in particular he has been our ambassador to foreign and supranational courts – participating in numerous exchanges, particularly with our European neighbours and also the USA... We shall all miss his Mancian insights, the huge range of his international interests and activities, his concern to help the young lawyers who work with us to develop their talents to the full, and his kindness to us all – and we are all so glad that the vicissitudes of the judicial retirement ages have meant that he could serve for most of this legal year as Deputy President of the Court – in which he has been invaluable to me and to everyone here."



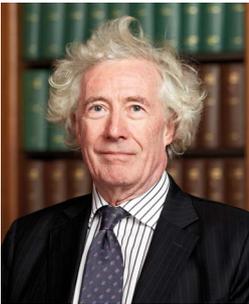
Lord Mance  
© UKSC, Kevin Leighton

### Extract from Lady Hale's remarks at the start of the case on which Lord Hughes sat before his retirement, 26 July 2018:

"It was his expertise in criminal cases which brought him here....Since Anthony has arrived we have had a very real and close understanding of the criminal justice system and the values which it is there to protect and of how it all works in the real world. The best example of that is the judgment in the Jjee case on parasitic accessory liability, but another wonderful example is the judgment in Ivey v Genting, on the meaning of dishonesty. Both of these restored the law to a principled position from which pragmatism and hard cases had diverted it. But that is not all that Lord Hughes has done for us. He has produced high quality judgments in a great many fields...He has produced a great many judgments...and he has always and without complaint agreed to take on work when asked to do so."



Lord Hughes  
© UKSC, Kevin Leighton



Lord Sumption  
© UKSC, Kevin Leighton

### Extract from Lady Hales' valedictory remarks for Lord Sumption, 12 December 2018:

"Lord Sumption is the first and so far, the only appointment direct to this Court from the Bar. Indeed... he is only the sixth ever such appointment at this level... This is of course testimony to his stellar performance at the Bar... but he was also a stellar performer as a part time judge. In the seven years he has been with us, he has given lead judgment in no less than 75 cases – in some of those what started out as a dissent was so powerful in persuading others to change their views that it became the lead judgment. He has made particular contributions in international law and contract law, but I would like to single out three which show his versatility and many would regard as making creative development in the law: *Prest v Petrodel*, ...*Woodland v Essex County Council*, ...and... *Parking Eye v Beavis*. Lord Sumption has been able to turn his judicial hand to almost anything."

In advance of these retirements, the Lord Chancellor convened selection commissions, under the Constitutional Reform Act 2005 and the Crime and Courts Act 2013, to find replacements. The process for UKSC appointments is set out on the UKSC website and requires those seeking appointment to apply, to be interviewed and for senior judges and politicians to be consulted at different stages.

Given the turnover of justices that could be foreseen during the period 2017-20 (nine out of 12 reach their statutory retirement ages), it was announced in July 2016 that, in order to encourage the broadest and most diverse range of applications and achieve the most efficient process for candidates and the selection commission, recruitment would be grouped together in several joint selection exercises. Accordingly, the posts of Deputy President and two/three justices (depending on whether the Deputy President came from within the Court or outside) were advertised in early 2018. Lord Reed took up office as Deputy President in June 2018; Lady Arden

and Lord Kitchin took up appointment in October 2018; and Lord Sales joined the Court in January 2019.

Lady Arden became the third female justice in the Supreme Court, thereby increasing its gender diversity. All appointments were made efficiently and to time.

The Lord Chancellor convened further selection commissions in autumn 2018 for the appointment of a replacement to Lady Hale when she reaches the statutory retirement age in January 2020, and, also, for replacements for Lord Carnwath and Lord Wilson when they reach the statutory retirement age in March and May 2020 respectively.

Section  
two

Overview:  
our performance



The UKSC was established by the Constitutional Reform Act 2005 (CRA) and came into being on 1 October 2009. Its creation enabled the separation of the United Kingdom's highest court from both the executive and the legislature. It was designed both to increase the transparency of the judicial process and to clarify the relationship between the judiciary, the executive and Parliament.

### About us: who we are and what we do

The role of the Court is to act as the final court of appeal for arguable points of law of general public importance arising from

civil cases throughout the United Kingdom; and from criminal cases in England and Wales, Northern Ireland and, in certain cases only, from Scotland. The Court also hears cases to determine issues relating to the legal competence of the devolved administrations, Parliament and Assemblies. This jurisdiction transferred to the UKSC on 1 October 2009 from the JCPC.

The JCPC is a separate court from the UKSC but its permanent judges are the justices of the UKSC. The JCPC is the court of final appeal for the United Kingdom Overseas Territories and Crown Dependencies, Commonwealth countries that have retained the appeal to Her Majesty in Council or, in the case of republics, to the Judicial Committee.

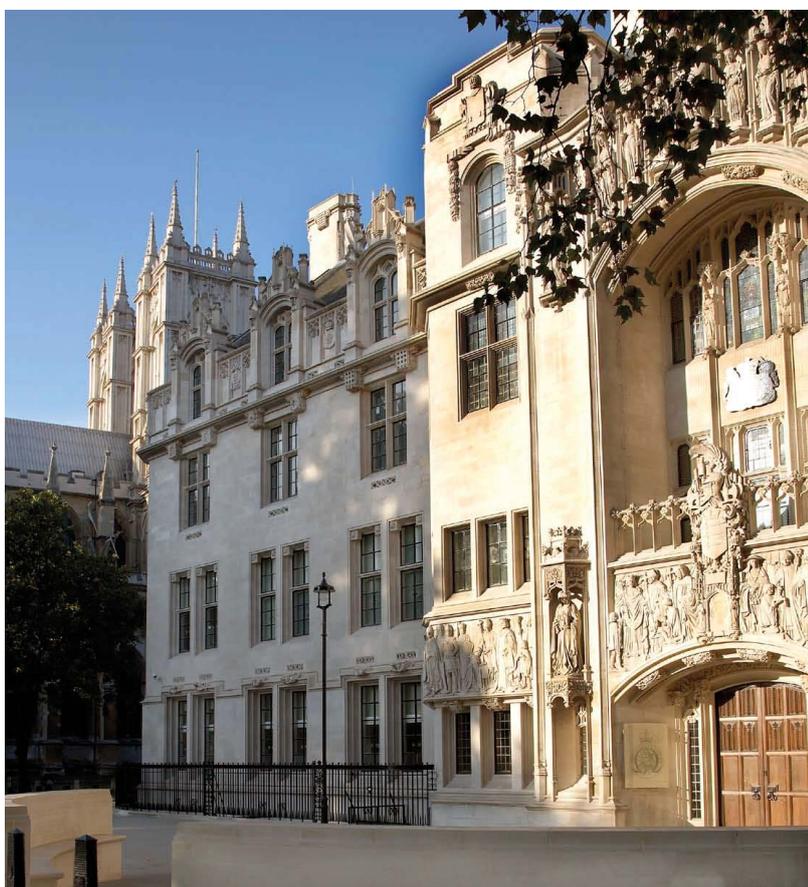
### Our Building

The UKSC is based in the former Middlesex Guildhall in Parliament Square in London, although it has also sat in Belfast and Edinburgh – and is soon to sit in Cardiff.

The 106 year-old building is Grade II\* listed by Historic England, which means that it is a 'particularly important building of more than special interest'.

The challenge we face is to run a building that is a combination of a working court, office accommodation for justices and staff and is open to visitors in an area that attracts a large number of tourists each year. The high number of people using the building each year presents issues around wear and tear on the fabric of a listed building which needs to be properly and responsibly maintained.

East front facing Parliament Square, showing the main entrance



To this end, we are working with Historic England and Westminster City Council to ensure we have an up-to-date conservation plan for the building. This will provide a framework within which we can operate to ensure the historic building is maintained as it must be.

### People and values – a snapshot

We employ 49<sup>1</sup> people in the UKSC and JCPC covering 47.62 full-time equivalent roles to support the delivery of our aim, namely to provide an environment which

enables the justices of the UKSC and JCPC to carry out their duties in an effective, visible and accessible way. This figure comprises 37 permanent staff, 1 secondee from another government department and 11 staff on fixed term contracts.

We strive to be an organisation that demonstrates our core values and those within the Civil Service Code in everything we do.

#### Our values:

**Impartiality** – We will respect judicial independence and deal with all casework fairly and objectively.

**Clarity and openness** – We will undertake our work without prejudice in an open and transparent manner.

**Professionalism** – We will seek to understand other people's pressures and give support to each other. We will treat our colleagues, court users and visitors with respect, and work professionally and co-operatively with outside organisations.

**Accountability** – We will be responsible for delivering a high-quality service to justices, court users and to the public.

**Efficiency** – We will use our time, finances and resources effectively and efficiently. We will invite and listen to feedback and continuously look to improve our processes and the services we provide.

**Accessibility** – We will provide a service that meets the reasonable needs and expectations of users. We will positively promote awareness and understanding of the UKSC and interest in the history of the building and the works of art.

**Influence** – We will be ambassadors for the Court, and we will maintain good relations, and share our knowledge and experience, with individual jurisdictions and governments in the United Kingdom, and with other courts around.

<sup>1</sup> as of 31 March 2019 for the number of staff

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In addition to our values, we developed and published a statement of expectation for all staff and managers in May 2018. The statement helps provide a consistent framework for everyone working at the UKSC and the JCPC and covers some of the mandatory expectations for good management practice. It also includes how staff should be treated and how they should treat others.

In April 2018 the UKSC also introduced a new performance management system using an on-line portal to support regular management conversations on performance and behaviours, and help with more consistent clear feedback from all parts of the organisation.

## **Our aim**

The aim is to provide an environment which enables the justices of the UKSC and JCPC to carry out their duties in an effective, visible and accessible way, and which best develops the rule of law and the administration of justice, both in the United Kingdom and in those countries which use the JCPC.

The administration of the UKSC has done this throughout 2018-19 by having in place key objectives which were established to ensure effective and efficient activities take place aligned with our spending review allocation. These objectives are as follows:

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## Key objectives:

- 1 We will create an environment, which effectively maintains the independence of the justices, in which they can carry out their work protected from external pressures and which empowers them to develop the rule of law.
- 2 We will maintain and increase confidence in the administration of justice throughout the United Kingdom by promoting transparency in, accessibility to and knowledge of the ways in which justice should be rightly administered. We will thereby promote knowledge of the importance of the rule of law, not least as a guarantee of democratic freedom.
- 3 We will run an efficient and effective administration, which enables both the UKSC and the JCPC to secure the effective determination of justice, while demonstrating the best possible value for the resources with which we have been provided. We will operate case management systems which provide appropriate measurable monitoring of the throughput of applications and cases, thereby enabling the most effective support of the justices in their work.
- 4 We will promote good relations with all the individual jurisdictions, legislatures and governments in the different parts of the United Kingdom.
- 5 We will similarly develop appropriate relationships with courts in Europe, throughout the Commonwealth and in other countries, especially those that share a common law heritage.
- 6 We will demonstrate appropriate corporate social responsibility. We will promote diversity amongst our staff, ensuring they are also representative of all the jurisdictions of the United Kingdom. We will also both source our supplies and consume our resources in ways which contribute as much as possible to sustainable development and the conservation of natural resources.
- 7 As the statutory custodian of the Court's own records, we will provide the most appropriate environment we can for the organisation, preservation and future inspection of those records.
- 8 As the occupants of the former Middlesex Guildhall, we will promote knowledge of, and interest in, this historic building, the works of art the building houses, especially the Middlesex Art Collection, and more generally the history of the County of Middlesex.

**Our statement of expectations:**

Everyone	Managers
<ul style="list-style-type: none"> <li>■ to communicate with others respectfully and professionally at all times</li> </ul>	<ul style="list-style-type: none"> <li>■ to identify and discuss any training and development needs for team members</li> </ul>
<ul style="list-style-type: none"> <li>■ to attend quarterly all staff meetings</li> </ul>	<ul style="list-style-type: none"> <li>■ to address any poor performance or concerns quickly and in a supportive manner</li> </ul>
<ul style="list-style-type: none"> <li>■ to have realistic expectations of others when there are problems and to keep issues in perspective</li> </ul>	<ul style="list-style-type: none"> <li>■ positively to support a culture of team work across sections</li> </ul>
<ul style="list-style-type: none"> <li>■ to respond to messages from others promptly and acknowledge requests</li> </ul>	<ul style="list-style-type: none"> <li>■ to recognise excellent performance and use the Reward and Recognition (R&amp;R) Scheme</li> </ul>
<ul style="list-style-type: none"> <li>■ to take responsibility for our own health and safety and security, and to raise any concerns in an appropriate manner</li> </ul>	<ul style="list-style-type: none"> <li>■ to take a greater corporate responsibility to support the organisation and understand the balance between a duty of care for individuals and proportionate costs/ value for money in all we do</li> </ul>
<ul style="list-style-type: none"> <li>■ to support each other and recognise that we all have different pressures and priorities by trying to increase our understanding of different roles and responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>■ to take responsibility to read through and understand HR policies and the requirements of management positions</li> </ul>
<ul style="list-style-type: none"> <li>■ to escalate any issues or problems in a professional manner with a view to seeking positive improvements</li> </ul>	<ul style="list-style-type: none"> <li>■ to hold regular one-to-one meetings with team members (at least one per quarter, ideally one per month or more frequently)</li> </ul>
<ul style="list-style-type: none"> <li>■ to have completed end-of-year performance meetings and returned/ submitted performance forms by 30 April each year</li> </ul>	<ul style="list-style-type: none"> <li>■ to update the performance management system on a regular basis and provide feedback throughout the year</li> </ul>

Everyone	Managers
<ul style="list-style-type: none"> <li>■ to agree appraisal objectives with managers by 30 April each year</li> </ul>	<ul style="list-style-type: none"> <li>■ to hold regular monthly team meetings (or more frequently if required)</li> </ul>
<ul style="list-style-type: none"> <li>■ to telephone your line manager by 9.30am if unable to attend work because of illness</li> </ul>	<ul style="list-style-type: none"> <li>■ to keep team members up-to-date on developments across the organisation</li> </ul>
<ul style="list-style-type: none"> <li>■ always to add an out-of-office message if away from the office for more than half a day</li> </ul>	<ul style="list-style-type: none"> <li>■ to ensure a keeping-in-touch arrangement is agreed with any team members on sick leave and that a return-to-work meeting is completed (and documented) on the first day of returning to work and update the HR system accordingly</li> </ul>
<ul style="list-style-type: none"> <li>■ to have any overtime pre-approved</li> </ul>	<ul style="list-style-type: none"> <li>■ before approving any overtime to have considered if this is absolutely necessary, and to have considered any alternatives to paid overtime such as time off in lieu. If justifiable and agreed, a full audit trail and reason for the overtime must be recorded</li> </ul>
<ul style="list-style-type: none"> <li>■ to request in advance: annual leave; flexi working; working from home; etc., by using the UKSC HR system</li> </ul>	
<ul style="list-style-type: none"> <li>■ to use the Outlook calendar systems as directed by your line manager</li> </ul>	
<ul style="list-style-type: none"> <li>■ to remember we are a small organisation and there is a need for everyone to be flexible when required</li> </ul>	
<ul style="list-style-type: none"> <li>■ not to post or publish anything relating to the work of the UKSC on any social media sites without prior permission and to be aware of the UKSC's social media policy and link to conduct</li> </ul>	

## Performance: progress against our 2018-19 key objectives

We have continued to deliver against our key objectives throughout the year. These objectives centre around three key themes, namely: ensuring the constitutional and financial independence of the justices and promoting the rule of law in a transparent way; providing an efficient and effective administration whilst delivering our corporate responsibilities; and maintaining effective relationships with all jurisdictions in the United Kingdom and internationally.

### Securing the constitutional and financial independence of the justices and promoting the rule of law (key objectives 1, 2 and 7)

- The UKSC is a non-ministerial government department which is not part of any other government body and has a politically neutral position. The Chief Executive has delegated responsibility for the administration of the Court and is the Accounting Officer.
- The President Lady Hale and Deputy President Lord Reed appeared before the Constitution Committee of the House of Lords to give evidence on 20 March 2019. Amongst other things the session covered how the UKSC has changed over its first ten years and the benefits of sitting outside London.
- We have a dedicated communications team which has secured a number of high-profile interviews of justices with national and local media (such as **The Times**, **The Guardian**, Radio 4 and **Vogue**). These interviews have enabled justices to demonstrate their independence and explain the work

of the Court this financial year. Justices are able to discuss their views on legal topics of interest outside the courtroom setting and give behind-the-scenes insight into how the court functions.

- One of the most successful ways we engage with the public and promote transparency is through our courtroom TV streaming. In 2018-19 the total number of plays via our streaming and video-on-demand services was 482,715. This breaks down as 324,205 plays on the live streams and 158,510 plays on video-on-demand. One hearing, that of Director of Public Prosecutions (Appellant) v Jugnauth and another (Respondents) (Mauritius) in January 2019 had 142,349 views during the one day hearing alone.
- Our highly successful tours of the building help to promote knowledge about the UKSC and its work. Visitor numbers for the UKSC have increased compared with the previous year by 9.2% to 88,260.
- Our new 'Ask a justice' programme has increased access for students from hard-to-reach areas to the heart of the UKSC and has been a great success.

**“The students thoroughly enjoyed the session and thought Lord Briggs was excellent ... I have nothing but compliments... the majority of my colleagues have heard all about it from the students, so it has had a real impact on them.”**  
(Helston College)

The 'Ask a justice' pilot was delivered between April and July 2018, with six schools and colleges participating. The schools and colleges were based across the United Kingdom – from Helston Community College in Cornwall to Shimna Integrated College in County Down, Northern Ireland and Stromness Academy in Orkney, Scotland. Each school or college had a live question and answer session via webchat with a justice from their own classroom. The students got a first-hand insight into the life of a justice and the working of the UKSC. Subsequently a full programme has been rolled out in 2019 with 12 sessions delivered between January and May to Year 11 to 13 students in England and Wales, S5 and S6 students in Scotland and Year 12 to 14 students in Northern Ireland.

- This year we introduced new talks and workshops to our open days and increased visitor numbers for those by 33%. We also undertook our first British Sign Language tour – a first for the UKSC and heavily oversubscribed.
- Justices have this year delivered approximately 70 speeches at engagements, which have the added effect of helping to promote the work of the Court and the rule of law. For example, in November 2018 Lord Hodge delivered a speech entitled "Preserving judicial independence in an age of populism".

### Providing an efficient and effective administration whilst delivering our corporate responsibilities (key objectives 3 and 6)

- Throughout 2018-19 we have worked to ensure that we receive the best value possible from our contractors and suppliers. For example, our printer costs were increasing year-on-year, we have negotiated a managed print solution with our supplier which secures reduced quarterly costs over the next five financial years. We have worked with our broadcasting contractor and new suppliers to future proof the broadcasting system, ensuring that it meets current needs, and future plans and offers better value for money.
- Since January 2014 the UKSC and JCPC has operated its own, in-house controlled, IT system, which is fully in line with modern standards. This has proved to be cost effective and has provided justices, court users and staff with IT that supports them and their work.
- Since our first full year of operations (2010-11) there has been a significant decrease in the consumption of gas and electricity. Given the age of the building and the fact that it is open to the public and has had an increasing number of visitors in subsequent years, no significant further reductions are forecast. However, during 2018-19 work was carried out throughout the building to convert all lighting to use more energy efficient light bulbs. This will reduce energy consumption and have a positive impact on our sustainability agenda. In 2018-19 we also started to introduce sensor taps in public toilets to lessen water waste.

This will continue throughout 2019-20. This resulted in our energy efficiency certificate for 2018-19 being maintained at level D, with an improved score of 91, up from 87 in the previous year.

- We achieved an 82% staff engagement score in November 2018 which was up from 77% in 2017. It was especially good to see a 100% response rate to give greater weight to the engagement score and the results. Average sick absence remained one of the lowest for both public and private sector organisations with an average of 1.5 days per member of staff. The Civil Service average for 2018 was 6.9 days per member of staff. While staff turnover was higher than previous years, we were able to successfully fill permanent vacancies and recruited seven suitably qualified judicial assistants (JAs) to support the justices.
- We have actively sought applicants for our annual JAs campaign from Scotland by holding an event in Edinburgh in conjunction with the Scottish Young Lawyers Association. We plan to hold

a similar event in Belfast in early 2020 to attract applicants from Northern Ireland and will be promoting the opportunity in Cardiff this summer.

- Since the introduction of the General Data Protection Regulation in May 2018, we have received and responded to six Subject Access Requests.
- During 2018-19 we transferred to The National Archives (TNA) video footage of UKSC case hearings for cases heard in 2010. This material will be available for permanent public access via the TNA's Discovery catalogue.
- We received 268 Freedom of Information requests during this financial year. Of those, many were requests for which we do not hold the information. Others often relate to IT, procurement matters or are HR related (eg about our flexible working policies and whistleblowing policy). Ninety-nine per cent of requests were responded to within the 20-working day statutory deadline.
- We were awarded the Heart of The City accreditation in 2018 which recognises and supports volunteering from staff and the support given to the local community and wider charities. We have continued to work very closely with St Andrew's Youth Club and support the work they do to offer young people in Westminster activities and a sense of community. In December the UKSC's choir visited a local care home and also raised money for charity with the Treasury Singers. Around 20% of staff volunteer their spare time with different charitable causes including work at schools, sports coaching and counselling for those in need. In addition, we have supported a number of good

Visitors enjoying the 'Journey to Release – 100 Years on' exhibition in our historic building



causes through events such as our termly quiz night and support for the London Legal Trust, including the 'Legal Bake' in February and London Legal Walk in May.

- The architectural features of the building and the works of art on display play an integral part of the 375 tours given by our Information Officers. Information is given in the form of leaflets and on the website about the history of the building and the County of Middlesex. We also upgraded the audio visual equipment used in the exhibition area in early 2019.
- This year we collaborated with the Koestler Trust which is the United Kingdom's leading prison arts charity. We were one of 85 venues for '100 Years On, An Art Trail by Women in Prison'. All the work exhibited was by women prisoners and included drawings, paintings, sculpture, knitwork and poems.

The works were selected from the 2016, 2017 and 2018 Koestler Awards and the sales proceeds contribute towards the Helen Cadbury Scholarship Award.

This award will provide the scholar with bespoke, one-to-one support of a trained arts professional for a year, as well as a monetary prize and an arts bursary.

- JCPC jurisdictions are often thousands of miles from the United Kingdom's and in 2016 the JCPC introduced video link hearings as way to improve access to the JCPC and reduce costs for parties. The number of such hearings is increasing and in the period covering this report there were six video link hearings: three from Mauritius, and one each from Jamaica, Antigua and Barbuda and The Bahamas.
- Library performance is detailed in Figure 1 below.

Figure 1 – Library performance



### Maintaining effective relationships with all jurisdictions in the United Kingdom and internationally (key objectives 4 and 5)

- The UKSC sat in Belfast for the first time from 30 April to 3 May 2018. The Court sat in the Inn of Court, which is in The Bar Library off the Great Hall of the Royal Courts of Justice. Lady Hale, presided over the cases and was joined by Lord Mance (then Deputy President), Lord Kerr (who is the former Lord Chief Justice of Northern Ireland), Lord Hodge and Lady Black. In addition to the cases, the justices took part in a programme of talks and events. Lord Kerr delivered a lecture at the invitation of the Government Legal Service and Lady Hale and Lady Black both spoke at an event which was jointly hosted by the Northern Irish Civil Service Women's Network, the Law Society of Northern Ireland and The Bar of Northern Ireland. Lord Hodge also addressed the politics society at Sullivan Upper School, which is a mixed, cross-denominational voluntary grammar school in Holyrood. A 'local derby' moot final between students from Queen's University, Belfast and Ulster University also took place and was judged by all five justices. The courtroom was packed for this moot final with many students, friends and family members coming to support the four participants.
- Lord Lloyd-Jones and Chief Executive Mark Ormerod also attended the Legal Wales conference at Aberystwyth University on 12 October 2018.
- The President, Deputy President and justices maintained regular contact with the senior judiciary and government representatives of England and Wales, Scotland and Northern Ireland.
- Section 4 outlines the large amount of international engagement activity the Court undertakes. On top of the numerous speaking engagements individual justices have undertaken this year, justices also:
  - hosted a bilateral meeting with Ireland in June 2018 together with judges from Scotland, Northern Ireland, and England and Wales
  - participated in a bilateral meeting with the European Court of Human Rights in Edinburgh in July 2018
  - hosted a bilateral meeting with the Court of Justice of the European Union in November
  - Lady Hale, Lord Lloyd Jones and Lady Arden attended the opening of the legal year in Strasbourg in January 2019
- The UKSC is also a member of the Network of the Presidents of the Supreme Judicial Courts of the European Union, the Commonwealth Magistrates' and Judges' Association and the Association of Councils of State and Supreme Administrative Jurisdictions of the European Union (ACA Europe).

- In October 2018 officials from the library attended a conference organised by the Court of Justice of the European Union on the challenges facing modern law libraries and we will consider what that means for our library during 2019-20. We also welcomed the Deputy Librarian of the High Court of Australia in July 2018 and have maintained co-operative contacts with library professionals at the Supreme Courts of Canada and New Zealand, as well as several libraries throughout the Caribbean region.



Sitting in Belfast

In addition to the activities undertaken to deliver the objectives, we have also continued to deliver the following activities, including but not limited to:

- Casework, which is the core work of both the UKSC and the JCPC, will continue to be given the highest priority throughout 2019-20.
- Supporting the justices to enable them to deliver justice in an effective and visible way through a range of corporate services, including maintaining the UKSC library and maintaining national and international contacts to share information and precedents.
- Ensuring accessibility to the court for users with procedures which are clear, simple and understandable, providing an efficient and effective service to all as well as having regular meetings with court users to ensure that the procedural regime we have in place continues to achieve our objectives.



- Continuing to review all security and safety arrangements to ensure the UKSC and JCPC is a safe environment for justices, staff and all visitors.
- Continuing to live stream all proceedings of the Court, and to upload footage to our 'on demand' archive of cases, via the UKSC and JCPC websites (subject to any exceptions ordered by the justices).

- Distributing alerts about forthcoming judgments and issuing judgments to media as soon as they are delivered in Court. This is supplemented by the publication of forward planning lists which highlight the forthcoming cases likely to be of the most public interest before each legal term.
- Delivering our education and outreach programme which includes: hosting tours of students from schools, colleges and universities; hosting debate days and moots and holding an essay writing competition.
- Delivering tours to the public to enable a better understanding of the work of the UKSC and JCPC and to showcase the Middlesex Guildhall which houses the Court.
- Continuing to develop staff through effective leadership, coaching and, where needed, learning and development.

## Our vision and priorities for 2019-20

Our plan for 2019-20 will be to continue to deliver the plan we set for 2016-20.

### Strategic priority:

- **Continuing to secure the justices' constitutional and financial independence**

### We will do this by:

**Key objective 1:** We will create an environment, which effectively maintains the independence of the justices, in which they can carry out their work protected from external pressures and which empowers them to develop the rule of law.

- Oversee and maintain the building and IT systems to a level which provides the justices with an appropriate working environment and identify where our focus should be for improvements by completing an analysis of the building, IT and future needs.
- Take responsibility for administrative matters the (mis)handling of which might compromise judicial independence – finance, security, contracting, staff management, etc.
- Work with all areas of the administration to lead the UKSC bid for the spending review and ensure the bid is accurate and safeguards the financial independence of the court.
- Work with the justices to review the UKSC judicial code of conduct to enable them to operate without external pressures.

**Strategic priority:**

- Promoting the importance of the rule of law and its role in securing democratic freedom
- Promoting the visibility and helping to maintain the reputation of the UKSC and JCPC

**We will achieve this by:**

**Key objective 2:** We will maintain and increase confidence in the administration of justice throughout the United Kingdom by promoting transparency in, accessibility to and knowledge of the ways in which justice should be rightly administered. We will thereby promote knowledge of the importance of the rule of law, not least as a guarantee of democratic freedom.

- Create a visitor experience strategy to enhance the experience of the court for people with access needs.
- Promote the work of the Court by delivering a successful sitting of the Court in Cardiff, engaging the public, media, local bodies.
- Optimise live stream hearings capability, both from courtrooms and remote locations, by modernising our broadcast equipment.
- Review internal current awareness services to ensure that legal developments, both domestically and from international jurisdictions, have the opportunity to be fully considered.

**Strategic priority:**

- Providing an efficient and effective administration

**We will achieve this by:**

**Key objective 3:** We will run an efficient and effective administration, which enables both the UKSC and the JCPC to secure the effective determination of justice, while demonstrating the best possible value for the resources with which we have been provided. We will operate case management systems which provide appropriate measurable monitoring of the throughput of applications and cases, thereby enabling the most effective support of the justices in their work.

- Develop two new websites with supporting case management systems for the UKSC and JCPC.
- Ensure that we maintain the building to the required standard, and within budget.
- Conduct a feasibility study into the introduction of a media database and CRM for the effective management of contacts and interactions, in accordance with industry best practice.
- Evaluate the existing provision of electronic research databases to ensure that we can continue to provide access to the best range of primary and secondary legal materials, covering both common and civil law jurisdictions, that current resources permit.

**Strategic priority:**

- **Maintaining effective relationships with all jurisdictions in the United Kingdom; and**
- **Maintaining effective international relationships**

**We will achieve this by:**

**Key objective 4:** We will promote good relations with all the individual jurisdictions, legislatures and governments in the different parts of the United Kingdom.

**Key Objective 5:** We will similarly develop appropriate relationships with courts in Europe, throughout the Commonwealth and in other countries, especially those which share a common law heritage.

- Participate in the London Conference on International Law in October at the court to promote the UKSC involvement in international law over the past 10 years.
- Support the justices with bilateral meetings and visiting judges, in particular from Kenya, Uganda, Canada, China and Germany.
- Digitise core volumes for older case files so that we can more readily supply copies to libraries with whom we have a memorandum of understanding about retention of this material.
- Participate in the ECHR network and provide regular and timely information to the court on activities and key areas of concern or development.

**Strategic priority:**

- **Ensuring the effective delivery of all UKSC corporate responsibilities**

**We will achieve this by:**

**Key objective 6:** We will demonstrate appropriate corporate social responsibility. We will promote diversity amongst our staff, ensuring they are also representative of all the jurisdictions of the United Kingdom. We will also both source our supplies and consume our resources in ways which contribute as much as possible to sustainable development and the conservation of natural resources.

**Key objective 7:** As the statutory custodian of the Court's own records, we will provide the most appropriate environment we can for the organisation, preservation and future inspection of those records.

**Key objective 8:** As the occupants of the former Middlesex Guildhall, we will promote knowledge of, and interest in, this historic building, the works of art the building houses, especially the Middlesex Art Collection, and more generally the history of the County of Middlesex.

- Introduce and coach all managers on the use of 'Success Profiles', moving away from the competence framework to ensure the best people are secured for the best posts.
- Create a learning and development strategy for the UKSC which includes the development of a full programme of training for managers focussing on leadership, resilience and meeting current and future needs.

- Achieve the annual renewal of our 'Cyber Essentials' accreditation and continue to keep our IT security measures up-to-date.
- Review and update our information assurance and data protection processes and policies to ensure that the Court can demonstrate compliance with the GDPR and Data Protection Act 2018 in a proportionate manner.

## Our performance against other required reporting

As well as our business priorities, we are required to report on the following key areas:

### Finance

The UKSC remained within its budgetary limits for the financial year 2018-19. The net resource budget was £5.62m, with actual expenditure of £5.16m. For capital the budget was £0.5m, with actual expenditure of £0.47m.

### Our people

As mentioned previously, on 31 March 2019 there were 49 UKSC and JCPC employees (47.62 full-time equivalents) paid by the UKSC. This figure represents 37 permanent staff, 1 secondee from the Foreign and Commonwealth Office and 11 staff on fixed term contracts. The fixed term appointments include seven JAs and maternity cover for our Head of Communications.

The average staff headcount for the full financial year was 47.

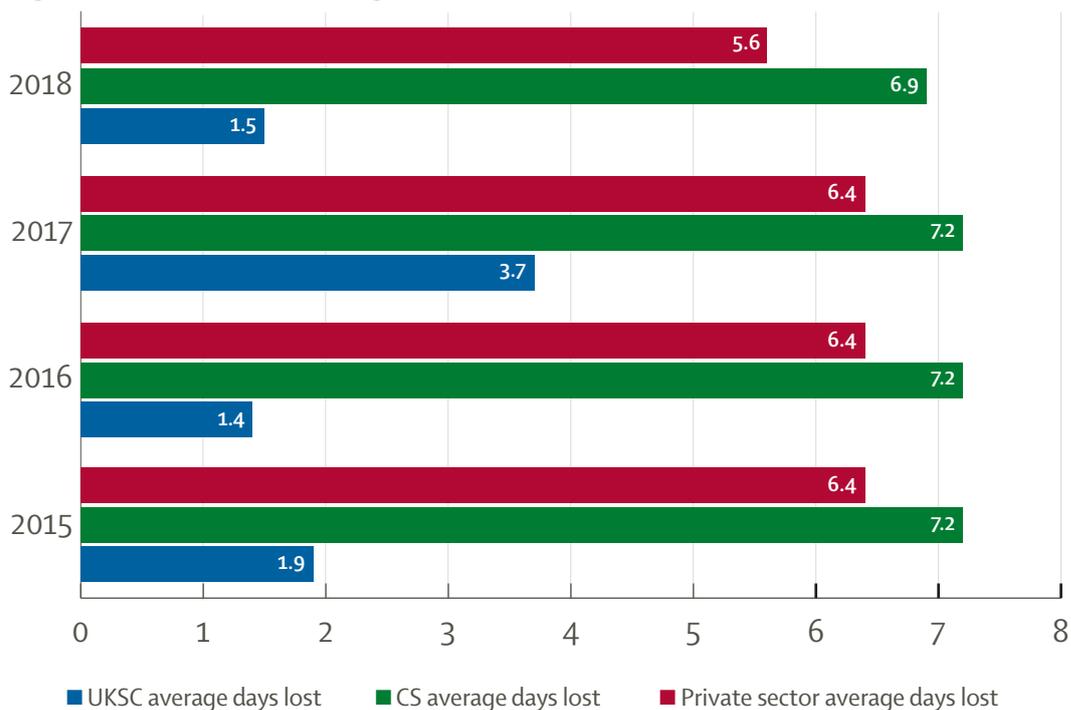
### Sick absence management

We monitor and manage sick absence for staff and act promptly to ensure individuals are supported when necessary.

This year had an average sickness absence rate of 1.5 days per member of staff with no incidents of long term sickness.

Sick absence is regularly reported to Management Board as part of the dashboard data and reviewed on a monthly basis by the Chief Executive. To support staff in keeping healthy we arrange free flu vaccinations each autumn, physiotherapy sessions, lunchtime pilates, and well-being walks around St James' Park.

Figure 2 – Sick absence management



### Recruitment

We have continued to review business areas and we advertised all our staff vacancies on the Civil Service jobs portal. We also gave opportunities for staff to apply for internal promotions within the organisation where possible.

All vacancies have been successfully filled and we continue to review business structures and roles to ensure we have suitable resilience in key areas by encouraging job shadowing and wider team working across different business areas.

The annual JA recruitment campaign was launched in January 2019 to recruit up to 11 qualified lawyers to work on fixed term contracts from September 2019 to July 2020. The JAs support the justices by

carrying out research in connection with appeals and summarising applications for permission to appeal.

As in previous years we encouraged applications from across the United Kingdom jurisdiction. We were grateful to the Scottish Young Lawyers Association who helped support an event on 28 February 2019 which included some former JAs.

We repromoted a 'Day in the Life' video diary with one of our previous JAs and continued to use social media platforms to help support the advertising campaign. We continue to seek innovative ways to promote this annual opportunity across the United Kingdom jurisdictions and encourage a diverse range of candidates to apply each year for this unique opportunity.

Other recruitment has included the appointment of a new Director of Corporate Services, an Events and International Liaison Manager, and new Information Officers supporting the education activities and tours provided to schools and other visitors.

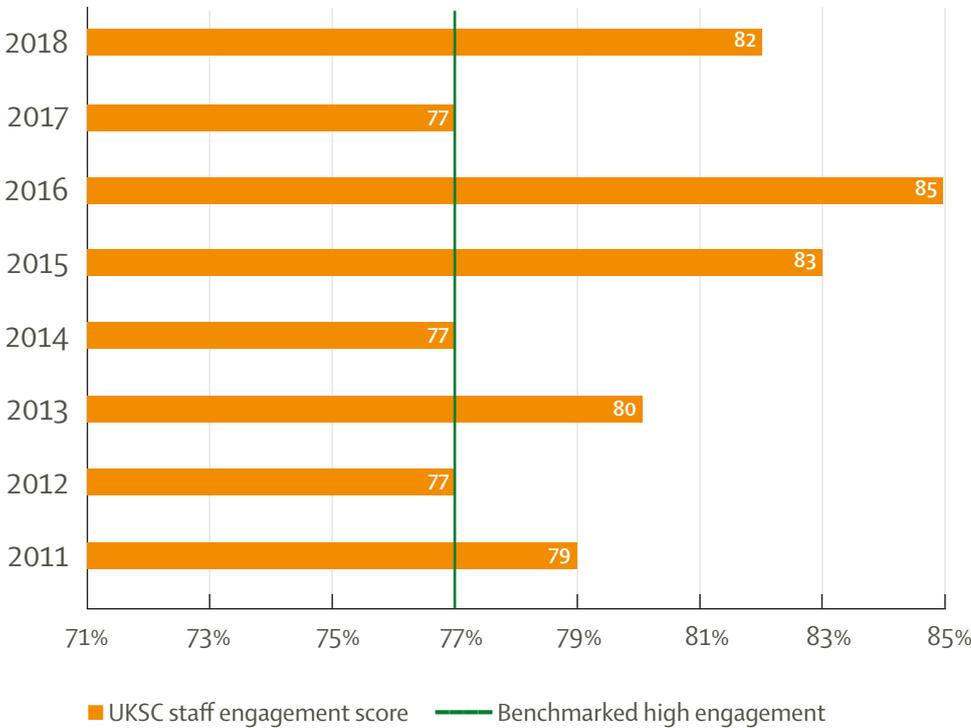
**Creating a great place to work**

As in previous years we used our annual staff survey to help measure staff engagement, and this was completed in October 2018 with support from People Insight to ensure staff were reassured that any responses would be treated in complete confidence. We received a 100% response rate which helps provide credibility to the results.



Scottish Young Lawyers Association event

**Figure 3 – UKSC staff engagement scores since 2011**



The overall engagement score for 2018 increased from 77% to 82%, keeping the organisation in the top quartile of public and private sector workplaces. There were some very positive section scores and excellent evidence that staff are proud to work at the UKSC and value the status of the UKSC.

We recognise that there is still more to do. For example, we continue to evolve the 'Results into Action' team who consider the results of the annual staff survey and use the responses to help identify opportunities to bring different sections of the UKSC together to improve working relationships and communication across teams. There have been a number of initiatives that have become part of the culture of the UKSC: the 'Can't Sing' choir has evolved year-on-year and meet each Wednesday lunchtime. In December 2018 the choir performed once again with the Treasury Singers and also visited a local care home to sing carols and help maintain a good relationship with the local community in Westminster. We have also continued weekly five-a-side football sessions for staff and contractors held at St Andrew's Youth Club.

We were pleased to be awarded the Westminster Lion accreditation in July 2018 to recognise the work that takes place as part of our corporate responsibility to the wider community.

Staff have also given generously of their time to raise money for national charities, including taking part in the London Legal Walk in May 2018, Christmas Jumper Day for Save the Children, quiz nights in aid of Tommy's, and the popular 'Great Legal

Bake' in February 2019 in aid of supporting free legal advice centres.

### Learning and Development

We have continued to invest in the development of staff and encouraged each member of staff to have a training plan linked to their annual objectives and the required competencies. This assists in individual development and also future succession planning for the administration.

On average each member of staff has had four days training and development in the last 12 months.

Example training courses attended by staff in the last 12 months include:

- Coaching for managers
- Influencing skills
- Social media strategy
- GDPR for managers
- Time management
- Digital skills
- Performance management
- Counter fraud
- Understanding copyright
- Contract management
- Mental health awareness
- Interview skills
- Resilience in the workplace

In addition, Civil Service Learning support a variety of different development opportunities and continuous improvement of skills and knowledge, together with mandatory learning on data protection and information assurance, sub-conscious bias and diversity.

The UKSC employs professional leads in a number of specialist areas in the corporate services team such as the library, communications, finance, human resources, information technology, and health and safety. We continue to value and support staff with professional membership in these areas.

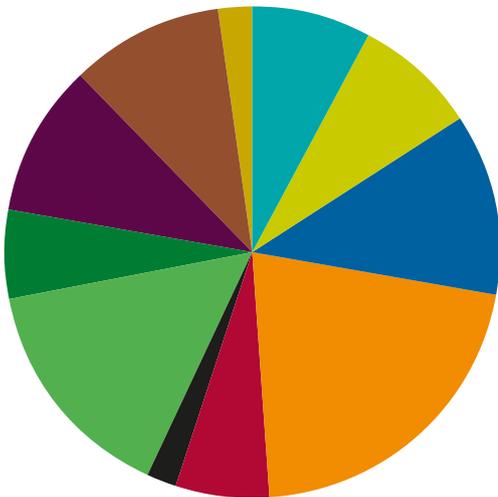
**Valuing equality and diversity**

We have continued making good progress with our equality and diversity strategy and

have a diverse work force which understands and appreciates difference. Our aim is to create an organisation that fully reflects the diversity of the society it serves, valuing the contribution that is made by all staff, court users and the public.

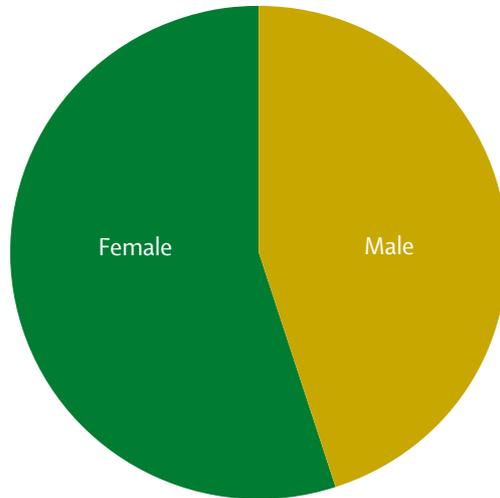
The UKSC values the different perspectives of all staff and aims to create an inclusive workforce that can respect and appreciate each other.

Figure 4 – UKSC (excluding justices) staff by age as at 31 March 2019



- 16-24 (8%)
- 17-24 (2%)
- 25-29 (15%)
- 30-34 (8%)
- 35-39 (6%)
- 40-44 (12%)
- 45-49 (10%)
- 50-54 (21%)
- 55-59 (10%)
- 60-64 (6%)
- 65-69 (2%)
- 70-74 (2%)

Figure 5 – UKSC (excluding justices) staff by gender as at 31 March 2019



- Female, 27 (55%)
- Male, 22 (45%)

We continue to look to deliver services that are accessible and meet the needs of all court users and members of the public. Tours are adapted accordingly for different groups and we have considered how best to promote tactile tours for the blind or partially sighted.

The UKSC continues to support the 'Time to Change' initiative to reduce the stigma of poor mental health and promoted the 'Time to Talk Day' in February 2019. In addition we have run sessions on hidden disabilities including a staff workshop on neurodiversity in November 2018.

## Sustainability

The UKSC takes part in the Carbon Reduction Commitment (CRC) Efficiency Scheme. The aim of the scheme is to improve energy efficiency and cut carbon dioxide emissions in organisations. The scheme applies to large energy users across the private and public sectors. Organisations are required to purchase allowances for every tonne of carbon they emit. Because of the size of UKSC, we only occupy one building and have already undertaken a number of energy efficiency measures, our contribution is quite modest at a gross amount of c. £8k per annum for this financial year. In 2016, the government announced that it will close the CRC scheme following the 2018-19 compliance year. This will significantly streamline the business energy tax landscape by replacing it in a revenue neutral approach, with an increase in the Climate Change Levy. The impact of the Climate Change Levy on the UKSC is currently being examined.

Over the past year the lighting has been replaced throughout the building so that all lighting uses energy efficient lighting. It is expected that this will reduce energy consumption and save money.

The court has begun looking at installing water sensor taps in toilets in the public areas of the building. It is hoped this will help reduce water consumption.

Details of our energy consumption over this reporting year are shown below.

	2018-19	2017-18
Electricity (KwH)	784,290*	836,720
Gas (KwH)	465,926	456,336
Water (cubic metres)	1,781†	5,586

\*The reduction in electricity consumption was expected following the switch to energy efficient lighting part way through the year.

†The reduction in water consumption follows a switch to a more efficient method of flushing the building heating and cooling system.

Over the next reporting year we will carry out a sustainability survey to ensure we are operating the building in the most economic and energy efficient way possible.

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## Complaints to the Parliamentary and Health Service Ombudsman (PHSO) and complaints handling

The UKSC has established procedures in place to deal with complaints. There are separate arrangements for complaints about members of staff exercising their administrative functions, and procedural complaints about the justices and the Registrar in the performance of their judicial functions. A number of complaints received by the UKSC are in effect seeking to appeal judicial decisions and cannot therefore be dealt with under either procedure.

Full details of the judicial and non-judicial complaints procedures, including details of how a complaint will be handled, can be found on our websites. If a complainant is not happy with how a non-judicial complaint has been handled, they can refer it via a Member of Parliament to the PHSO.

In common with previous years, during 2018-19 no complaints about the UKSC resulted in a full investigation by the Parliamentary and Health Service Ombudsman. Four complaints were handled according to our own published complaints policy. Of these four complaints, two related to judicial procedure and two related to administrative procedure. One complaint regarding administrative procedure was upheld.



# Section three

## Jurisdiction and casework



## The Supreme Court of the United Kingdom

### Jurisdiction and casework

The UKSC is the United Kingdom's highest court of appeal. It hears appeals on arguable points of law of general public importance, concentrating on cases of the greatest significance. The UKSC is the final court of appeal for all United Kingdom civil cases, and criminal cases from England, Wales and Northern Ireland and (in certain cases) Scotland.

The Court plays an important role in the development of United Kingdom law. The impact of UKSC decisions extends far beyond the parties involved in any given case, helping to shape our society. Its judgments directly affect everyday lives.

The UKSC hears appeals from the following courts in each jurisdiction:

#### England and Wales

- the Court of Appeal, Civil Division
- the Court of Appeal, Criminal Division
- (in some limited cases) the High Court

#### Scotland

- the Court of Session
- the High Court of Justiciary (in certain cases)

#### Northern Ireland

- The Court of Appeal in Northern Ireland
- (in some limited cases) the High Court

Under its devolution jurisdiction, the UKSC can be asked to give judgments on questions as to whether the acts of the devolved administrations in Scotland, Wales and Northern Ireland are within the powers given to them by the United Kingdom Parliament. These administrations were established by the Scotland Act 1998, the Government of Wales Act 2006 and the Northern Ireland Act 1998.

The UKSC can also be asked to scrutinise Bills of the Scottish Parliament (under section 33 of the Scotland Act 1998), Bills of the Northern Ireland Assembly (under section 11 of the Northern Ireland Act 1998) and Bills of the National Assembly for Wales under section 112 of the Government of Wales Act 2006.

The UKSC has to consider and rule on the compatibility of United Kingdom legislation with the law of the European Union and the European Convention on Human Rights. In these and some other respects it represents a constitutional court.

### Rules and Practice Directions

The Constitutional Reform Act 2005 requires that the rules are 'simple and simply expressed' and that the Court is 'accessible, fair and efficient'. The Court must interpret and apply the rules with a view to securing that the Court is 'accessible, fair and efficient and that unnecessary disputes over procedural matters are discouraged'.

These words are very important in underpinning the approach adopted by the Court.

The Court's procedure is kept under review and feedback from users is welcomed – both formally through our User Group, or informally in other ways. New forms were introduced last year which, together with other measures, seek to reduce the amount of hard copy material the parties provide.

### **The procedure for appealing: Permission to Appeal (PTA) applications**

An appellant requires permission to appeal before they can bring a case to the UKSC.

The court appealed from may grant permission but, where that court refuses permission, the appellant can then apply to the UKSC which has to rule on whether the permission should be granted. Such applications are generally decided on paper by a panel of three justices, without an oral hearing. There have been two oral permission hearings during the year.

Once the required papers have been filed, an application for permission will normally be determined within 12 sitting weeks. In urgent cases, a request for expedition may be made and an expedited application can be determined within 14 days or even less. The UKSC can and has arranged hearings within weeks of the grant of permission in urgent cases. It can also expedite the permission to appeal process. Examples of expedition this year include *R v Mackinlay* (PTA application filed 2 May 2018 and appeal determined 25 July 2018),

In the matter of *M (Children)* (PTA application filed 14 August and determined on 31 October) and *Hart v Hart* (PTA application filed 17 May and determined 22 May).

Applications by third parties to intervene in appeals may also be made, usually after permission to appeal has been granted. Over the course of the year, 42 such applications have been made and 36 were granted.

### **Appeals**

Once permission to appeal has been granted, a hearing date is fixed using the time estimate provided by the parties, and the views of the panel considering the application. Hearings last for an average of two days.

The Court's target remains for all appeals to be listed for hearing within nine months of the grant of permission. The Court, however, seeks to arrange hearings according to the availability of parties' legal representatives. In practice, it is this factor alone which can prolong the 'life' of an appeal as instructing new advocates if their advocate of choice is not available within the target period involves the parties incurring considerable extra expense.

The UKSC can (and has) arranged hearings within weeks of the grant of permission in urgent cases. The Court deliberately allows some gaps in its listing to enable such cases to be heard.

Figure 6 – UKSC PTA results: 1 April 2018 to 31 March 2019

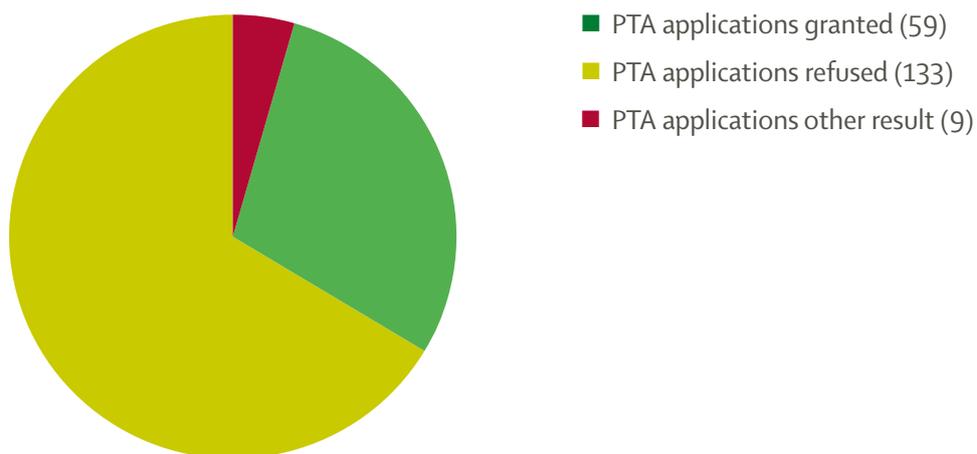


Figure 7 – UKSC Appeals and hearings overview: 1 April 2018 to 31 March 2019

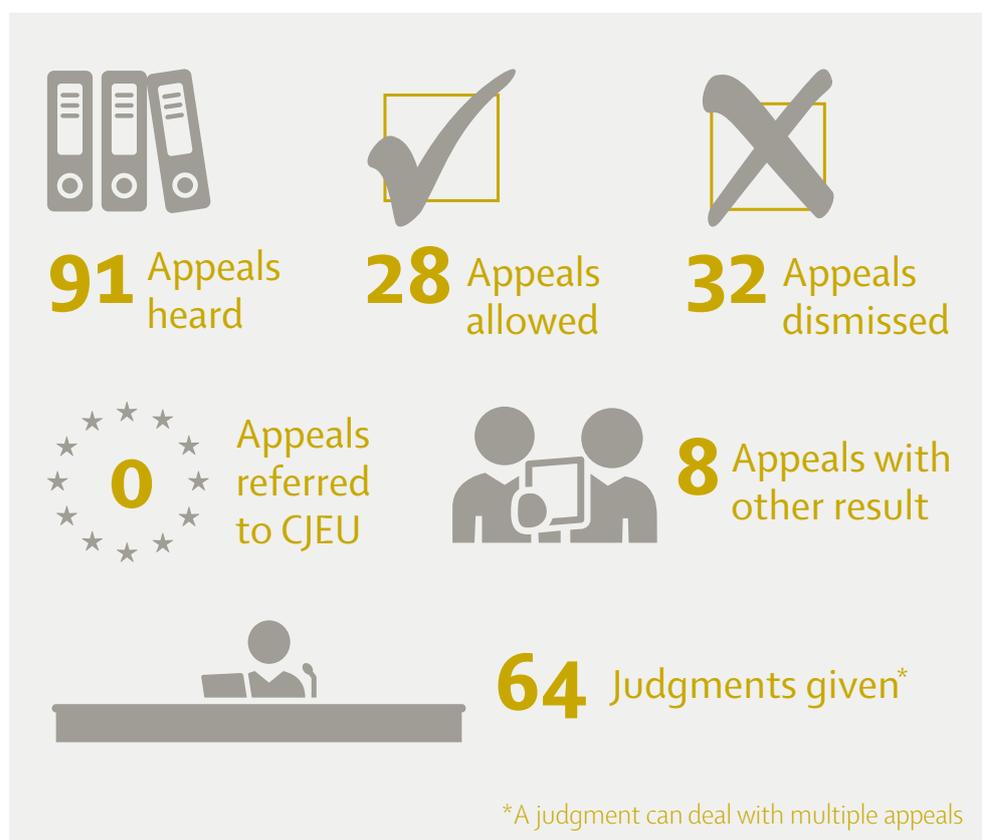
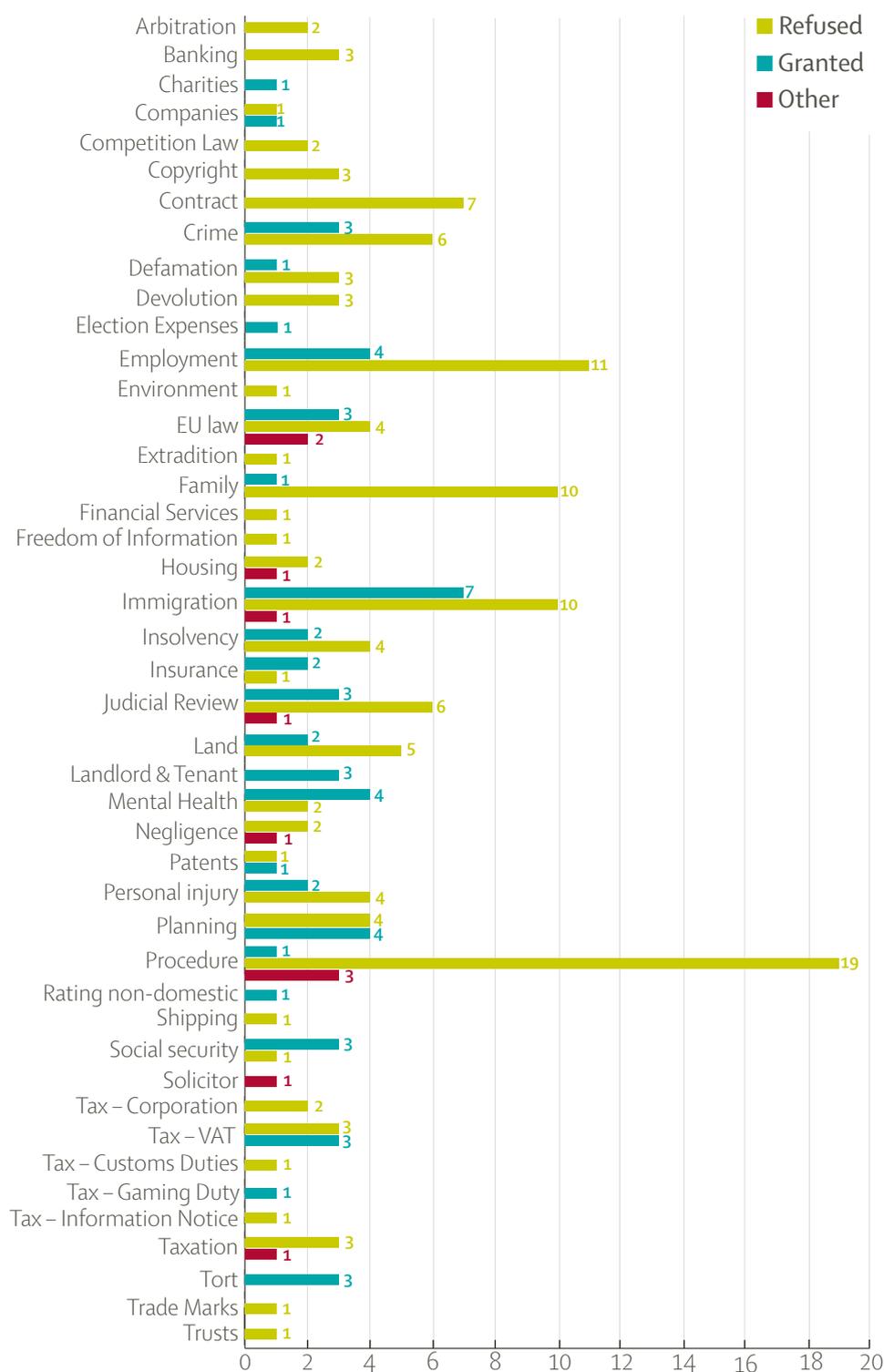


Figure 8 – UKSC PTAs and appeals from Scotland and Northern Ireland:  
1 April 2018 to 31 March 2019

<b>PTAs filed</b>	
Scotland	18
Northern Ireland	10
<b>PTAs granted (not all filed during period)</b>	
Scotland	3
Northern Ireland	2
<b>PTAs refused (not all filed during period)</b>	
Scotland	14
Northern Ireland	4
<b>Appeals as of right/References</b>	
Scotland	3
Northern Ireland	1
<b>Appeals heard</b>	
Scotland	5
Northern Ireland	8

Figure 9 – UKSC PTAs sorted by subject matter: 1 April 2018 to 31 March 2019  
(not all filed during the period)



## References to the Court of Justice of the European Union

The Court may order a reference to the Court of Justice before determining whether to grant permission to appeal. In such circumstances, proceedings on the application for permission to appeal are stayed until the answer is received. Between 1 April 2018 and 31 March 2019, the UKSC made no such references. Over the same year, the UKSC has, when refusing permission to appeal, refused to make references in five cases.

## Size of panels hearing cases

The Supreme Court justices usually sit in panels of five, but sometimes in panels of seven or nine. When a panel decides to grant permission to appeal, a recommendation is made if the panel considers more than five justices should sit. The criteria for making such a recommendation are available on our website.

### Easter term 2018 (10 April – 25 May 2018)

Seven justices sat on the following appeals:

- R (on the application of Bancoult (No.3) (Appellant) v Secretary of State for Foreign and Commonwealth Affairs (Respondent) UKSC 2015/0022
- Scotch Whisky Association and others (Appellants) v The Lord Advocate and another (Respondents) UKSC 2017/0025

### Michaelmas Term 2018 (1 October – 21 December 2018)

Seven justices sat on the following appeals:

- In the matter of an application by the Northern Ireland Human Rights Commission for Judicial Review (Northern Ireland) UKSC 2017/0067\*
- Reference by the Court of Appeal in Northern Ireland pursuant to Paragraph 33 of Schedule 10 to the Northern Ireland Act 1988 (Abortion) UKSC 2017/0131\*
- R (on the application of Tag Eldin Ramadan Bashir and others) (Respondents) v Secretary of State for the Home Department (Appellants) and another UKSC 2017/0106

\*These two cases were linked

### Hilary Term 2019 (11 January – up to 17 April 2019)

Seven justices sat on the following appeals:

- R (on the application of Hallam) (Appellant) v Secretary of State for Justice (Respondent) UKSC 2016/0227
- R (on the application of DA and others) (Appellants) v Secretary of State for Work and Pensions (Respondent) UKSC 2018/0061
- R (on the application of DS and others) (Appellants) v Secretary of State for Work and Pensions (Respondent) UKSC 2018/0074
- Takhar (Appellant) v Gracefield Developments Limited and others (Respondents) UKSC 2017/0072

- R (on the application of Privacy International) (Appellant) v Investigatory Powers Tribunal and others (Respondents) UKSC 2018/0004
- Secretary of State for Work and Pensions (Appellant) v Gubeladze (Respondent) UKSC 2018/0008

### Cases and judgments

Although every appeal heard by the UKSC is of importance, many also attract considerable public interest owing to their impact on wider society or legal interest because of the scope of the precedent set. Some of the most prominent cases determined by the Court this year include:

#### **In the matter of an application by the Northern Ireland Human Rights Commission for Judicial Review Reference by the Court of Appeal in Northern Ireland.**

##### **[2018] UKSC 27**

The Northern Ireland Human Rights Commission (NIHRC) challenged the law of Northern Ireland, which criminalises abortion except where it is performed in good faith to preserve the life of the mother or prevent serious and permanent damage to her health. It argued that insofar as the law prevented abortion in cases of serious or fatal foetal abnormality, or of pregnancy resulting from rape or incest, it was incompatible with the prohibition of inhuman or degrading treatment (article 3) and/or the right to respect for private life (article 8) under the European Convention on Human Rights. The NIHRC brought proceedings in its own name but relied on examples of particular women who had been denied abortions in these circumstances. The claim partly succeeded in

the High Court in Northern Ireland, but this decision was reversed by the Court of Appeal.

The appeal was heard by seven justices. A majority decided that the NIHRC did not have standing to bring the claim, which could only be brought by an actual or potential victim under the present law. The Court did not therefore have jurisdiction to make a declaration of incompatibility in the case.

However, a different majority of the Court did consider that the current law in Northern Ireland was disproportionate and incompatible with article 8 insofar as it prohibited abortion in cases of (a) fatal foetal abnormality, (b) pregnancy as a result of rape and (c) pregnancy as a result of incest. This means that if an individual victim does return to the Court, a formal declaration of incompatibility will in all likelihood be made. The Court noted the Working Group established by the Northern Ireland Assembly demonstrated that the Assembly is not necessarily opposed to amending the law in the near future but any such solution had been precluded by the cessation of the activities of the Assembly since January 2017.

#### **Owens v Owens**

##### **[2018] UKSC 41**

A rare defended divorce case reached the UKSC and attracted considerable attention from campaigners seeking to introduce 'no fault' divorce reform in place of the present law. Mrs Owens issued a divorce petition based on s 1(2)(b) of the Matrimonial Causes Act 1973, arguing that her marriage to Mr Owens had irretrievably broken down and that he had behaved in such a way that she could not reasonably be

expected to live with him. The petition was drafted, as is common, in anodyne terms but unusually Mr Owens defended the suit, maintaining that the marriage had largely been successful. His defence was upheld, the lower courts finding that the incidents of Mr Owens' behaviour cited by Mrs Owens in the petition were isolated and insufficient to meet the test under s 1(2)(b).

The UKSC dismissed Mrs Owens' appeal, with the result that she must remain married to Mr Owens until she becomes entitled to divorce him without his consent after five years' separation. The Court underlined that the application of the statutory test to the facts changes over time with changes in wider social and moral values, in particular the recognition of marriage as a partnership of equals. However, at the hearing, the judge had directed himself correctly on the law and it was not appropriate for the appeal court to intervene. The majority of the justices invited Parliament to consider replacing a law which denies Mrs Owens a divorce in her circumstances.

**Lee v Ashers Baking Company Ltd and others (Northern Ireland) [2018] UKSC 49**

In April 2018 the UKSC sat for the first time in Belfast. One of the cases it heard required the balancing of the right not to be discriminated against on grounds of sexual orientation or political belief, with the rights to religious belief and freedom of expression.

Mr and Mrs McArthur are Christians who hold the religious belief that the only

form of marriage consistent with Biblical teaching is that between man and woman. They own a bakery business, Ashers, which offered a 'Build a Cake' service by which customers could request images to be iced onto a cake. Mr Lee, a gay man, placed an order for a cake iced with a depiction of the cartoon characters 'Bert and Ernie' and the words 'Support Gay Marriage' to take to an event organised by campaigners for same sex marriage in Northern Ireland. Mrs McArthur felt she could not in conscience produce such a cake and gave him a refund.

Mr Lee, supported by the Equality Commission for Northern Ireland, brought a claim for discrimination on grounds of sexual orientation and/or on grounds of religious belief or political opinion. He was successful in the lower courts but Ashers' appeal to the UKSC was unanimously allowed.

It held that the McArthurs had not refused to fulfil Mr Lee's order because of his sexual orientation but because they objected to the message on cake, and they would have refused the order from anyone. Support for gay marriage was not a proxy for any particular sexual orientation but extended to the wider community who recognise the social benefits which such commitment can bring. It was arguable that the message was indissociable from Mr Lee's political opinion, but justification had not been shown for the interference with the McArthurs' rights to freedom of religion and of expression under the European Convention on Human Rights if they were obliged to print a message with which they profoundly disagreed.

**The UK Withdrawal from the European Union (Legal Continuity) (Scotland) Bill – a Reference by the Attorney General and the Advocate General for Scotland (Scotland)**

**[2018] UKSC 64**

In this case the UKSC determined the first reference made to it under section 33 of the Scotland Act 1998, concerning the competence of a Bill of the Scottish Parliament.

On 27 February 2018 the Scottish Government introduced the UK Withdrawal from the European Union (Legal Continuity) (Scotland) Bill ('the Scottish Bill') to make provision for legal continuity following the United Kingdom's withdrawal from the EU. The Scottish Bill was passed by the Scottish Parliament on 21 March 2018, notwithstanding the United Kingdom-wide Bill that had already been introduced into the United Kingdom Parliament, the European Union (Withdrawal) Bill ('the UK Bill') in July 2017. The United Kingdom Bill became an Act ('the UK Act') on 26 June 2018.

The question for the UKSC, referred by the Attorney General and the Advocate General for Scotland, was whether the Scottish Parliament acted outside its legislative competence under s 29 of the Scotland Act 1998 by enacting the Scottish Bill, because it related to matters reserved to the UK Parliament (including international relations), breached the restriction against modification of specified UK enactments or was incompatible with EU law.

The UKSC gave a unanimous judgment, stressing that it was not for the Court to express any view on the question of which institutions of the United Kingdom should exercise the legislative powers currently held by EU institutions upon the United Kingdom's withdrawal, but only to determine as a matter of law whether the Scottish Bill would be within the legislative competence of the Scottish Parliament if and when it received Royal Assent. The Court found that, when passed, the Scottish Bill was not in general outside competence, apart from section 17, which provided that statutory instruments made by ministers in the United Kingdom Government in relation to matters devolved to Scotland, would be of no effect unless the consent of Scottish ministers was obtained. This was because it would impermissibly modify the Scotland Act 1998, which preserves the power of the United Kingdom to legislate for Scotland. However, the UK Act added itself to the list of Acts of Parliament which the Scottish Parliament could not modify. So once it was passed, there were other provisions in the Scottish Bill which impermissibly would modify that Act and were thus outside the competence of the Scottish Parliament. The remainder of the Bill was within its competence.

**In the matter of an application by Geraldine Finucane for judicial review (Northern Ireland)**

**[2019] UKSC 7**

The widow of Patrick Finucane, a Belfast solicitor murdered in 1989 by gunmen in collusion with members of the security forces, brought a claim for judicial review

of the decision of the government not to hold a public inquiry into his death. The various investigations into Mr Finucane's death so far have failed to identify the members of the security forces who engaged in the collusion or the precise nature of the assistance they gave to the murderers. In 2001 the government had indicated that it would hold a public inquiry but, in 2011, decided instead to conduct an independent review which did not have the same powers. That review also failed to establish the facts surrounding the collusion.

Mrs Finucane claimed that she had a legitimate expectation that a public inquiry would be held in the light of the unequivocal assurance she had been given. She also argued that the public inquiry was necessary to satisfy the procedural obligation to conduct an effective investigation into deaths in which the state might be involved, which is guaranteed by article 2 of the European Convention on Human Rights.

The UKSC held that Mrs Finucane did have a legitimate expectation that there would be a public inquiry, but she had failed to show that the government's decision to breach this promise was not made in good faith or based on genuine policy grounds. However, the Court did decide to make a declaration that there had not been an inquiry into Mr Finucane's death which complied with article 2.

## The Judicial Committee of the Privy Council

The JCPC is the court of final appeal for the United Kingdom Overseas Territories and Crown Dependencies and for those Commonwealth countries that have retained the appeal to Her Majesty in Council or, in the case of republics, to the JCPC. A list of the relevant countries is in the Annex. Although the Judicial Committee was instituted by a United Kingdom Act, the substantive law which it applies is the law of the country or territory from which the appeal comes. The Judicial Committee therefore plays an important role in the development of law in the various constituent jurisdictions and the impact of its decisions extends far beyond the parties involved in any given case, and often involves questions arising out of the relevant constitution and/or the fundamental rights and freedoms of the inhabitants of the country or territory.

The JCPC hears a wide variety of cases and deals with complex or wide-reaching matters – often in a short timeframe.

The JCPC also has jurisdiction in a number of miscellaneous areas such as appeals from the Disciplinary Committee of the Royal College of Veterinary Surgeons, certain maritime disputes and non-doctrinal ecclesiastical matters.

## Rules and Practice Directions

The underlying procedure of the JCPC is in many respects the same as that of the UKSC. The rules are kept under review and feedback from users, whether formally through the User Group or informally in other ways, is welcomed. The rules, practice directions and the now revised forms for the JCPC can be accessed on the JCPC website at [www.jcpc.uk](http://www.jcpc.uk).

## Procedure for appealing

Unlike in the UKSC where an appellant requires permission to appeal before they can bring an appeal, the Judicial Committee hears a number of appeals 'as of right'. The right of appeal to the JCPC is largely regulated by the constitution and legislation of the relevant individual jurisdiction or by Order in Council. In broad terms, provision for leave 'as of right' is made where the value of the dispute is more than a specified amount or where the appeal raises questions as to the interpretation of the constitution of the country concerned. In other civil cases, leave may be granted by the court appealed from or, on application, by the JCPC itself.

The JCPC receives a number of applications for permission to appeal in criminal cases. Permission to appeal is granted in criminal

cases for applications where, in the opinion of the Board, there is a risk that a serious miscarriage of justice may have occurred.

The timescale for dealing with applications for permission to appeal in the JCPC is often dependent on the actions of local attorneys or of the relevant court from which the appeal is brought. Although the JCPC can (and has) dealt with applications for permission to appeal more quickly, an application for permission would normally be determined with twelve sitting weeks.

## Appeals

As in the UKSC, the hearing date for an appeal is fixed using the time estimate provided by the parties or by the panel which granted permission to appeal, and appeals are almost invariably listed to the convenience of the parties involved, particularly if they are having to travel long distances.

A key development during the last two years has been the use of video link equipment to reduce the need for parties to travel to London for brief hearings.

The JCPC can and has arranged hearings in urgent cases. The Court deliberately allows some gaps in its listing to enable such cases to be heard.

Figure 10 – JCPC PTA results: 1 April 2018 to 31 March 2019

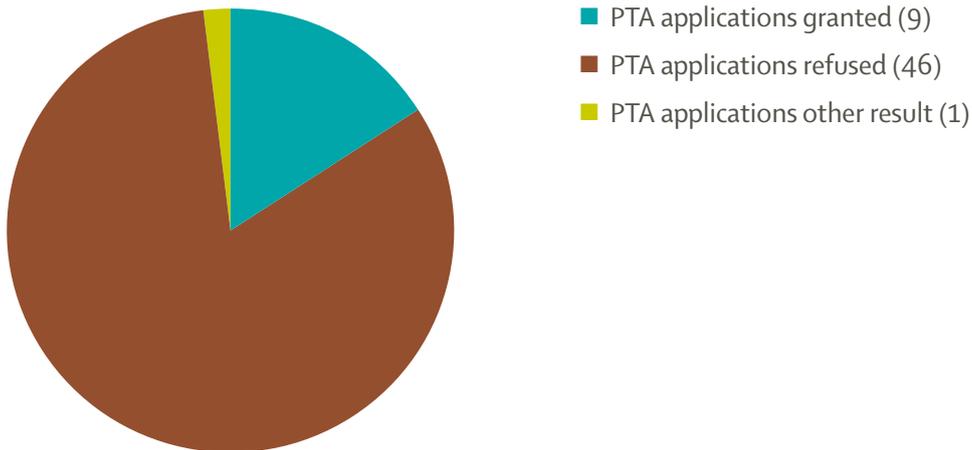


Figure 11 – JCPC appeals and judgments overview: 1 April 2018 to 31 March 2019

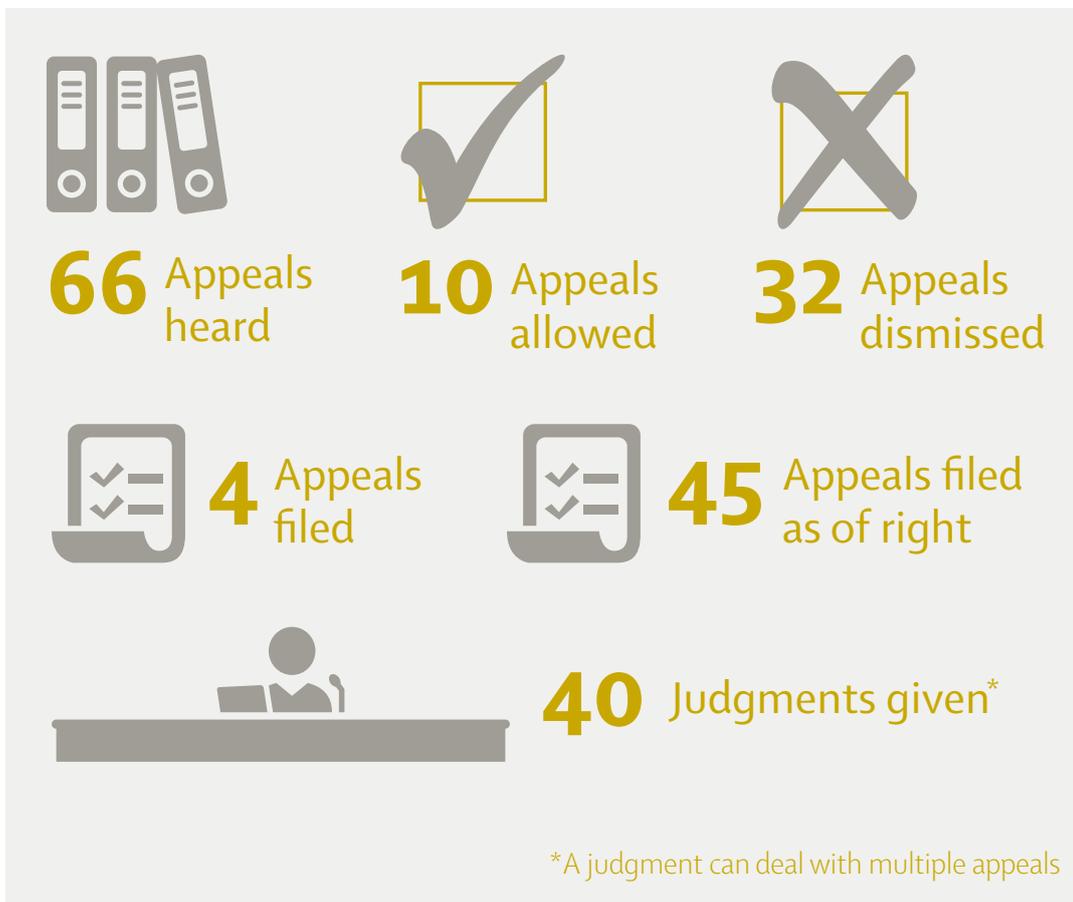


Figure 12 – JCPC PTAs/appeals and appeals as of right by jurisdiction:  
1 April 2018 to 31 March 2019

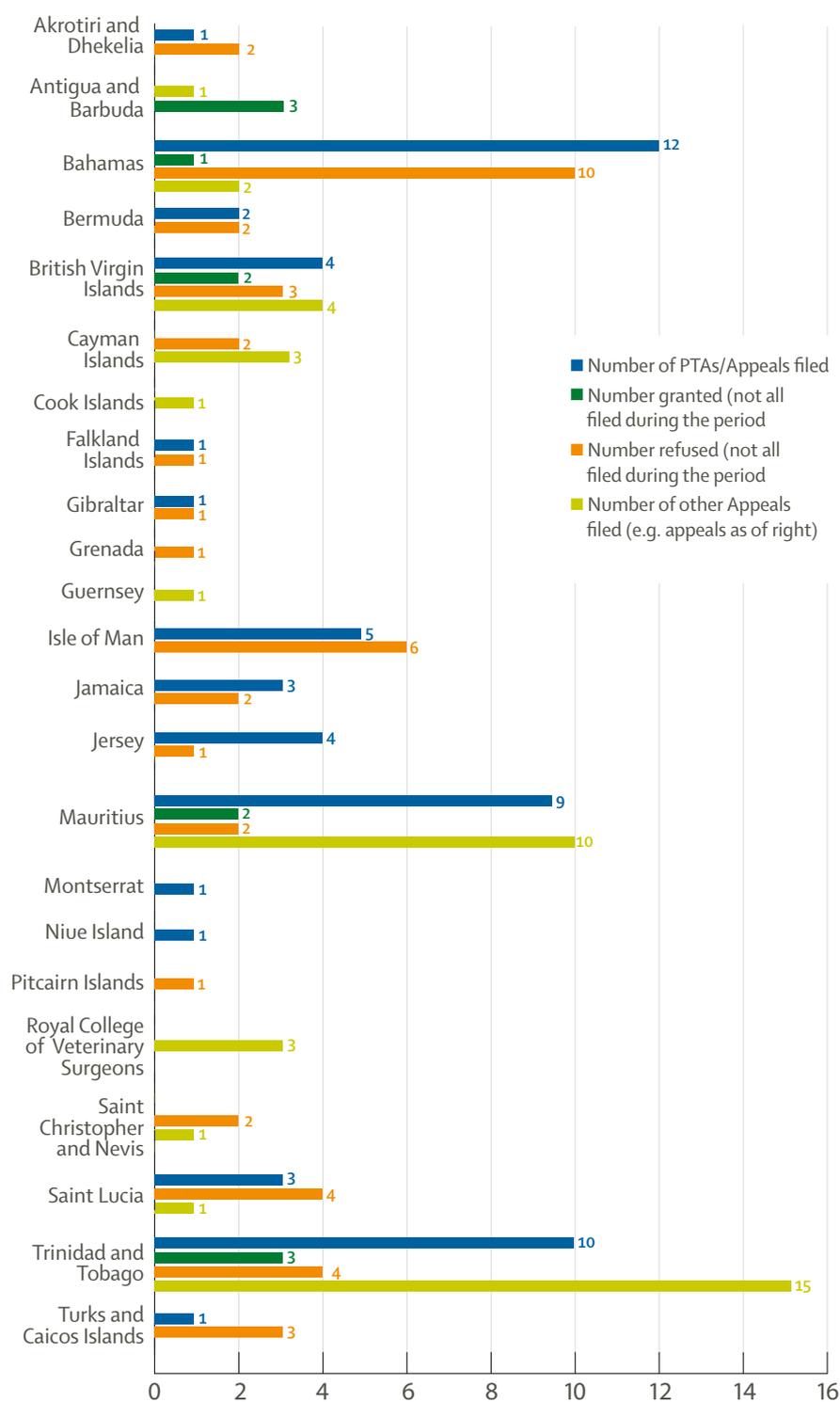
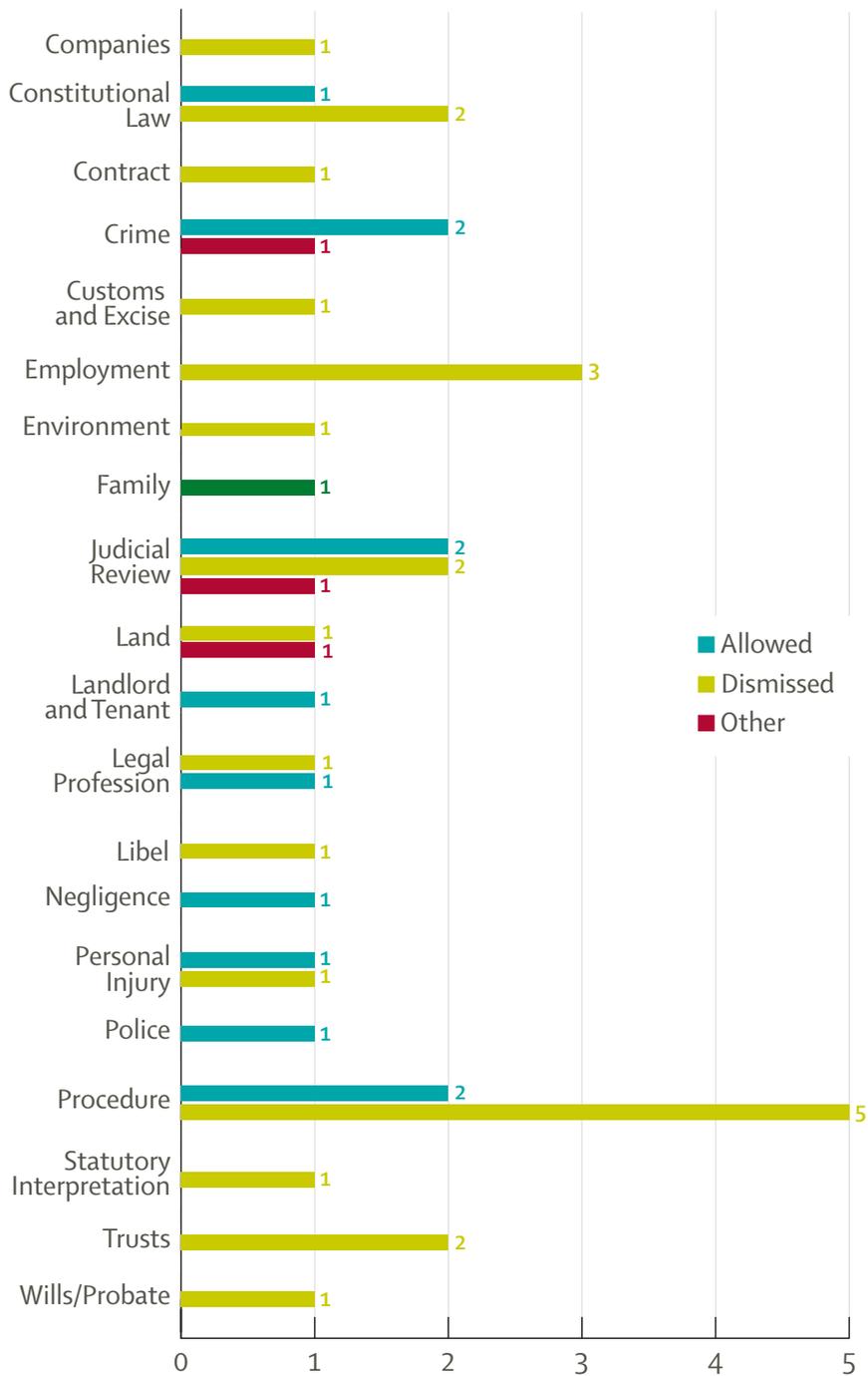


Figure 13 – JCPC judgments by subject matter: 1 April 2018 to 31 March 2019



### Size of panels hearing cases

The JCPC usually sits as a Board of five, but sometimes in panels of three, seven or nine. When a panel decides to grant permission to appeal, a recommendation is made if the panel considers more (or less) than five judges should sit. The criteria for making such a recommendation are available on our website. During this year seven justices heard the appeals *Volaw Trust and Corporate Services Ltd and its Directors and others (Appellants) v The Office of the Comptroller of Taxes and another (Respondents) (Jersey)* (JCPC 2016/0001) and *Volaw Trust and Corporate Services Ltd and its Directors and others (Appellants) v Her Majesty's Attorney General for Jersey (Respondent) (Jersey)* (JCPC 2016/0091).

### Cases and judgments

JCPC cases of particular legal interest over the year included:

**The Honourable Chief Justice of Trinidad and Tobago Mr Justice Ivor Archie O.R.T.T. v The Law Association of Trinidad and Tobago (Trinidad and Tobago) [2018] UKPC 23**

The purpose of the Law Association of Trinidad and Tobago (LATT) is principally to regulate the legal profession but also includes promoting the administration of justice and the rule of law. It decided to set up a committee to investigate allegations against the Chief Justice which had been reported by the press. The Chief Justice

claimed it had no power to conduct the proposed inquiry because under section 137 of the Constitution, only the Prime Minister had the power to initiate a formal inquiry into the conduct of a member of the higher judiciary. He brought a claim for judicial review which also alleged bias, bad faith and procedural unfairness on the part of LATT.

He succeeded in the High Court, but the Court of Appeal overturned the High Court's decision. His appeal to the JCPC was dismissed. The JCPC also lifted the injunction which had continued to restrain LATT from convening a meeting of its membership in connection with the inquiry.

The JCPC held that s.137 provided for the removal of judges but there was nothing in that section to indicate that it was the only way in which the conduct of a judge could be investigated. LATT's inquiry findings would not bind any tribunal set up under s.137. The proposed inquiry was also within LATT's powers under the Legal Profession Act 1986, in order to determine whether the allegations were sufficiently serious to merit a formal complaint, or whether its duty was to defend the Chief Justice against unjustified criticism. Finally, the allegations of bias and unfairness were unfounded. The local courts in Trinidad and Tobago were far better placed than the JCPC to consider what the fair-minded and informed observer in Trinidad and Tobago would make of the matters complained of.

**Director of Public Prosecutions v  
Jugnauth and another (Mauritius)  
[2019] UKPC 8**

The Vice Prime Minister and Minister of Finance and Economic Development, Mr Jugnauth, was convicted of the offence of ‘conflict of interest’ contrary to s.13 of the Prevention of Corruption Act 2002 in June 2015 and sentenced to 12 months’ imprisonment. His conviction was quashed by the Supreme Court of Mauritius, which also granted leave to the Director of Public Prosecutions to appeal to the JCPC.

Mr Jugnauth had declared a personal interest in a company (Medpoint) bidding for public funds to set up a National Geriatric Hospital. His sister was director of Medpoint and both he and his sister were shareholders. He did not participate in the decision to award the contract to Medpoint, in the valuation process of the work or in the decision to set the date for payment. He did however sign a minute approving the reallocation of the budget for the hospital from the Lottery Fund budget to the capital projects fund within his ministry.

The JCPC noted that the offence in s.13 creates a wide-ranging prohibition, intended to prohibit situations in which corruption might operate. Nonetheless, the critical question for the commission of the offence in this case was whether Mr Jugnauth had a relative with a personal interest in the decision in which he had participated. A personal interest, although it did not need to be financial, was distinct from the general interest shared by members of the public at large in decisions made by public officials. His sister had no personal interest in which internal budget the project was allocated to within the department: it would have been a matter of total indifference to her. Mr Jugnauth could not have had knowledge of the existence of facts giving rise to a personal interest in the decision in his sister, because there were none.

Accordingly, the Director of Public Prosecution’s appeal was dismissed.



# Section four

## External relations



Throughout 2018-19 the UKSC has been active in engaging with our stakeholders to nurture relationships and make its proceedings accessible across the United Kingdom and beyond.

### Maintaining effective relationships with all jurisdictions in the United Kingdom

We have continued to build constructive relationships with legislatures and professionals across the United Kingdom, with Lord Reed and Lord Hodge keeping in touch with judges, lawyers and the legislature in Scotland, and Lord Kerr and Lord Lloyd-Jones doing the same in Northern Ireland and Wales respectively. Lady Hale and Lord Reed also appeared before the House of Lords Constitution Committee on 20 March 2019 (a transcript of their appearance can be found on the Committee's website at: <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/constitution-committee/president-and-deputy-president-of-the-supreme-court/oral/98444.html>).

From Lord Hodge speaking on 'Preserving Judicial Independence in a Populist Age' at the North Strathclyde Sheriffdom Conference in Paisley, to Lord Briggs speaking at the Bristol Students Law Conference, the UKSC President and justices have been involved in a diverse range of engagement activity across the nations and regions this year.

### Enhancing relationships with jurisdictions which use the JCPC and other international jurisdictions

The UKSC and JCPC continue to attract international interest from judges, lawyers and others keen to visit and meet justices and staff to discuss aspects of our jurisdiction and work.

There are various levels at which the international relationships operate. These include the following:

- Links with with some of the domestic senior courts, the lawyers, and to a certain extent the governments in the countries which use the JCPC as their highest court.
- Relationships with the Court of Justice of the European Union and the European Court of Human Rights.
- Relationships with senior courts in Europe, most notably the Supreme Court of Ireland, the French Conseil d'Etat and the Bundesverfassungsgericht, the German Constitutional Court
- Exchanges with common law countries such as Australia, New Zealand, Canada, Israel and the USA.
- Relationships with other Supreme Courts/Constitutional Courts.

Visits from the judiciaries and countries where democratic arrangements are not well settled, where we can assist in developing understanding of the importance of the rule of law and of a high quality independent judiciary as a key component of good governance.

In particular, in relation to the above:

- Together with judges from Scotland, Northern Ireland, and England and Wales we hosted a bilateral meeting with judges of the Supreme Court of Ireland in June 2018.
- Justices participated in a bilateral meeting with the European Court of Human Rights in Edinburgh in July 2018;
- We hosted a bilateral meeting with the Court of Justice of the European Union in November;
- Lady Hale, Lord Lloyd Jones, and Lady Arden attended the opening of the legal year in Strasbourg in January 2019

Other visits allow for exchanges of views about administrative and management matters. We have, for example, continued to receive enquiries and requests for visits to look at what the administration of the UKSC has done in terms of openness and transparency, including televising court hearings and making use of social media. Other delegations have been interested in case management and handling of records.

As in previous years we have supported the Network of Presidents of Supreme Courts of the European Union. Lady Hale attended an event in Karlsruhe in September 2018 and Lord Carnwath an event in Vienna in November 2018. Lord Briggs attended the Network's meeting in Bratislava on behalf of the UKSC in October 2018. The UKSC also participated in a judicial exchange scheme run by the Network.

We also support the ACA (Association of the Councils of State and Supreme Administrative Jurisdictions of the European Union) and the CMJA (Commonwealth Magistrates' and Judges' Association). During the year Lord Carnwath attended ACA events in Tallinn and The Hague; Lady Arden in Cologne; and Lady Hale in Dublin. Lady Hale also attended the CMJA conference in Brisbane in September 2018.

### Other international engagements by individual justices of the UKSC

In addition to the activities listed above, some justices undertook further engagements with international counterparts.

**Lady Hale** attended a roundtable at the International Association of Constitutional Law in New York. The topic of the discussion was 'Judicial Perspectives on Civil Liberties Adjudication'. She also attended a conference at the University of Ottawa, Canada in honour of Chief Justice Beverley McLachlin on her retirement.

**Lord Reed** delivered the Sultan Azlan Shah Law Lecture in Kuala Lumpur on the topic of 'Politics and the Judiciary'.

**Lord Carnwath** visited Columbia in January 2019 for a dialogue with Bogota Specialist Tribunal judges, and attended a conference on 'The Constitutional Court from a Global Perspective'. He also gave a talk at the Global Pact on the Environment Conference in Brussels in February 2019.

**Lord Hodge** visited China as part of the United Kingdom-China Judicial Roundtable and gave two lectures on 'Public Participation and Transparency in the Criminal Justice System', and 'Financial Technology: Opportunities and Challenges to Law and Regulation'.

**Lord Hughes** was part of a delegation of members of the United Kingdom judiciary that took part in an extensive programme with members of the Mexican judiciary in Mexico.

**Lady Black** spoke at the Commission of European Family Law conference in Hamburg in November 2018, and at the Franco British Law Society Dinner in Paris in March 2019.

**Lord Lloyd-Jones** attended the ceremony for the opening of the judicial year of the International Criminal Court in the Hague in January 2019. This included a seminar on 'Judicial Reflection on the International Criminal Justice System after the 20th Anniversary of the Rome Statute'. He also gave a talk at the Bar European Group Conference in San Sebastien at the request of the Group.

**Lord Briggs** spoke at the Trusts and Litigation Conference in Athens in February 2019.

**Lady Arden** attended the European Dialogue Meeting in Paris, and spoke at the BIICL Bangalore Principles event in London, both taking place in November 2018.

**Lord Kitchin** took part in a mock trial in Italy at the request of the European Patent Office, and the European Patent Lawyers Association. He also gave a presentation and took part in a panel discussion at the European Patent Office Conference in Munich in November 2018.

We also communicate with JCPC jurisdictions through a twice-yearly e-newsletter, as well as with Privy Council agents and other court users.

The map on the following page shows the location of just the 70+ engagements justices have enjoyed participating in to represent the UKSC and foster good relations with partners across the United Kingdom.

## Examples of engagements by justices across the United Kingdom

**Aberystwyth** – Lord Lloyd-Jones gave a talk at the Legal Wales Conference

**Belfast** – 2 justice engagements

**Birmingham** – Lady Hale gave a lecture at the Birmingham Law Society

**Bristol** – 2 justice engagements

**Cambridge** – 3 justice engagements

**Edinburgh** – 10 justice engagements

**Isle of Man** – Lady Hale gave a lecture at the Isle of Man Law Society

**Leeds** – Lord Sales attended the University of Leeds Law Conference

**London** – 21 justice engagements

**Oxford** – 4 justice engagements

**Paisley** – Lord Hodge gave a speech at the North Strathclyde Sheriffdom Conference

**Colchester** – Lady Hale gave a lecture at the University of Essex





Lady Hale at the Breaking Barriers Student Conference in October 2018. Lady Hale gave the keynote speech at the conference which was organised by the Black British City Group and the Society of Black Lawyers.

Justices at the United Kingdom-Ireland Bilateral Conference 2018



Lord Briggs talking with Helston College

## Engaging with professional users

We engage with professional users through the User Group, which is made up of professionals including barristers' clerks, solicitors and members of the Bars from around the United Kingdom. Meetings of the User Group, which covers both the UKSC and the JCPC, took place on 13 July 2018 and 30 January 2019 and the minutes of those meetings appear on our website. Lord Kerr chairs the meetings, with the Chief Executive and the Registrar attending, alongside other justices and staff as necessary. We are grateful for the engagement of our stakeholders in helping the UKSC to improve our services this year.

## Welcoming visitors, educating and inspiring

During the year the UKSC welcomed 88,260 visitors to, and held 375 educational tours of, our beautiful and historic building on Parliament Square.

Our tours and open days enliven the spaces, engage visitors and give a comprehensive understanding of the work of the UKSC and JCPC. Young people are particularly catered for through our 'Debate Day', moots and our new 'Ask a justice' programmes as well as our student writing competition.

During 'Debate Days' students prepare legal arguments on a case previously considered by the UKSC and present them in our main courtroom to be judged by their peers.

**"The majority of students we brought last time were the first in their families to consider applying to university. The 'Debate Day' secured their decision in wanting to apply to university – thank you."  
(Varndean College)**

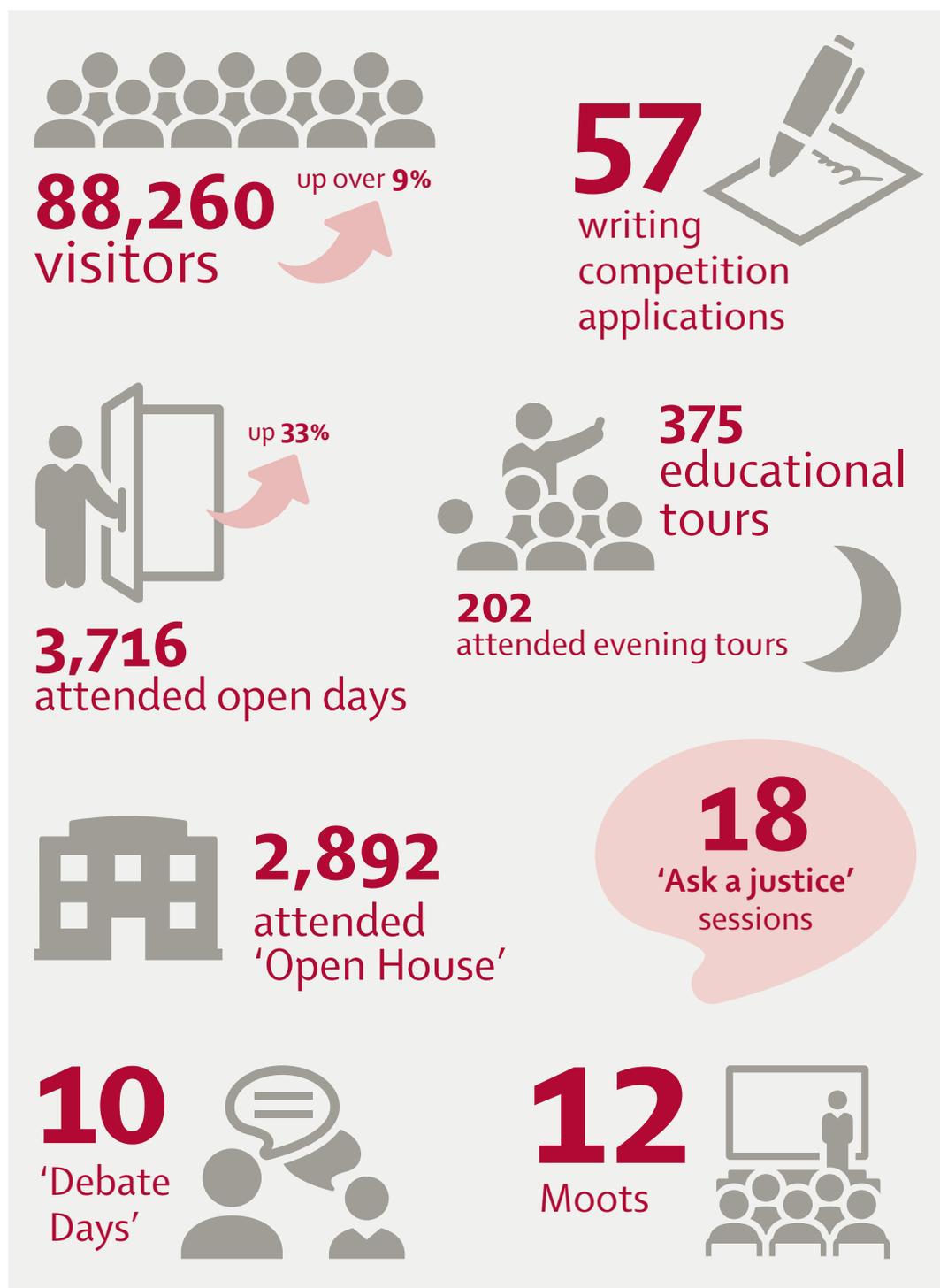
This year, 12 universities had the opportunity to hold the final of their mooting competition, a mock hearing, in a UKSC courtroom, judged by a justice.

As mentioned previously, our new 'Ask a justice' programme allows us to reach out to schools and colleges from inaccessible regions of the United Kingdom and areas of deprivation, through a live question and answer session via webchat with a justice from their own classroom.

We were also excited to deliver our first British Sign Language interpreted tour this year in a successful pilot which we now plan to extend.

As mentioned previously, this year we collaborated with the Koestler Trust, the United Kingdom's leading prison arts charity, on their exhibition '100 Years On, An Art Trail by Women in Prison.' All the work exhibited was by women prisoners and included drawings, paintings, sculpture, knitwork and poems.

## Education and visitor services in numbers



## Promoting the UKSC through the media and online

The communications team works pro-actively to support accurate coverage of the Court's decisions and wider work, primarily through communicating judgments in a timely and accessible manner in the media and online. It is not unusual for judgments to receive widespread coverage, provoke discussion on twitter or for #UKSupremeCourt to trend on social media.

The President and other justices have promoted the Court through a range of features and interviews this year,

including ones with publications as diverse as **The Guardian** and **Vogue**.

The Court's hearings in Belfast in April and May 2018 received extensive national and local media coverage, totalling over 100 news items.

The UKSC and JCPC sites received over 1 million users and 5.5 million page views in the 2018-19 financial year.

For the 2018-19 financial year the total number of plays via our streaming and video-on-demand services was 482,715.

Figure 14 – Twitter users (April 2018 to March 2019)

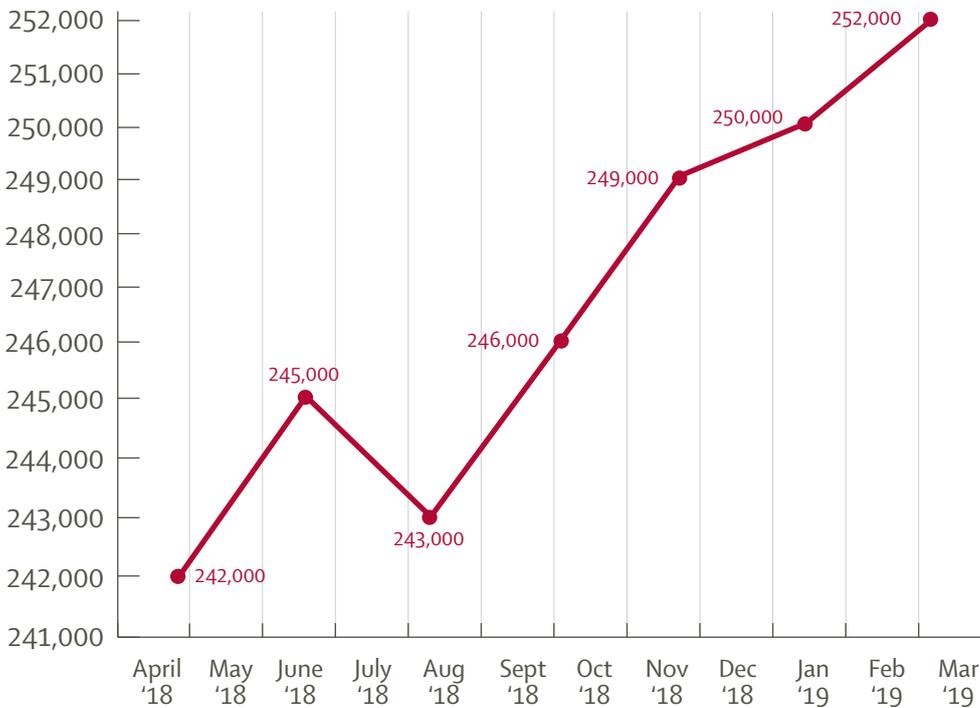
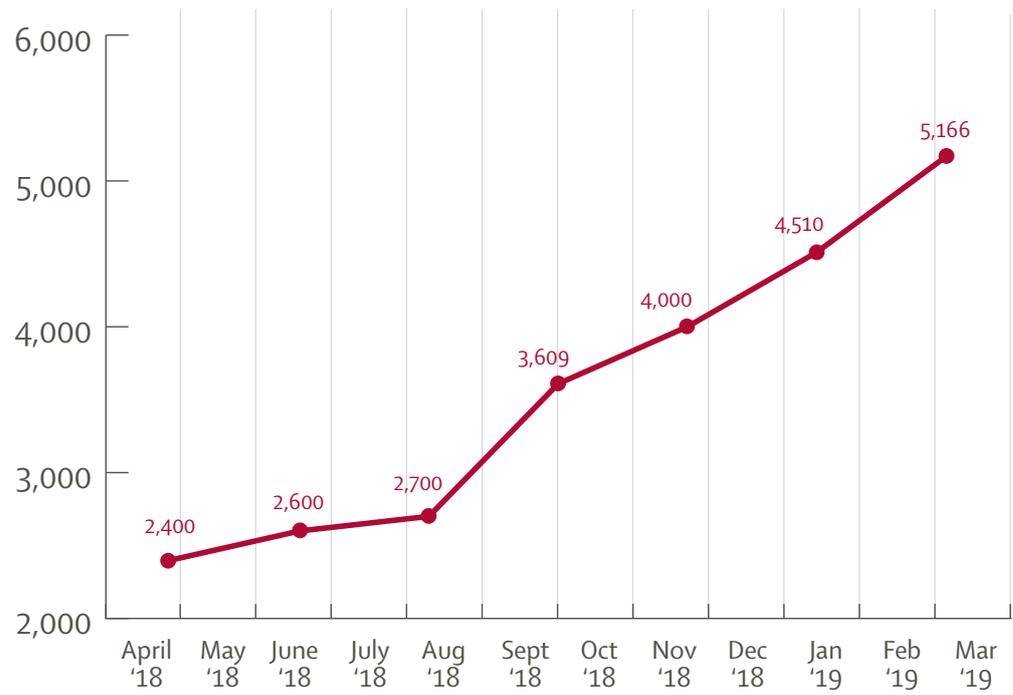


Figure 15 – Instagram followers (April 2018 to March 2019)



# Section five

## Controls, governance and accountability report



## Statement of Accounting Officer's Responsibilities

Under s.7(2) of the Government Resources and Accounts Act 2000, HM Treasury has directed the UKSC (the Department) to prepare, for each financial year a statement of accounts (the Accounts) in the form and on the basis set out in the Accounts Direction issued on 19 December 2018.

The Accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Department and of its net resource outturn, application of resources, changes in taxpayers equity and cash flows for the financial year.

In preparing the Accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and to:

- Observe the accounts direction issued by HM Treasury, including relevant accounts and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- Make judgements and estimates on a reasonable basis.
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed and disclose and explain any material departures in the accounts.
- Have taken all steps that ought to have been taken to make himself aware of any relevant audit information and to establish that the Department's auditors are aware of that information, and that they are now aware of any relevant audit information of which the Department's auditors are not aware of.

- Prepare the accounts on an ongoing basis.
- Confirm that the annual report and accounts as a whole is fair, balanced and understandable and take personal responsibility for report and accounts and the judgements required for determining that it is fair, balanced and understandable.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the UKSC's assets as set out in the Accounting Officer's Memorandum issued by HM Treasury and published in Managing Public Money.

## Governance Statement by the Chief Executive

The UKSC is a non-Ministerial Department established by the Constitutional Reform Act 2005. The UKSC administration assumed responsibility of the JCPC on 1 April 2011. Responsibility for non-judicial functions are delegated by the President of the Supreme Court to me, as Chief Executive in accordance with s.48(3) of the above Act.

The aim of the UKSC and JCPC is to provide an environment which enables the justices to carry out their duties in an effective, visible and accessible way, and which best develops the rule of law and the administration of justice, both in the United Kingdom and in the countries which use the JCPC.

As Chief Executive, I am responsible for the day-to-day operations and administration of the UKSC and leadership of its employees. I am required to carry out my functions in accordance with the directions given by the President of the Supreme Court.

In my role as Chief Executive and within the directions given by the President, I work with the justices through a justices' meeting and the Strategic Advisory Board. This Board, chaired by the President and comprising two additional justices, senior members of the Management Board and the Non-Executive Board Members, considers the strategic direction of the Court and the ongoing strategic issues and opportunities. It, however, has no role in directing the administration or the judicial functions of the Court.

As Accounting Officer and working with my Management Team, I have responsibility for maintaining effective governance and a sound system of internal controls that supports the achievement of UKSC policies, aims and objectives whilst safeguarding the public funds and assets for which I am personally accountable.

## Our Management Board and Executive Team

As at March 2019, there were ten members of the UKSC Management Board comprising Non-Executive Board Members and executives.

## Our Executive Members



### Mark Ormerod

has been Chief Executive of the UKSC and the JCPC since September 2015.

The role involves responsibility for all the non-judicial functions of the court and overseeing the administration of staff and contractors supporting the work of the justices. The Chief Executive is an Accounting Officer in their own right.

Mark was previously Chief Executive of the Probation Association between October 2011 and July 2014. Over a varied Civil Service career, much of it spent in justice administration, Mark has served as Chief Executive of the Law Commission of England and Wales (March 2009 – September 2011) and Director of Civil and Family Justice at the then DCA/Ministry of Justice (2004 – 2009). He was Principal Private Secretary to the Lord Chancellor (Lord Mackay of Clashfern) between 1993 and 1996.



### Sam Clark

has been Director of Corporate Services of the UKSC and the JCPC since January 2019.

As Director of Corporate Services, Sam has responsibility for the UKSC building and contracted services, IT, library services, HR, financial management and communications.

Sam was previously Deputy Director of Governance and Assurance for HM Courts and Tribunals Service. Prior to that Sam was Board Secretary and Head of the Chief Executive's Office, again within HM Courts and Tribunals Service. Over her career, Sam has held a variety of roles, most of them in the administration of justice with a focus on courts and supporting operational delivery. These include Head of Security and Safety for HM Courts Service and then HM Courts and Tribunals Service; Deputy Departmental Security Officer for the then Department for Constitutional Affairs, now the Ministry of Justice and a variety of roles working with and supporting the work of magistrates' courts.



## William Arnold

was Director of Corporate Services of the UKSC and JCPC from March 2009 up until his retirement in December 2018.

William previously held posts including Chief Executive of the Law Commission, Head of the Court Broadcasting Unit in HM Courts Service. He worked on loan in the Prime Minister's Department in Canberra, Australia from January 1993 to August 1994, and was Director of Corporate Services for The National Archives from April 1991 to December 1992.

William's other previous appointments have included Chief Executive to the Family Justice Council (2006), Secretary to the Commissioners for Judicial Appointments (2004 – 2006), Head of the Criminal Justice System Confidence Unit (2003) and Head of Sponsorship of Regional Development Agencies (1999 – 2003).



## Louise di Mambro

has been Registrar of the UKSC and the JCPC since October 2009 and Registrar of the Privy Council since April 2011.

As Registrar, she exercises judicial and administrative functions under the two sets of Rules and Practice Directions which provide the procedure for these Courts.

From June 2008 until September 2009, Louise was Deputy Head of the Judicial Office of the House of Lords, supporting the Law Lords in their judicial functions. Before that, Louise was a deputy master in the Court of Appeal, Civil Division, working in the Royal Courts of Justice from December 1997 to May 2008. Prior to that Louise held various posts as a member of the Government Legal Service in the Treasury Solicitor's Department and the Lord Chancellor's Department. Louise was called to the Bar in July 1976.



## Joyti Mackintosh

has been Director of Finance since June 2017.

As the Director of Finance, Joyti is responsible for ensuring that HM Treasury rules are correctly applied throughout the organisation. Joyti ensures the Chief Executive is supported on all financial management matters as Accounting Officer to enable appropriate business decisions to be made.

Prior to this, Joyti worked at Tesco PLC as a Senior Accountant on the Finance and People Transformation Project and has held various finance related posts in the Civil Service and the private sector. Her recent roles include Head of Finance for Corporate Services at Defra, Head of Internal Audit at the Food Standards Agency and Head of Finance and External Audit at the Government Office.



## Sophia Linehan-Biggs

has been Head of Communications since September 2017.

Sophia is responsible for promoting public understanding of the UKSC and its decisions, leading the communications function, and managing all education, outreach and public engagement programmes.

Sophia was previously Deputy Director of Communications, and before that Head of Media, for the House of Commons. In 2015 she was Communications and Partnerships Manager at the Houses of Parliament, promoting a year-long programme of events and projects across the United Kingdom celebrating the 800th anniversary of the sealing of Magna Carta. Sophia has also worked in the cultural sector and was Director of Marketing and Communications for the English Folk Dance and Song Society.

## Section five

## Controls, governance and accountability report



### Janet Coull Trisic

was appointed Acting Head of Communications in January 2019.

During Sophia's maternity leave, Janet is responsible for promoting public understanding of the UKSC and its decisions, leading the communications function, and managing all education, outreach and public engagement programmes.

Janet has spent the majority of her career as a public sector communications professional, having worked at several government departments, the House of Commons and the National Audit Office.



### Paul Brigland

has been Head of IT and Building Services since June 2011.

Paul has responsibility for the effective provision of all contracted and office services (including hard facilities management, IT, security guarding and cleaning). He is responsible for building management, accommodation and health and safety issues.

Paul's previous roles include working in the Ministry of Justice Data Access and Compliance Unit advising on Freedom of Information and Data Protection issues and he worked at the Lord Chancellor's Department as Diary Manager to the Lord Chancellor (Lord Irvine) and as a Training Course Manager (Civil and Family Judiciary) at the Judicial Studies Board.

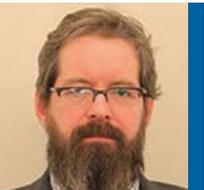


### Chris Maile

has been Head of Human Resources since August 2011.

Chris is responsible for workforce planning and staff recruitment, payroll and pension liaison, HR support including advice and guidance to managers, learning and development, personal security and all pre-employment vetting, HR Policy and contracts, staff engagement and all aspects of HR service delivery for the court. In addition to Management Board, Chris attends Remuneration Committee as Secretary, Health and Safety Committee and acts as the department's Honours Secretary.

Prior to joining the UKSC, Chris led a team of HR advisors in supporting and guiding managers on a wide range of HR issues across the Ministry of Justice. Before that he worked in the education sector advising head teachers and school governors



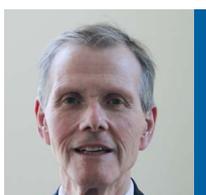
### Ian Sewell

joined the UKSC in October 2009 and was appointed Deputy Registrar in September 2018. He is also Costs Clerk to the JCPC.

Ian supports the Registrar and deputises for her in her absence. He manages the judicial support unit which services the justices' administrative and secretarial needs; oversees the delivery of judgments; and is responsible for costs procedures of the UKSC and the JCPC.

Ian was previously the Judicial Taxing Clerk in the House of Lords and held a number of administrative posts in the House of Lords Legislation Office prior to that.

## Our Non-Executive Board Members



### Kenneth Ludlam

is a Fellow of the Institute of Chartered Accountants.

Throughout his career Kenneth has held roles in Peat, Marwick, Mitchell & Co. (now KPMG), the Bowater Corporation and Hanson PLC where he latterly he took on the role of Head of Internal Audit and Risk Management.

Kenneth has held a number of non-executive appointments with the Cabinet Office, Ministry of Defence, Department for Work and Pensions, Ministry of Justice and, most recently, the Queen Elizabeth II Conference Centre. He also sat on Defra's Audit and Risk Committee and is an external member of the Corporation of the City of London's Audit and Risk Management Committee and Police Performance and Resource Management Sub Committee.

As well as being a member of the Management Board and Remuneration Board, Kenneth chairs the UKSC Audit and Risk Assurance Committee.



### Kathryn Cearns OBE

is a Chartered Accountant with experience in financial reporting, audit,

company law and corporate governance. She trained with a large audit firm and spent 14 years as consultant accountant to the international law firm Herbert Smith Freehills.

Kathryn holds a number of non-executive and independent member posts including sitting on the audit committee of the Press Recognition Panel and Public Sector Audit Appointments Ltd, as well as a member of the External Audit Committee of the International Monetary Fund. Among other roles, she is a Non-Executive Director of Highways England and Companies House, and in March 2019 became Chair of the Office of Tax Simplification. She is also on the FRC's Financial Reporting Review Panel and on the Consultative Advisory Group to the International Public Sector Accounting Standards Board.

As well as being a member of the Management Board and Audit and Risk Assurance Committee, Kathryn chairs the UKSC Remuneration Committee.

## Others supporting the Management Board

In addition to the above substantive members, the Management Board and team are supported by the following executive and independent members.



### Paul Sandles

joined the UKSC in November 2012 and is the Librarian, Departmental Records Officer and Secretary to the Executive Team.

Paul is responsible for ensuring that the justices can access the resources necessary to support their research needs. As Departmental Records Officer, Paul is responsible for records and public records legislation.

## Section five

## Controls, governance and accountability report



## Charles Winstanley

is an Independent Member of the Audit and Risk Assurance Committee

A former regular soldier and now a management consultant, Dr Charles Winstanley has chaired NHS Lothian, Norfolk Probation, and the Scottish Police Pension Board. He has chaired audit committees at the Ministry of Defence, at an English NHS Trust, and at the Scottish Crown Office.

He is a magistrate and a member of the Asylum and Immigration Chamber. He now chairs the board of the Academy of Medical Royal Colleges, the Contact Group, and the Cabinet Office's Advisory Military Sub-Committee for Honours and Decorations.

Charles has been an independent member of the UKSC's Audit and Risk Assurance Committee since 2011.



## Peter Luney

is an Independent Member of the Audit and Risk Assurance Committee

Peter has been Chief Executive of the Northern Ireland Courts and Tribunals Service (NICTS) since February 2017, having previously work as Head of Court Operations; Head of Business Development and Head of Criminal Policy. As Chief Executive, Peter has responsibility for the administration of all the courts and a number of tribunals across Northern Ireland with a staff of approximately 800. The Chief Executive is the Accounting Officer for NICTS. He is also the Accountant General of the Court of Judicature and is responsible for the investment of approximately £300m of funds held in court on behalf of children and other vulnerable adults. Peter has also been appointed as Victims' Champion for NICTS.

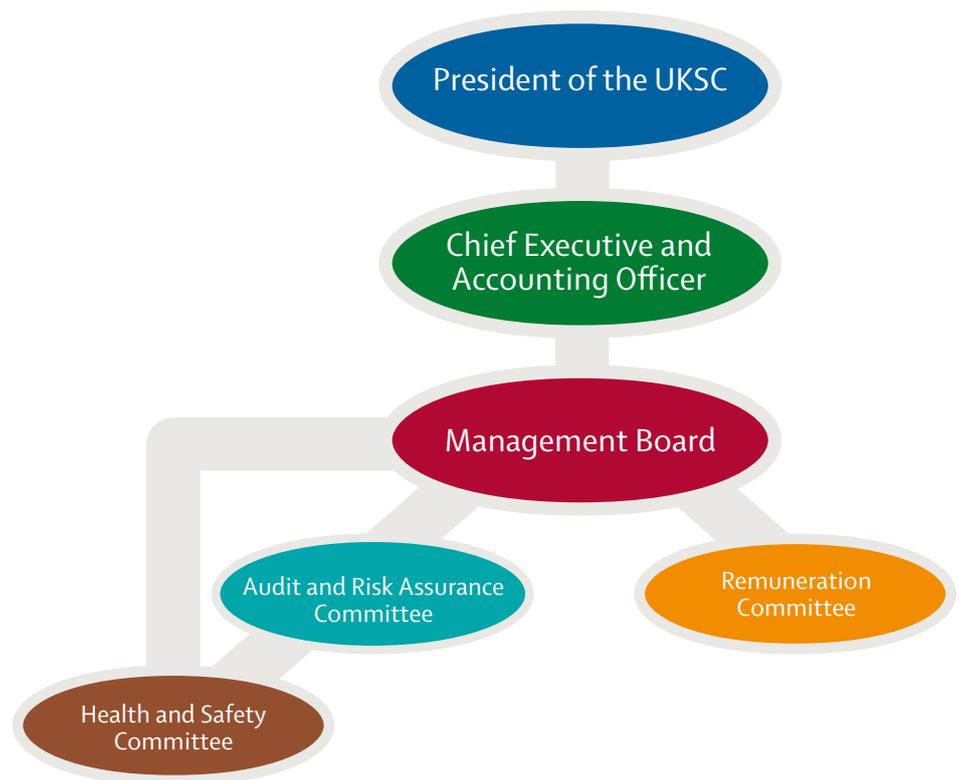
Peter has been an Independent member of the UKSC's Audit and Risk Assurance Committee since 2017.

## The Governance Framework of the UKSC

The UKSC has in place control processes to provide me, as Accounting Officer, and the Management Board with assurance over financial and operational risks. This

governance framework is commensurate with the size of the organisation and complements our approach to risk management. The framework and the processes are subject to continuous improvement and review to ensure that they remain, current, effective and relevant.

Figure 16 – UKSC Governance Framework



## Management Board and its sub-committees

	<b>Management Board</b>	<b>Audit and Risk Assurance Committee</b>	<b>Remuneration Committee</b>
<b>Terms of Reference</b>	These were reviewed and agreed in September 2018	These were reviewed and agreed in May 2018	These were reviewed and agreed in March 2018
<b>Roles and responsibilities</b>	<p>Has responsibility for overseeing the leadership and administrative direction of the UKSC, as well as ensuring it is delivering its aims and objectives.</p> <p>It also advises and provides scrutiny to the Chief Executive in relation to the strategy of the Department, and production of the annual report and accounts.</p>	<p>This is an advisory body supporting the Chief Executive as Accounting Officer and the Management Board in its responsibilities for risk management, control and governance and production of the annual report and accounts.</p> <p>The Committee meets three times a year.</p>	<p>This is an advisory body supporting the Chief Executive and Management Board in its responsibilities for staff pay, terms and conditions and performance management.</p> <p>The Committee meets when required but at least once a year.</p>
<b>Chair</b>	<b>Mark Ormerod</b> , Chief Executive	<b>Kenneth Ludlam</b> , Non-Executive Board Member	<b>Kathryn Cearn</b> , Non-Executive Board Member
<b>Issues covered</b>	<ul style="list-style-type: none"> <li>■ discussed performance of each administrative business area at each meeting, including the new interactive performance dashboard, and had regular deep-dives on operational performance</li> <li>■ discussed the financial position at each meeting as well as approving the annual budget</li> <li>■ reviewed operational policies and guidance surrounding the introduction of new legislation</li> <li>■ received regular updates from the chairs of each respective sub committee</li> <li>■ discussed performance of key commercial relationships including re-tendering exercises.</li> </ul>	<ul style="list-style-type: none"> <li>■ substantive discussion at each meeting on all corporate risks to challenge management controls and effectiveness of mitigation</li> <li>■ substantive discussions on the findings and implementation of recommendations from internal audit reports</li> <li>■ reviewed accounting policies</li> <li>■ discussed adequacy of management response to issues identified by audit activity, including external audit's management letter and National Audit Office value for money audits</li> <li>■ acted on the delegated authority of the Management Board to approve the annual report and accounts (2017-18)</li> </ul>	<ul style="list-style-type: none"> <li>■ reviewed and discussed the pay award for non-SCS and SCS staff in 2018</li> <li>■ recommended the amount of non consolidated performance payments linked to end of year performance markings</li> <li>■ reviewed the use of allowances for specific roles and considered the appropriateness of any new allowances</li> <li>■ reviewed the use of the new performance management</li> <li>■ considered the calculations used in the UKSC pay policy in relation to recent case law and improving clarity of the policy</li> </ul>

## The attendance schedule for the Management Board and its sub-committees for the period 2018-19

	Management Board	Audit and Risk Assurance Committee	Remuneration Committee
Attendance at meetings – expressed as number of meetings attended out of number eligible to attend			
Mark Ormerod – Chief Executive	6/6	3/3*	2/2
Kenneth Ludlam – Non-Executive Board Member	6/6	3/3	2/2
Kathryn Cearns – Non-Executive Board Member	6/6	3/3	2/2
Sam Clark – Director of Corporate Services (from 1st January 2019)	2/2	1/1*	
William Arnold – Director of Corporate Services (up until 31 December 2018)	4/4	2/2*	
Louise di Mambro – Registrar	6/6		
Joyti Mackintosh – Director of Finance	6/6	3/3*	2/2
Sophia Linehan-Biggs – Head of Communications (up until 18 January 2019)	4/4		
Janet Coull-Trisic – Acting Head of Communications (from 21 January 2019)	2/2		
Paul Brigland – Head of Office and Building Services	6/6		
Chris Maile – Head of Human Resources	6/6		2/2
Ian Sewell – Deputy Registrar	4/4		
Charles Winstanley – Representative from Scotland		3/3	
Peter Luney – Representative from Northern Ireland		2/3	

\* Regular attendee as opposed to a substantive member of the Committee

## Corporate Governance in the UKSC

I have considered the effectiveness of the Board against the NAO's compliance checklist for corporate governance in central government departments and I am satisfied with the Board's effectiveness. Agendas for Board meetings comprise a mixture of standard items as listed above and specific issues, some of which are dealt with quarterly and others as the need arises. Individual members of the Board are held to account for decisions and the Non-Executive Board Members play a full role in challenging and supporting the Executive members of the Board.

The Board receives regular reports from its sub-committees and has sight of the risk register at each of its meetings. Each quarter the risk register is subject to a formal review.

Taking all the above factors into account, I am satisfied that the governance structure complies with the Code of Practice for Corporate Governance in central government departments. Areas of the Code which require the involvement of Ministers do not apply to us because we are a non-ministerial department. The size of the UKSC administration means that we do not require a separate Nominations Committee.

## Health and Safety Committee

Both the Management Board and I as Accounting Officer are supported by the UKSC Health and Safety (H&S) Committee. The Committee oversees security and safety risks and issues we face and the Chair

provides a report to the Management Board and Audit and Risk Assurance Committee (ARAC) after each Committee meeting. The Committee is chaired by the Director of Corporate Services and meets three times a year and includes representatives of the trade unions, and of the facilities management, security guarding, cleaning and catering providers.

The H&S Committee facilitates co-operation and co-ordination between management, employees and contractors so as to ensure everyone's H&S in the court.

The role of the committee is to:

- Consider the H&S of all employees, on-site contractors and visitors and provide a forum for discussions regarding maintenance of current H&S procedures and the generation of ideas for improving H&S.
- Monitor the regular inspections and risk assessments undertaken within the building, monitor the effectiveness of safe systems of work including studying accident / incident reports to identify any trends and patterns and ensure that appropriate action has been taken.
- Consider safe maintenance, access to and egress from any place of work, review the effectiveness of evacuation procedures in conjunction with the fire safety policy.
- Provide a forum for consultation with appointed / elected safety representatives from employees and contractors and monitor and review first aid provisions and advise management on adequate numbers of trained first aiders, updated notices and suitable facilities.

- Monitor the effectiveness of H&S training programmes and review audits of H&S performance and implement accepted recommendations.

Meetings of the H&S Committee are open to all staff to attend and raise issues or observe and minutes are posted on the court's intranet.

### Risk Management

The UKSC promotes a supportive risk culture which encourages openness and transparency. We are committed to high standards of corporate governance, including the need for an effective risk management system embedded within our activities and commensurate to the level of risk. To that end, our structure is designed to manage the risks associated with the delivery of our aim and objectives, as well as our day-to-day activities.

Risks are managed at two levels within the UKSC: Department wide – monitored by the Management Board (bi-monthly) and supported by ARAC (three times a year); and by department heads who are responsible for identifying, owning and managing risks with their areas of responsibility.

### Risk Assessment 2018-19

In line with the UKSC's approach to risk management, at the beginning of the financial year, the Management Board discussed the spread of risk across the UKSC and against the priorities as published in the business plan for 2018-19. It was agreed that we should carry forward the existing risks from 2017-18.

The Management Board held formal reviews of the risks at each meeting, as well as identifying and discussing any emerging issues. This approach enabled us to ensure that the most significant risks were being proportionately monitored and steps taken at the earliest opportunity should things change.

### Top Risks 2018-19

We have continued to manage our most significant risks during 2018-19 and this has been achieved by regular reviewing and challenging.

At the start of the year there were two 'high' risks (maximum the scale permits), three medium risks and two low risks being managed by the UKSC. At the end of the year we are managing three high risks, two medium risks and two low risks. Although this would represent limited movement in the controls and mitigations of the identified risks, recognising that the overall risk assessment has not increased, albeit in one area, would indicate that the controls are, to a certain degree, being effective. It is, however, recognised that there is more to do to define and get future risks to within tolerance.

## Overview of risks managed by the UKSC in 2018-19

Risk	Risk movement	Key activities to manage our risks
Disruption from breach of physical security	<p>↔ No risk movement</p> <p>Risk remained high throughout the year</p>	<ul style="list-style-type: none"> <li>■ Regular reviews of all security arrangements to ensure they are suitable and sufficient</li> <li>■ Pro-active engagement with third party suppliers to ensure training, knowledge and capability are proportionate to the risks managed</li> <li>■ Regular testing of arrangements and plans factoring in lessons learned</li> <li>■ Engagement with wider organisations to ensure effective liaison on matters pertaining to Parliament Square and its environs</li> </ul>
Loss of/decline in infrastructure performance	<p>↔ No risk movement</p> <p>Risk remained high throughout the year</p>	<ul style="list-style-type: none"> <li>■ Increased internal knowledge and capability to support delivery of internal IT solutions</li> <li>■ Enabling activity to increase ability to influence facilities management decisions to ensure efficient response by bringing the building engineer function in-house</li> <li>■ Participated in an independent review and accreditation of Risk Management and Accredited Documentation sets (RMADS)</li> <li>■ Improved secure remote access support and control capability in response to historic data incidents</li> </ul>
Damage to reputation	<p>↓ Risk decreased.</p> <p>Risk remained low but with the likelihood staying at low but impact increasing to medium.</p>	<ul style="list-style-type: none"> <li>■ Pro-active monitoring of all media coverage about the UKSC and its justices and responding quickly and effectively when required</li> <li>■ Work collaboratively with the media for all judgments and cases of significance</li> <li>■ FOI requests handled within the required timeframes</li> <li>■ Oversee a programme of engagement and exhibitions to ensure the best visitor experience and react proportionately to feedback received</li> </ul>

Risk	Risk movement	Key activities to manage our risks
Financial challenge	<p>↑ Risk increased</p> <p>Risk started the year as medium but has increased throughout the year to high impact and likelihood</p>	<ul style="list-style-type: none"> <li>■ Focus on holistic spend has enabled us to ensure that resources are spent in the right way and at the right time to mitigate the funding gap predicted at the beginning of the year.</li> <li>■ Introduced more streamlined financial delegations which bent and flexed to mitigate the fluctuations in fee income.</li> <li>■ Improved the relationship with HM Treasury to encourage transparency and visibility of allocations.</li> </ul>
Staff resilience	<p>↔ No risk movement</p> <p>Risk remained medium throughout the year</p>	<ul style="list-style-type: none"> <li>■ Improved the rate to hire ratio to ensure that vacancies are filled effectively and as quickly as possible.</li> <li>■ Introduced a statement of expectations for all staff to enable everyone to understand their role, how to support themselves and each other.</li> <li>■ Sick absence pro-actively monitored and support provided internally and externally as necessary.</li> </ul>
Workload movements	<p>↔ No risk movement</p> <p>Risk remained low throughout the year</p>	<ul style="list-style-type: none"> <li>■ Pro-active monitoring of workload movements to identify early any increased demand on resources.</li> <li>■ A litigants in person guide has been developed and published on the UKSC/ JCPC website to enable greater transparency and understanding of proceedings.</li> </ul>
Breakdown of relationships	<p>↔ No risk movement</p> <p>Risk remained medium throughout the year</p>	<ul style="list-style-type: none"> <li>■ Continued engagement by the justices and the executive with national and international jurisdictions as appropriate.</li> <li>■ Parliament approved the excess vote following attendance at the Public Accounts Committee hearing and were satisfied with the steps taken to avoid future instances.</li> </ul>

## Risk Management 2019-20

In the coming year we will:

- Create and build into our everyday activities a proportionate risk strategy which will include the 'three lines of defence' model.
- Understand how we will manage risk consistently throughout the UKSC (risk tolerance).
- Hold a risk workshop at the beginning of the reporting year to ensure that risks are identified and those which cannot be managed by the function heads are effectively escalated and managed.
- Support ARAC to hold challenge sessions with risk owners to test the effectiveness of the controls and the mitigation.
- Develop a clearer way to monitor risk movement throughout the year through the creation of additional tools such as a risk heat map and highlight report.

## Business Continuity Planning

The UKSC has in place plans to provide an effective response to events which could disrupt the work of the court, as well as plans to enable the business to return to normal.

A schedule of both desktop and live events is in place to test plans internally. During 2018-19 we tested our evacuation, invacuation through a desktop exercise and lockdown arrangements.

As a result of these tests:

- We made some amendments to improve our internal lockdown arrangements.
- We made improvements to our methods of internal communication.

- Staff gained an increased awareness and a more effective understanding of our security arrangements.

Having learnt from these tests we will be reassessing our test regime in the forthcoming year.

## Managing the Risk of Fraud, Bribery and Corruption

The UKSC takes a continuous improvement approach to the control environment it works within. This includes ensuring that the latest developments in fraud prevention and detection are applied, where relevant.

We have in place a fraud policy commensurate with the size of the UKSC that forms part of the finance policy. This describes our approach to minimising the risk of fraud and outlines the roles and responsibilities of all staff. This will be substantively considered in 2019-20 as part of the wider review of the UKSC finance policy to ensure it complies with the appropriate Cabinet Office standards.

The UKSC is kept abreast of emerging fraud risks through attending briefings offered by counter-fraud organisations, including the Counter Fraud Conference 2019.

There were no reported incidents of fraud, bribery or corruption in financial year 2018-19.

This year we have had a walkthrough assessment of our banking arrangements, that included banking controls, that help to reduce the risk of fraud. This was also part of a wider review that our banking provider was undertaking.

In addition to the above, the finance team also plan to consider further controls and use an anti-fraud framework to focus on areas of risk of fraud. This will enable current financial controls to be actively assessed for effectiveness to help reduce the risk of fraud and irregularity each quarter.

### Whistleblowing

The UKSC has a whistleblowing policy which was last reviewed and updated in 2017. The policy allows staff to raise any concerns confidentially regarding the conduct of others in relation to any potential suspected fraud, security or risk of personal data disclosure. The UKSC's two Non-Executive Board Members are the named nominated officers who will take forward any required investigation.

No concerns have been raised in this reporting period.

### Information Assurance

Each Information Asset Owner oversees the information assets for which they are responsible and must provide quarterly assurance statements to the Senior Information Risk Owner (SIRO) that the management of these assets has been in accordance with the Information Security Policy. This policy is reviewed annually by the Management Board. All staff, including new joiners, are required to complete an annual training course on information handling practices to ensure compliance.

The administration was assessed for Cyber Essentials accreditation during 2018, an accreditation recognised by the National Cyber Security Centre and Cabinet Office. It was achieved without any

recommendations for further improvement. This will be reviewed annually to ensure continuous improvement.

Clear processes exist to ensure any information security breaches are identified promptly and reported appropriately. During 2018-19 there was an incident involving the theft of a laptop from a locked, parked car. The member of staff concerned informed the IT team immediately and security controls were applied ensuring that no loss of data occurred. A second incident involved the careless disposal of material by one of our contractors which resulted in non-sensitive papers being left on the street outside the building for a short period of time. The material was recovered swiftly, but action was taken to ensure that the contractor was reminded of their responsibility to prevent future lapses.

### Current Control Challenges

Throughout 2018-19 the UKSC had appropriate governance in place to mitigate control challenges and issues. Whilst there were a limited number of information security incidents these did not indicate a trend or any significant control challenge and were quickly and appropriately managed to mitigate their impact.

Furthermore, there were no significant findings from the internal audits undertaken by the Government Internal Audit Agency.

The UKSC has received a moderate internal audit opinion which is an acceptable level of assurance on the adequacy and effectiveness of the system of governance, risk management and internal control.

In 2017-18, the accounts were qualified by the Comptroller and Auditor General as a result of the UKSC breaching the authorised expenditure limit. This was as a result of VAT being omitted, in error, in the building valuation since the establishment of the Court, hence covering each of the past eight financial years. The higher valuation resulted in an increase in historic depreciation. The UKSC was asked to explain the reasons to the House of Commons Public Accounts Committee (PAC) in February 2019. Following the UKSC's satisfactory compliance with the one recommendation by the PAC, Parliament agreed to the excess vote, on the recommendation of the Committee. The financial impact of this increased depreciation and the resulting excess vote can be seen in the Non Budget expenditure line in the Statement of Parliamentary Supply. Controls have been implemented to ensure such an omission does not occur again.

### Governance and Risk Assurance Oversight Arrangements

The Management Board and I gain assurance through:

- Up-to-date and comprehensive reports from executives of performance and finance at all Board meetings.
- Financial and administrative procedures which includes segregation of duties on key financial processes.
- Audit and Risk Assurance Committee (ARAC) overseeing the adequacy and effectiveness of risk management and the system of internal control for the organisation.

- Robust and effective challenge, from Non-Executive Board Members? and Independent Members of our governance processes.
- The Remuneration Committee overseeing the adequacy of pay, terms and conditions and performance management systems for the organisation.
- Regular review of the risk profile and effectiveness of the control systems through receipt of minutes from ARAC and Remuneration Committee meetings, review of performance reports and through direct feedback from the chairs of both ARAC and the Remuneration Committees.
- Internal and External Audit reports and management letters.

## Management Commentary

### Financial Position and Results for the Year Ended 31 March 2019

#### Financial Position (Statement of Financial Position)

The Court's activities are financed mainly by Supply voted by Parliament, contributions from various jurisdictions and financing from the Consolidated Fund.

The Court's Statement of Financial Position consists primarily of assets transferred from the Ministry of Justice (MoJ) at the inception of the UKSC on 1 October 2009. These were Property, Plant and Equipment and Intangible Assets totaling £30m. Of this, £29m represents land and buildings with the remainder being Office Equipment, Furniture and Fittings, Robes and Software Licenses.

A liability of £36m was also transferred from MoJ. This represents the minimum value of the lease payments for the UKSC building until March 2039.

There have been no substantial movements (apart from the revaluation of land and building) in the Gross Assets and Liabilities since the date of the transfer from MoJ.

### Results for the Year (Statement of Comprehensive Net Expenditure)

The Statement of Comprehensive Net Expenditure represents the net total resources consumed during the year. The results for the year are set out in the Statement. These consist of:

- Net Operating Costs amounted to £5.2m (2017/18, £4.7m)
- Justices and staff costs of £6.3m (2017/18, £6.1m)
- Other Administration Costs of £0.2m (2017/18, £0.2m)
- Other Programme Costs of £6.7m (2017/18, £6.5m)
- Operating Income of £8.0m (2017/18, £8.0m)

The UKSC employed an average 47 (Full Time Equivalent) staff during the year ended 31 March 2019 (2017/18, 45 FTE). There were also 12 justices (2017/18, 12 justices) who served during the same period.

Accommodation costs and finance lease costs account for about 67% of non-pay costs (2017/18, 67%). Depreciation charges, library, repairs and maintenance and broadcasting costs were responsible

for the majority of other non-pay costs.

The UKSC had operating income of £8.00m which was used to support the administration of justice. Out of this, £6.78m was received by way of contribution from the various jurisdictions i.e. £6.06m from HMCTS, £0.48m from the Scottish Government and £0.24m from Northern Ireland Court Service.

UKSC Court fees during the year were £0.81m whilst £0.30m was generated as Court fees for JCPC. The Court also had income of about £0.12m from Wider Market Initiatives such as event hire and sales of gift items.

### Comparison of Outturn against Estimate (Statement of Parliamentary Supply)

Supply Estimates are a request by the Court to Parliament for funds to meet expenditure. When approved by the House of Commons, they form the basis of the statutory authority for the appropriation of funds and for the HM Treasury to make issues from the Consolidated Fund. Statutory authority is provided annually by means of Consolidated Fund Acts and by an Appropriation Act. These arrangements are known as the 'Supply Procedure' of the House of Commons.

The UKSC is accountable to Parliament for its expenditure. Parliamentary approval for its spending plans is sought through Supply Estimates presented to the House of Commons.

The Statement of Parliamentary Supply

provides information on how the Court has performed against the Parliamentary and HM Treasury control totals against which it is monitored. This information is supplemented by Note 1 which represents Resource Outturn in the same format as the Supply Estimate.

In the year ended 31 March 2019, the UKSC met all of its control totals. At £5.16m

the net resource outturn was £1.47m less than the 2018-19 Estimate of £6.62m. £1m of this reported variance was due to non-utilization of the AME provision for diminution in the value of the building.

A reconciliation of resource expenditure between Estimates, Accounts and Budgets can be found below.

Reconciliation of Resource Expenditure between Estimates, Accounts and Budgets	2018-19
	£
<b>Net Resource Outturn (Estimates)</b>	<b>2,251</b>
Adjustments to additionally include: Non-voted expenditure in the OCS	2,905
<b>Net Operating Cost (Accounts)</b>	<b>5,156</b>
Adjustments to additionally include: Resource consumption of non-departmental public bodies	0
<b>Resource Budget Outturn (Budget) of which</b>	<b>5,156</b>
Departmental Expenditure Limits (DEL)	5,156
Annually Managed Expenditure (AME)	0

## Statement of Cash Flows

The Statement of Cash Flow provides information on how the UKSC finances its ongoing activities. The main sources of funds are from the Consolidated Fund.

The Statement of Cash Flow shows a net cash outflow from operating activities of £4.02m.

## Pensions Costs

Details about the Department's pensions costs policies are included in the notes to the accounts. Details of pension

benefits and schemes for Management Board members are included in the remuneration report.

## Sickness Absence

The average number of sick days per member of staff for 2018-19 was 1.5 days (2017-18, 3.76 days).

## Data incidents

No recorded breaches concerning protected personal data were reported.

## Principal risks and uncertainties

The key risks and uncertainties facing the Court are detailed in its risk register and on pages 75 to 80 of the Governance and Accountability Report.

## Payment within 10 working days

The Department seeks to comply with the The Better Payments Practice Code for achieving good payment performance in commercial transactions. Further details regarding this are available on the website [www.payontime.co.uk](http://www.payontime.co.uk).

Under this Code, the policy is to pay bills in accordance with the contractual conditions or, where no such conditions exist, within 30 days of receipt of goods and services or the presentation of a valid invoice, whichever is the later.

However, in compliance with the guidance issued for Government Departments to pay suppliers within 10 working days, the UKSC achieved 97% prompt payment of invoices within 10 working days. The average payment day of invoices from suppliers during the year was 4.7 days.

## Auditors

The financial statements are audited by the Comptroller and Auditor General (C&AG) in accordance with the Government Resource and Accounts Act 2000. He is head of the National Audit Office. He and his staff are wholly independent of the UKSC, and he reports his findings to Parliament.

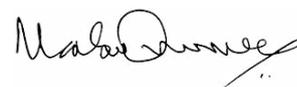
The audit of the financial statements for 2018-19, resulted in an audit fee of £36K. This fee is included in non-cash item costs, as disclosed in Note 3 to these accounts. The C&AG did not provide any non-audit services during the year.

## Other Elements of the Management Commentary

Information on the Management Board and committees, information assurance, data protection and sustainability is contained in the Our Performance and Controls, Governance and Accountability Report sections of this report.

## Disclosure to Auditor

As far as I am aware, there is no relevant audit information of which the Department's auditors are unaware. I confirm that I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Department's auditors are aware of that information.



Mark Ormerod  
Chief Executive and Accounting Officer  
31 May 2019

## Remuneration and Staff Report

(This section has been audited.)

### Service Contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at [www.civilservicecommission.org.uk](http://www.civilservicecommission.org.uk)

## Remuneration Policy

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries.

The Review Body also advises the Prime Minister from time to time on the pay and pensions of Members of Parliament and their allowances; on Peers' allowances; and on the pay, pensions and allowances of Ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

In reaching its recommendations, the Review Body has regard to the following considerations:

- The need to recruit, retain and motivate suitable able and qualified people to exercise their different responsibilities;
- Regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- The funds available to departments as set out in the Government's departmental expenditure limits;
- The Government's inflation targets.

The Review body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Further information about the work of the Review body can be found at [www.ome.uk.com](http://www.ome.uk.com)

## Staff/justices numbers and related costs

Staff/justices costs comprise					2018-19	2017-18
	Permanent			Others		
	Justices	Front line staff	Administrative staff	Judicial assistants	Total	Total
	£000	£000	£000	£000	£000	£000
Wages and salaries	2,553	1,026	516	226	4,321	4,217
Social security costs	339	106	58	24	526	511
Apprentice Levy	13				13	12
Supplementary judge	38	0	0	0	38	34
Other pension costs	981	202	98	26	1,307	1,262
<b>Sub Total</b>	<b>3,924</b>	<b>1,334</b>	<b>671</b>	<b>276</b>	<b>6,205</b>	<b>6,036</b>
Inward secondments	0	10	74	0	84	16
Agency staff	0	0	0	0	0	0
Voluntary exit costs	0	0	0	0	0	0
Less recoveries in respect of outward secondments	0	0	0	0	0	0
<b>Total Net Costs</b>	<b>3,924</b>	<b>1,344</b>	<b>745</b>	<b>276</b>	<b>6,289</b>	<b>6,052</b>

No salary costs have been capitalised.

Judicial salaries and Social Security costs are paid directly from the Consolidated Fund while the pension costs are paid for by the UKSC.

### Judicial Pension Scheme (JPS)

The JPS is an unfunded multi-employer defined benefit scheme which prepares its own Accounts, but for which UKSC is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2012. Details can be found in the Resource Accounts of the Judicial Pension Scheme at [www.official-documents.co.uk](http://www.official-documents.co.uk).

Judicial pensions are paid by the UKSC. Contributions to the JPS is at a rate of 38.45% (2017-18, 38.45%). The amount of these contributions is included in the table shown above.

Although the JPS is a defined benefit scheme, in accordance with FReM 6.2, UKSC accounts for the scheme as a defined contribution scheme and recognises employer contributions payable as an expense in the year they are incurred.

### Principal Civil Service Pension Scheme (PCSPS) and the Civil Service and Other Pension Scheme (CSOPS)

The Principal Civil Service Pension Schemes (PCSPS) and the Civil Servant and Other Pension Scheme – known as ‘Alpha’ – are unfunded multi-employer defined benefit schemes, therefore, the UKSC is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2012. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservicepensionscheme.org.uk/about-us/resource-accounts](http://www.civilservicepensionscheme.org.uk/about-us/resource-accounts)).

For 2018-19, employer's contributions totalling £307,024 were payable to the PCSPS, ( 2017-18, £303,678) at one of four rates in the range of 20% to 24.5% (2017-18, 20% to 24.5%) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The salary bands and contribution rates were revised for 2018-19 and will remain unchanged until 2019-2020. The contribution rates are set to meet the costs of the benefits accruing during 2018-19, to be paid when the member retires and not the benefits paid during this period to existing pensioners. Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £17,937 (2017-18, £6,804) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2017-18, 8% to 14.75% of pensionable pay. Employers also match employee's contributions up to 3% of pensionable pay. In addition, employer contributions of £0, ( 2017-18, £0 ) of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £0 (2017-18, £1,351). Contributions prepaid at that date were NIL.

There were no early retirements on ill health grounds in 2018-19, (2017-18, none).

### Average number of persons employed and justices that served

The average number of full-time equivalent persons employed and justices that served during the year is shown in the table below. These figures include those working in the UKSC (including senior management) as included within the departmental resource account.

The UKSC					2018-19	2017-18
	Permanent			Other		
	Justices	Frontline staff	Administrative staff	Judicial assistants	Total	Total
	12	30	11	6	59	57
<b>Total</b>	<b>12</b>	<b>30</b>	<b>11</b>	<b>6</b>	<b>59</b>	<b>57</b>

### Staff composition

The table below shows the split between male and female employees, employed by UKSC during 2018-19.

The UKSC					2018-19	2017-18
	Permanent			Other		
	Justices	Frontline staff	Administrative staff	Judicial assistants	Total	Total
Female	3	17	4	3	27	26
Male	9	13	7	3	32	31
<b>Total</b>	<b>12</b>	<b>30</b>	<b>11</b>	<b>6</b>	<b>59</b>	<b>57</b>

## **Employment Policy for Disabled Persons**

The UKSC is committed to creating an inclusive workplace and values diversity. It demonstrates commitment to the recruitment and retention of people with disabilities. UKSC advertises for vacancies on the Civil Service Jobs website and offers a guaranteed interview to those candidates who declare themselves disabled and meet the minimum criteria for each vacancy. UKSC will always make reasonable adjustments to all stages of the recruitment process to help encourage applications from disabled candidates.

Disabled staff have access to the Civil Service Learning 'Positive Action Pathway' and managers can use the on-line resources to help be responsive in leading inclusive teams. All staff are encouraged to attend disability awareness training sessions throughout the year, including lunchtime events covering hidden disabilities. UKSC is committed to the 'Time to Change' pledge to reduce stigma around mental health issues and has worked closely with MIND to support a greater understanding across the organisation.

UKSC encourages all staff to declare any disabilities and seek support if required by creating a positive and open working environment. Learning and development conversations take place on a regular basis throughout the year and staff are coached and developed to progress with their job and seek promotion when opportunities arise.

## **Off-Payroll Engagements and Consultancy Costs**

The UKSC did not enter into any off-payroll engagements neither did it use the service of any consultants in 2018-19 and 2017-18.

## **Salary and Pension entitlements for Directors**

Full details of the remuneration and pension interests of the Management Board are detailed below and are subject to audit:

## Single total figure of remuneration

Name and title	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
	Salary (£000)		Bonus payments (£000)		Pension benefits (£000)		Total £000	
<b>Mark Ormerod</b> Chief Executive	95-100	95-100	–	–	38	38	<b>130-135</b>	<b>130-135</b>
<b>William Arnold</b> (until 31 December 2018) Director of Corporate Services	60-65 (FTE 85-90)	85-90	–	0-5	(14)	(3)	<b>50-55 (FTE 85-90)</b>	<b>80-85</b>
<b>Louise Di Mambro</b> Registrar	70-75	70-75	0-5	0-5	7	(1)	<b>80-85</b>	<b>70-75</b>
<b>Olufemi Oguntunde</b> (until 31 May 2017) Director of Finance		10-15 (FTE 65-70)	–	–	–	6		<b>15-20 (FTE 70-75)</b>
<b>Samantha Clark</b> (from 1 January 2019) Director of Corporate Services	15-20 (FTE 70-75)	–	–	–	9	–	<b>25-30 (FTE 80-85)</b>	–
<b>Benjamin Wilson</b> (until 31 August 2017) Head of Communications	–	25-30 (FTE 60-65)	–	0-5	–	9	–	<b>35-40 (FTE 70-75)</b>
<b>Paul Brigland</b> Head of Office and Building Services	50-55	50-55	0-5	0-5	17	14	<b>70-75</b>	<b>65-70</b>
<b>Christopher Maile</b> Head of Human Resources	50-55	50-55	0-5	0-5	18	16	<b>70-75</b>	<b>65-70</b>
<b>Kenneth Ludlam</b> Non-Executive Member	5-10	5-10	–	–	–	–	<b>5-10</b>	<b>5-10</b>
<b>Kathryn Cearns</b> Non-Executive Member	5-10	0-5	–	–	–	–	<b>5-10</b>	<b>0-5</b>
<b>Ian Sewell</b> Deputy Registrar and Costs Clerk	45-50	–	0-5	–	19	–	<b>65-70</b>	–
<b>Sophia Linehan-Biggs</b> Head of Communications	60-65	30-35 (FTE 60-65)	0-5	0-5	22	12	<b>85-90</b>	<b>40-45 (FTE 70-75)</b>
<b>Janet Coull-Trisic*</b> (from 14 January 2019) Interim Head of Communications	10-15 (FTE 50-60)	–	–	–	5	–	<b>15-20 (FTE 55-60)</b>	–
<b>Stephen Barrett</b> (until 31 October 2017) Non-Executive Member	–	0-5	–	–	–	–	–	<b>0-5</b>
<b>Joyti Mackintosh</b> Director of Finance	60-65	45-50 (FTE 60-65)	0-5	0-5	26	6	<b>90-95</b>	<b>60-65 (FTE 70-75)</b>

\*This staff member is providing maternity cover for Sophia Linehan-Biggs.

## Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to United Kingdom taxation. This report is based on accrued payments made by the Department and thus recorded in these accounts.

The Non-Executive Board Members supply their services under the terms of a contract and are remunerated by the way of a daily attendance fee. There are no entitlements to pension or other contributions from the UKSC.

## Benefits in kind

There were no benefits in kind.

## Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2018-19 relate to performance in 2017-18 and the comparative bonuses reported for 2017-18 relate to the performance in 2016-17.

## Pay Multiples

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in UKSC in the financial year 2018-19 was £95,000 to £100,000 (2017-18, £95,000 to £100,000). This was 3.14 times (2017-18, 3.25 times) the median remuneration of the workforce, which was £31,050 (2017-18, £30,071).

In 2018-19, 0 (2017-18, 0) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £21,176 to £73,821 (2017-18, £20,863 – £85,982).

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

## Exit Packages

There were no payments for exit packages in 2018-19 and 2017-18.

## Pension Benefits (Audited)

Name and title	Accrued pension at pension age as at 31 March 2019 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2019	CETV at 31 March 2018	Real increase/ (decrease) in CETV	Employer contribution to partnership pension account
	£000	£000	£000	£000	£000	Nearest £100
<b>Mark Ormerod</b> Chief Executive	5 – 10	0 – 2.5	132	87	29	–
<b>William Arnold</b> Director of Corporate Services	45 – 50 plus a lump sum of 145 – 150	0 plus a lump sum of 0	1,034	1,021	(13)	–
<b>Louise Di Mambro</b> Registrar	35 – 40 plus a lump sum of 110 – 115	0 – 2.5 plus a lump sum of 0 – 2.5	797	769	6	–
<b>Olufemi Oguntunde</b> Director of Finance	–	–	–	220	–	–
<b>Benjamin Wilson</b> Head of Communications	–	–	–	76	–	–
<b>Samantha Clark</b> Director of Corporate Services	15 – 20 plus a lump sum of 45 – 50	0 – 2.5 plus a lump sum of 0 – 2.5	300	293	5	–
<b>Paul Brigland</b> Head of IT and Building Services	15 – 20 plus a lump sum of 40 – 45	0 – 2.5 plus a lump sum of 0	361	315	9	–
<b>Christopher Maile</b> Head of Human Resources	10 – 15 plus a lump sum of 25 – 30	0 – 2.5 plus a lump sum of 0	225	189	9	–
<b>Ian Sewell</b> Deputy Registrar and Costs Clerk	0 – 5	0 – 2.5	13	0	10	–
<b>Sophia Linehan-Biggs</b> Head of Communications	5 – 10	0 – 2.5	45	28	6	–
<b>Janet Coull-Trisic</b> (from 14 January 2019) Interim Head of Communications	5 – 10	0 – 2.5	63	60	2	–
<b>Joyti Mackintosh</b> Director of Finance	15 – 20 plus a lump sum of 35 – 40	0 – 2.5 plus a lump sum of 0 – 2.5	286	236	13	–

## Civil Service Pensions

Pension benefits are provided through the Civil Service Pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS

or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% of pensionable earnings for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about Civil Service pension arrangements can be found at the website [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

### Cash Equivalent Transfer Value

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a

member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### Real Increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

## Parliamentary Accountability and Audit Report

(This section has been audited.)

### Statement of Parliamentary Supply

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FRM) requires The UKSC to prepare a Statement of Parliamentary Supply (SoPS) and supporting notes to show reporting outturn against Supply Estimate presented to Parliament, in respect of each budgetary control limit. The SoPS and related notes are subject to audit.

#### Summary of Resource and Capital Outturn 2018-19

		Estimate			Outturn			2018-19	2017-18
		Voted	Non-voted	<b>Total</b>	Voted	Non-voted	<b>Total</b>	Voted outturn compared with Estimate: saving/(excess)	<b>Outturn Total</b>
Request for Resources	SoPs Note	£000	£000	£000	£000	£000	£000	£000	£000
<b>Departmental Expenditure Limit</b>									
■ Resources	1.1	2,714	2,906	<b>5,620</b>	2,251	2,905	<b>5,156</b>	464	<b>4,717</b>
■ Capital	1.2	500	-	<b>500</b>	472	-	<b>472</b>	28	<b>432</b>
<b>Annually Managed Expenditure</b>									
■ Resource	1.1	1,000		<b>1,000</b>	-	-	<b>-</b>	1,000	<b>-</b>
<b>Total Budget</b>		<b>4,214</b>	<b>2,906</b>	<b>7,120</b>	<b>2,723</b>	<b>2,905</b>	<b>5,628</b>	<b>1,492</b>	<b>5,149</b>
<b>Non Budget</b>		<b>-</b>	<b>665</b>						
<b>Total</b>		<b>4,214</b>	<b>2,906</b>	<b>7,120</b>	<b>2,723</b>	<b>2,905</b>	<b>5,628</b>	<b>1,492</b>	<b>5,814</b>
<b>Total Resource</b>		<b>3,714</b>	<b>2,906</b>	<b>6,620</b>	<b>2,251</b>	<b>2,905</b>	<b>5,156</b>	<b>1,464</b>	<b>5,382</b>
<b>Total Capital</b>		<b>500</b>	<b>-</b>	<b>500</b>	<b>472</b>	<b>-</b>	<b>472</b>	<b>28</b>	<b>432</b>
<b>Total</b>		<b>4,214</b>	<b>2,906</b>	<b>7,120</b>	<b>2,723</b>	<b>2,905</b>	<b>5,628</b>	<b>1,492</b>	<b>5,814</b>

The Non-Budget amount of £665k which resulted in an Excess Vote and is included in the comparative figures for 2017-18 was for prior years adjustment for additional depreciation to 2016-17. As per HM Treasury guidance, approval was sought and obtained in 2018-19 from Parliament.

#### Net Cash Requirement 2018-19

		2018-19			2017-18
		Estimate	Outturn	Outturn compared with Estimate: saving/(excess)	Outturn
		£000	£000	£000	£000
<b>Net Cash Requirement</b>	2	<b>1,824</b>	<b>1,781</b>	<b>43</b>	<b>1,493</b>

#### Administration Costs 2018-19

		2018-19			2017-18
		Estimate	Outturn	Outturn compared with Estimate: saving/(excess)	Outturn
		£000	£000	£000	£000
	Note	920	819	101	767

Figures in the areas outlined in bold are voted totals subject to Parliamentary control. In addition, although not a separate voted limit, any breach of the administration budget will also result in an excess vote.

## Explanations of variances between Estimate and Outturn

Explanations of variances between Estimates and Outturn are given in Note 1 and in the Management Commentary.

### SoPS 1 – Net Outturn

#### SoPS 1.1 – Analysis of net resource outturn by section

							2018-19	2017-18		
	Administration			Programme			Outturn	Estimate	Outturn	
	Gross £000	Income £000	Net £000	Gross £000	Income £000	Net £000	Total £000	Net Total £000	Net Total compared to Estimate £000	Total £000
Spending in Departmental Expenditure Limit										
Voted	936	(117)	819	9,317	(7,885)	1,432	2,251	2,714	463	1,883
Non-voted	0	0	0	2,905	0	2,905	2,905	2,906	1	2,834
Annually Managed Expenditure										
Voted	0	0	0	0	0	0	0	1,000	1,000	0
	936	(117)	819	12,222	(7,885)	4,337	5,156	6,620	1,464	4,717

							2018-19	2017-18
	Outturn			Estimate			Outturn	
	Gross £000	Income £000	Net £000	Net Total £000	Net Total compared to Estimate	Net Total £000		
Spending in Departmental Expenditure Limit								
Voted	472	0	472	500	28	432		

## SoPS 2. Reconciliation of Net Resource Outturn to Net Cash Requirement

				2018-19	2017-18
		Estimate	Outturn	Net total outturn compared with Estimate: Saving/(excess)	Outturn
	SoPs Note	£000	£000	£000	£000
Resource Outturn	1.1	6,620	5,156	1,464	4,717
Capital Outturn	1.2	500	472	28	432
<b>Accruals to cash adjustments</b>					
Adjustments to remove non-cash items:					
▪ Depreciation		(2,350)	(1,055)	(1,295)	(921)
▪ Other non-cash items		(40)	(40)		(35)
Adjustments to reflect movements in working balances:					
▪ Increase /(decrease) in inventories			(2)	2	(1)
▪ Increase /(decrease) in receivables		–	(22)	22	48
▪ Increase /(decrease) in payables		–	(80)	81	(91)
▪ Changes in payables falling due after more than one year		–	257	(257)	178
Removal of non-voted budget items:					
Non-voted expenditure		(2,906)	(2,905)	(1)	(2,834)
Use of provision		–	–	–	–
<b>Net cash requirement</b>		<b>1,824</b>	<b>1,781</b>	<b>43</b>	<b>1,493</b>

## SoPS 3. Income payable to the Consolidated Fund

### SoPS 3.1 Analysis of income payable to the Consolidated Fund

During the financial period, there were no amounts payable to the Consolidated Fund.

### Losses and Special Payments

No exceptional kinds of expenditure such as losses and special payments, that require separate disclosure because of their nature or amount, have been incurred (£0, 2017-18).

### Fees and Charges

	2018-19			2017-18		
	Income	Full Cost	Surplus/ (Deficit)	Income	Full Cost	Surplus/ (Deficit)
	£000	£000	£000	£000	£000	£000
Total court fees	(1,104)	13,041	(11,937)	(1,163)	12,661	(11,498)
Wider market initiatives	(117)	117	0	(96)	96	0
	<b>(1,221)</b>	<b>13,158</b>	<b>(11,937)</b>	<b>(1,259)</b>	<b>12,757</b>	<b>(11,498)</b>

These are provided for fees' and charges' purposes and not for IFRS 8.

The UKSC does not recover its full cost of operations from Court fees as this might impede access to Justice.

The Fees and Charges disclosure reflects the full cost for criminal and civil cases, as the the number of criminal applications received were immaterial.

The UKSC continues to monitor the number of criminal applications and will take the necessary steps where there is a material change, to ensure full compliance with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

## Conclusion

I am satisfied that we have effective governance, risk management and assurance arrangements in place as set out in this report. Our arrangements are subject to regular review at a variety of levels: internally through our governance arrangements; through our Non-Executive Board Members and Independent Members; and through external audit. This meets the changing needs of the court and the environment in which we operate.

I agree there are no significant controls issues within the UKSC and the JCPC at the current time but we strive to continually improve our arrangements to ensure that any matters which do come to light are responded to proportionately and effectively.



Mark Ormerod  
Chief Executive and Accounting Officer  
31 May 2019



Section  
SIX

External scrutiny



## The Certificate of the Comptroller and Auditor General to the Houses of Parliament

### Opinion on financial statements

I certify that I have audited the financial statements of the UK Supreme Court for the year ended 31 March 2019 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Department's Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity, and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them.

I have also audited the Statement of Parliamentary Supply and the related notes, and the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the Department's affairs as at 31 March 2019 and of the Department's net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

### Opinion on regularity

In my opinion, in all material respects:

- the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2019 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the UK Supreme Court in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

I am required to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the UK Supreme Court's ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern. I have nothing to report in these respects.

## Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

## Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the UK Supreme Court's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement. I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Other Information

The Accounting Officer is responsible for the other information. The other information comprises information included in the annual report, other than the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

## Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- in the light of the knowledge and understanding of the UK Supreme Court and its environment obtained in the course of the audit, I have not identified any material misstatements in the Annual Report section on Performance and the Controls, Governance and Accountability Report; and

- the information given in the annual report section on Performance and the Control, Governance and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which I report by exception**

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

### **Report**

I have no observations to make on these financial statements.

Gareth Davies  
Comptroller and Auditor General  
04 June 2019

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP



# Section Financial statements seven



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## Statement of Comprehensive Net Expenditure

		2018-19	2017-18
	Note	£000	£000
Income from sale of goods and services	4	(7,885)	(7,944)
Other operating income	4	(117)	(96)
<b>Total operating income</b>		<b>(8,002)</b>	<b>(8,040)</b>
Staff costs	2	6,289	6,052
Purchases of goods and services	3	5,810	5,784
Depreciation and impairment charges	3	1,059	921
Provision expense		–	–
Operating expenditure		–	–
<b>Total Expenditure</b>		<b>13,158</b>	<b>12,757</b>
<b>Net Operating Cost for the year ended 31 March</b>		<b>5,156</b>	<b>4,717</b>
Other comprehensive net expenditure		–	–
Net (gain)/loss on revaluation of property, plant and equipment		905	1,507
<b>Total Comprehensive Expenditure for the year ended 31 March</b>		<b>6,061</b>	<b>6,224</b>

The notes on pages 110 to 121 form part of these accounts.

## Statement of Financial Position

	Note	£000	As at 31 March 2019 £000	As at 31 March 2018 £000
<b>Non-current assets</b>				
▪ Property, Plant and Equipment	5	43,149		44,628
▪ Intangible assets	6	26		39
<b>Total non-current assets</b>			<b>43,175</b>	<b>44,667</b>
<b>Current assets:</b>				
<b>Assets classified as held for sale</b>				
▪ Inventories	9	3		5
▪ Trade and other receivables	10	1,445		1,467
▪ Cash and cash equivalents	11	43		11
<b>Total current assets</b>			<b>1,491</b>	<b>1,483</b>
<b>Total assets</b>			<b>44,666</b>	<b>46,150</b>
<b>Current liabilities</b>				
▪ Trade and other payables	12	(485)		(437)
▪ Finance Lease	12	(2,598)		(2,534)
<b>Total current liabilities</b>			<b>(3,083)</b>	<b>(2,971)</b>
<b>Total assets less current liabilities</b>			<b>41,583</b>	<b>43,179</b>
<b>Non current liabilities:</b>				
▪ Other Payables	12	(33,698)		(33,955)
<b>Total non-current liabilities</b>			<b>(33,698)</b>	<b>(33,955)</b>
<b>Total assets less liabilities</b>			<b>7,885</b>	<b>9,224</b>
<b>Taxpayers' equity and other reserves</b>				
▪ General fund			(16,699)	(16,265)
▪ Revaluation reserve			24,584	25,489
<b>Total Equity</b>			<b>7,885</b>	<b>9,224</b>

The notes on pages 110 to 121 form part of these accounts.

The Accounting Officer authorised these financial statements for issue.



Mark Ormerod  
Accounting Officer  
31 May 2019

## Statement of Cash Flows

for the year ended 31 March 2019		2018-19	2017-18
	Note	£'000	£'000
<b>Cash flows from operating activities</b>			
Net operating cost		(5,156)	(4,717)
Adjustment for non-cash transactions	3	1,095	956
(Increase)/Decrease in trade and other receivables		22	(48)
(Increase)/Decrease in Inventories		2	1
Increase/(Decrease) in current trade payables		48	31
Less movements in payables relating to items not passing through the SCNE		(32)	(2)
<b>Net Cash outflow from operating activities</b>		<b>(4,021)</b>	<b>(3,779)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	5	(472)	(432)
Purchase of intangible assets	6	(0)	0
<b>Net Cash outflow from investing activities</b>		<b>(472)</b>	<b>(432)</b>
<b>Cash flows from financing activities</b>			
From the Consolidated Fund (Supply) – current year		1,813	1,495
From the Consolidated Fund (non-Supply)		2,905	2,834
Increase/(Decrease) in respect of finance leases		(193)	(116)
<b>Net Financing</b>		<b>4,525</b>	<b>4,213</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund</b>		<b>32</b>	<b>2</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>		<b>32</b>	<b>2</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>11</b>	<b>11</b>	<b>9</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>11</b>	<b>43</b>	<b>11</b>

The notes on pages 110 to 121 form part of these accounts.

## Statement of Changes in Taxpayers' Equity

	Note	General Fund	Revaluation Reserve	Total Reserves
		£000	£000	£000
<b>Balance as at 31 March 2017</b>		<b>(15,910)</b>	<b>26,996</b>	<b>11,086</b>
Prior period adjustment		–	–	–
<b>Balance at 1 April 2017</b>		<b>(15,910)</b>	<b>26,996</b>	<b>11,086</b>
Net Parliamentary Funding – drawn down		1,495		1,495
Net Parliamentary Funding – deemed		9		9
Consolidated Fund Standing Services		2,834		2,834
Supply (payable)/receivable adjustment		(11)		(11)
Excess Vote – prior year		–		–
CFERs payable to the Consolidated Fund		–		–
Comprehensive expenditure for the year		(4,717)	–	(4,717)
<b>Non-Cash Adjustments</b>				
Non-cash charges – auditors' remuneration	3	35		35
<b>Movement in reserves</b>				
Movement in revaluation reserve	5	–	(1,507)	(1,507)
Recognised in Statement of Comprehensive Expenditure		–	–	–
Transfer between reserves		–	–	–
<b>Balance at 31 March 2018</b>		<b>(16,265)</b>	<b>25,489</b>	<b>9,224</b>
Net Parliamentary Funding – drawn down		1,813		1,813
Net Parliamentary Funding – deemed		11		11
Consolidated Fund Standing Services		2,905		2,905
Supply (payable)/receivable adjustment		(43)		(43)
Excess Vote – prior year		–		–
CFERs payable to the Consolidated Fund		–		–
Comprehensive expenditure for the year		(5,156)		(5,156)
Non-cash charges – auditors' remuneration	3	36		36
Movement in revaluation reserve	5	–	(905)	(905)
Transfer between reserves		–	–	–
<b>Balance at 31 March 2019</b>		<b>(16,699)</b>	<b>24,584</b>	<b>7,885</b>

The notes on pages 110 to 121 form part of these accounts.

## Notes to the Departmental Resource Accounts

### Statement of Accounting Policies

#### 1.1 Basis of Preparation

The financial statements have been prepared in accordance with the 2018-19 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the UKSC for the purpose of giving a true and fair view has been selected. The particular policies adopted by the UKSC are described below. They have been applied consistently in dealing with items which are considered material to the accounts.

In addition to the primary statements prepared under IFRS, the FReM also requires the Department to prepare two additional primary statements. The Statement of Parliamentary Supply and supporting notes showing outturn against Estimate in terms of the net resource requirement and the net cash requirement.

#### 1.2 Accounting Convention

These accounts have been prepared on the going concern basis under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

#### 1.3 Property, Plant and Equipment

The minimum level for the capitalisation of Property, Plant and Equipment is £5,000.

##### i. Land and Building

The UKSC Land and Building were deemed to be specialised operational properties and fair value was arrived at using DRC methodology. This was based on the assumption that the property could be sold as part of the continuing enterprise in occupation. On the basis of the above assumption, Fair Value under IAS is identical to Existing Use Value under UK GAAP. The year end valuation was carried out by the Westminster Valuation Office (VOA), using professionally qualified valuers, who are also members of the Royal Institution of Chartered Surveyor; using 31 March 2019 and 31 March 2018 as valuation dates. The VOA and its staff are independent of the UKSC. The Revaluation Surplus balance at year-end was £24.6m; with a decrease of £1.1m in the Land value and an increase of £0.2m in the building value during the financial year.

Due to the United Kingdom's ongoing exit from the European Union, there has been increased valuation uncertainty as at the valuation date. As we approach the United Kingdom exit date from the EU, the outlook remains cautious for market activity with the outcome of recent events still awaited. Market fluctuations in value, possibly sudden, remain a possibility in the periods both before and after the exit date but what may happen cannot be predicted or evidenced at this time.

## ii. Other Plant and Equipment

These were valued at cost. The Department has decided not to apply Modified Historic Costs Accounting for Other Plant and Equipment as the adjustments would be immaterial.

### 1.4 Intangible Fixed Assets

Computer software licences with a purchased cost in excess of £5,000 (including irrecoverable VAT and delivery) are capitalised at cost. Intangible Assets are not revalued because its fair value cannot be reliably measured.

### 1.5 Depreciated or Amortised

Freehold land and assets in the course of construction are not depreciated. All other assets are depreciated from the month following the date of acquisition. Depreciation and amortisation is at the rates calculated to write-off the valuation of the assets by applying the straight-line method over the following estimated useful lives.

#### Property, Plant and Equipment:

Building	40 years
Office Equipment	7 years
Furniture and fittings	4-7 years
Robes	50 years

#### Intangible assets:

Computer Software and software licences	7 Years
---	---------

### 1.6 Inventory

Closing stocks of gift items for re-sale are held at the lower of cost and net realisable value. Cost of consumables stores held by the Department are not considered material and are written off in the operating cost statement as they are purchased.

### 1.7 Operating Income

The UKSC has three distinct streams of income, namely: 1) contributions from HM Treasury via the Ministry of Justice, Northern Ireland and Scotland; 2) Wider Market Initiatives which includes fees from courtroom hire, tours and from justices sitting in other jurisdictions and sale of gift items; and 3) Court fees.

The contributions are receivable based on a Memorandum of Understanding with the jurisdictions and MoJ, which means it is outside of the scope of IFRS 15.

Court fees are charged at the point they are accepted through the defined system of processing cases. The condition under which fees are paid are based on legislation and regulation. There are no changes to the accounting requirements for this revenue under the new IFRS 15.

For the Wider Market Initiatives, contracts are issued for courtroom hire and the income is recognised in the financial period of the event. Similarly, income from sales of gift items and from justices sitting in other jurisdictions are recognised when the performance obligation has been fulfilled.

The income from Wider Market Initiatives is not material to the financial operation of the UKSC and, therefore, the new IFRS 15 will not affect any material balances in the financial statements.

## 1.8 Administration and Programme Expenditure

The classification of expenditure and income as administration or as programme follows the definition of the Consolidated Budgeting Guidance, except where there is a special arrangement with HM Treasury.

## 1.9 Pensions

UKSC employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS), which is a defined benefit scheme and is unfunded and non-contributory except in respect of dependants benefits. The Department recognises the expected cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, the department recognises the contributions payable for the year.

The contributions to PCSPS are set out in the Remuneration Report.

Members of the judiciary are covered by the Judicial Pension Scheme (JPS). Further details can be found in the Remuneration Report.

## 1.10 Leases

Where substantially all risks and rewards of ownership are borne by the UKSC, the asset is recorded as a tangible asset and the debt is recorded to the lessor over the minimum lease payment discounted by the interest rate implicit in the lease. The finance cost of the finance lease is charged to the operating cost statement over the lease period at a constant rate in relation to the balance outstanding and a liability is recognised equal to the minimum lease payments discounted by an annual rate of 6.7%.

## 1.11 Audit Costs

A charge reflecting the cost of the external audit is included in the operating costs. The UKSC is audited by the Comptroller and Audit General. No charge by the C&AG is made for this service but a non cash charge representing the cost of the audit is included in the accounts.

## 1.12 Value Added Tax

The net amount of Value Added Tax (VAT) due to or from Her Majesty's Revenue and Customs is shown as a receivable or payable on the Statement of Financial Position. Irrecoverable VAT is charged to the Operating Cost Statement, or if it is incurred on the purchase of a fixed asset it is capitalised in the cost of the asset.

## 1.13 Provisions

The Department provides for legal or constructive obligations which are of uncertain timing or amount on the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

Provisions are recognised in the accounts where:

- a) there is a present obligation as a result of a past event;
- b) it is probable that a transfer of economic benefits will be required to settle the obligation, and;
- c) a reliable estimate can be made of the amount for 2018-19 or 2017-18.

There are no provisions recognised in the accounts. Contingencies are disclosed in the notes to the accounts unless the possibility of transfer in settlement is remote.

## 1.14 Contingent Liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, the Department discloses for parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to Parliament in accordance with the requirements of Managing Public Money.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to Parliament.

## 1.15 Significant Accounting Estimates and Assumption

Other than the valuation of the Land and Building, there are no significant estimates or accounting judgements used in the preparation of these accounts.

## 1.16 Changes in Accounting Policies

There are no changes to accounting policies arising from new IFRSs and any new or amended standards announced but not yet adopted. There are also no voluntary changes to accounting policies that have had an impact in these accounts.

We have also considered the impact of IFRS 15 – Income from Contracts with Customers and IFRS 9 – Financial Instruments, which both became effective on 1 January 2018 and reportable from 2018-19 financial year. These new standards have not affected any material balances in the UKSC financial statements.

## 1.17 Standards in Issue but not yet Adopted

The UKSC assessed the impact of IFRS 16 – Leases, which came into effect on 01 January 2019 and will become effective from 1 April 2020. The results indicate that it will not affect any material balances in the financial statements. The only lease held is classified as a finance lease and its treatment will not change under IFRS 16. Also, no further disclosures will be required.

## 2. Staff/Justices Related Costs

A – Staff/justices costs comprise	2018-19	2017-18
	Total	Total
	£000	£000
Wages and salaries	4,321	4,217
Social security costs	526	511
Apprentice levy	13	12
Supplementary security	38	34
Other pension costs	1,307	1,262
<b>Sub Total</b>	<b>6,205</b>	<b>6,036</b>
Inward secondments	84	16
Agency staff	0	0
Voluntary exit costs	0	0
<b>Total Net Costs</b>	<b>6,289</b>	<b>6,052</b>

No salary costs have been capitalised. Judicial salaries and Social Security costs are paid directly from the Consolidated Fund while the pension costs are paid for by the UKSC. Further details are provided in the Remuneration and staff Report on pages 84 to 92.

### 3. Purchases of Goods and Services

	Note	2018-19		2017-18	
		£000	£000	£000	£000
Accommodation costs		2,093		2,004	
Finance costs		2,511		2,522	
Library costs		272		312	
IT costs		173		170	
Publicity and communications		145		103	
Broadcasting costs		175		169	
Repairs and maintenance		121		180	
Recruitment and judicial appointment costs		52		58	
Transportation costs		58		62	
Other Staff costs		38		47	
Hospitality and events		33		17	
Printing, postage, stationery and publications		64		64	
Internal Audit and Governance expenses		18		17	
Other costs		2		16	
International judicial travel		19		8	
<b>Sub Total</b>			<b>5,774</b>		<b>5,749</b>
<b>Non-Cash items:</b>					
Depreciation	5	1,042		896	
Amortisation	6	13		25	
Realised gain from building		-		-	
Impairment		4		-	
Auditors' Remuneration		36		35	
<b>Total Non-Cash</b>			<b>1,095</b>		<b>956</b>
<b>Total Costs</b>			<b>6,869</b>		<b>6,705</b>

### 4. Income

Operating Income, analysed by classification and activity, is as follows:	2018-19		2017-18	
	£000	£000	£000	£000
Contribution from HMCTS	(6,064)		(6,064)	
Contribution from Scottish Government	(478)		(478)	
Contribution from Northern Ireland Court and Tribunal Service	(239)		(239)	
<b>Total Contributions</b>		<b>(6,781)</b>		<b>(6,781)</b>
Court Fees – UKSC		(809)		(850)
Court Fees – JCPC		(295)		(313)
Wider Market Initiatives		(117)		(96)
<b>Total Income</b>		<b>(8,002)</b>		<b>(8,040)</b>

## 5. Property, Plant and Equipment

2018-19	Land	Building	Office equipment	Furniture and fittings	Robes	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 April 2018	20,800	26,931	1,986	2,725	155	52,597
Additions	-	-	285	187	(0)	472
Revaluations	(1,100)	195	-	-	-	(905)
Disposals	-	-	(10)	-	-	(10)
<b>At 31 March 2019</b>	<b>19,700</b>	<b>27,126</b>	<b>2,261</b>	<b>2,912</b>	<b>155</b>	<b>52,154</b>
Depreciation						
At 1 April 2018	-	(4,494)	(1,318)	(2,131)	(26)	(7,969)
Charged in year	-	(747)	(155)	(136)	(4)	(1,042)
Disposals	-	-	6	-	-	6
<b>At 31 March 2019</b>	<b>-</b>	<b>(5,241)</b>	<b>(1,467)</b>	<b>(2,267)</b>	<b>(30)</b>	<b>(9,005)</b>
<b>Carrying amount at 31 March 2019</b>	<b>19,700</b>	<b>21,885</b>	<b>794</b>	<b>645</b>	<b>125</b>	<b>43,149</b>
Asset Financing						
Owned	<b>1,564</b>					
Finance Leased	<b>41,585</b>					
On-balance sheet	<b>43,149</b>					

2017-18	Land	Building	Office equipment	Furniture and fittings	Robes	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 April 2017	25,000	24,238	1,787	2,492	155	53,672
Additions	-	-	199	233	-	432
Revaluations	(4,200)	2,693	-	-	-	(1,507)
<b>At 31 March 2018</b>	<b>20,800</b>	<b>26,931</b>	<b>1,986</b>	<b>2,725</b>	<b>155</b>	<b>52,597</b>
Depreciation						
At 1 April 2017	-	(3,836)	(1,194)	(2,020)	(23)	(7,073)
Charged in year	-	(658)	(124)	(111)	(3)	(896)
<b>At 31 March 2018</b>	<b>-</b>	<b>(4,494)</b>	<b>(1,318)</b>	<b>(2,131)</b>	<b>(26)</b>	<b>(7,969)</b>
<b>Carrying value at 31 March 2018</b>	<b>20,800</b>	<b>22,437</b>	<b>668</b>	<b>594</b>	<b>129</b>	<b>44,628</b>
Asset Financing						
Owned	<b>1,391</b>					
Finance Leased	<b>43,237</b>					
On-balance sheet	<b>44,628</b>					

## 6. Intangible Non-Current Assets

2018-19	Purchased software licences
	£000
Cost or valuation	
At 1 April 2018	210
Additions	0
Impairment	-
Donations	-
<b>At 31 March 2019</b>	<b>210</b>
Amortisation	
At 1 April 2018	(171)
Charged in year	(13)
Impairment	-
<b>At 31 March 2019</b>	<b>(184)</b>
<b>Net book value at 31 March 2019</b>	<b>26</b>

2017-18	Purchased software licences
	£000
Cost or valuation	
At 1 April 2017	210
Additions	-
Revaluations	-
Impairment	-
Donations	-
<b>At 31 March 2018</b>	<b>210</b>
Amortisation	
At 1 April 2017	(146)
Charged in year	(25)
Revaluations	-
Impairment	-
<b>At 31 March 2018</b>	<b>(171)</b>
<b>Net book value at 31 March 2018</b>	<b>39</b>

## 7. Financial Instruments

As the cash requirements of the department are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the Department's expected purchase and usage requirements and the Department is therefore exposed to little credit, liquidity or market risk.

Consequently, the UKSC will not experience any material impact on its balances in the financial statements as a result of the implementation of the new standard IFRS 9.

## 8. Impairments

The total impairment charge for the year is analysed below:

		2018-19	2017-18
	Note	£000	£000
<b>Amount charged direct to Operating Cost Statement</b>	4	–	–
<b>Amount taken through the revaluation reserve</b>	5	1,100	4,200
<b>Total</b>		<b>1,100</b>	<b>4,200</b>

## 9. Inventories

	2018-19	2017-18
	£000	£000
<b>Opening Balances</b>	5	6
<b>In Year Movement</b>	(2)	(1)
<b>Total</b>	<b>3</b>	<b>5</b>

## 10. Trade Receivables and other Current Assets

<b>A. Analysis by type</b>	2018-19	2017-18
	£000	£000
Amounts falling due within one year:		
Trade Receivables	5	10
VAT Recoverable	93	116
Staff Receivables	16	11
Prepayment and Accrued Income	1,331	1,330
<b>Total</b>	<b>1,445</b>	<b>1,467</b>
<b>B. Intra-Government Balances</b>	2018-19	2017-18
	£000	£000
Balances with other central government bodies	93	116
Balances with local authorities	–	–
Subtotal: intra-government balances	93	116
Balances with bodies external to government	1,352	1,351
<b>Total Receivables at 31 March</b>	<b>1,445</b>	<b>1,467</b>

## 11. Cash and Cash Equivalents

	2018-19	2017-18
	£000	£000
Balance at 1 April	11	9
Net changes in cash and cash equivalent balances	32	2
<b>Balance at 31 March</b>	<b>43</b>	<b>11</b>
The following balances at 31 March were held at:		
Government Banking Service (RBS)	43	11
<b>Balance at 31 March</b>	<b>43</b>	<b>11</b>

## 12. Trade Payables and other Current Liabilities

A. Analysis by type	2018-19	2017-18
	£000	£000
<b>Amounts falling due within one year</b>		
Other taxation and Social Security	(89)	(78)
Trade payables	(179)	(208)
Amounts issued from the Consolidated Fund for supply but not spent at year end	(43)	(11)
Accruals and Deferred Income	(174)	(140)
Finance leases	(2,598)	(2,534)
	<b>(3,083)</b>	<b>(2,971)</b>
Amounts falling due after more than one year		
Finance leases	(33,698)	(33,955)
	<b>(36,781)</b>	<b>(36,926)</b>
<b>B. Intra-Government Balances</b>	<b>2018-19</b>	<b>2017-18</b>
	£000	£000
Balances with other central Government bodies	(132)	(89)
Subtotal: intra-Government balances	(132)	(89)
<b>Balances with bodies external to Government</b>	<b>(36,649)</b>	<b>(36,837)</b>
<b>Total payables at 31 March</b>	<b>(36,781)</b>	<b>(36,926)</b>

## 13. Provisions for Liabilities and Charges

There were no provisions or claims during 2018-19 and in 2017-18.

## 14. Capital Commitments

There were no capital commitments in 2018-19 or 2017-18.

## 15. Commitments Under Leases

15.1 – Finance leases	2018-19	2017-18
Total future minimum lease payments under finance leases are given in the table below for each of the following periods.		
	£000	£000
<b>Obligations under finance leases comprise:</b>		
Land		
Not later than 1 year	1,313	1,301
Later than 1 year and not later than 5 years	5,589	5,537
Later than 5 years	26,419	28,300
<b>Sub-total</b>	<b>33,321</b>	<b>35,138</b>
Less: Interest Element	(16,126)	(17,584)
<b>Net Total</b>	<b>17,195</b>	<b>17,554</b>
Building		
Not later than 1 year	1,459	1,403
Later than 1 year and not later than 5 years	6,208	5,972
Later than 5 years	29,349	30,528
<b>Sub-total</b>	<b>37,016</b>	<b>37,903</b>
Less: Interest Element	(17,915)	(18,968)
<b>Net Total</b>	<b>19,101</b>	<b>18,935</b>
<b>Grand Total</b>	<b>36,296</b>	<b>36,489</b>

	2018-19	2017-18
	£000	£000
<b>Present Value of Obligations under finance lease for the following periods comprise:</b>		
Land		
Not later than 1 year	1,231	1,219
Later than 1 year and not later than 5 years	4,457	4,413
Later than 5 years	11,507	11,922
<b>Sub-total</b>	<b>17,195</b>	<b>17,554</b>
Building		
Not later than 1 year	1,367	1,315
Later than 1 year and not later than 5 years	4,951	4,760
Later than 5 years	12,783	12,860
<b>Sub-total</b>	<b>19,101</b>	<b>18,935</b>
<b>Grand Total</b>	<b>36,296</b>	<b>36,489</b>

## 16. Commitments Under PFI Contracts

There were no commitments under PFI contracts in 2018-19 or 2017-18.

## 17. Other Financial Commitments

UKSC has not entered into any non-cancellable contracts (which are not operating leases or PFI contracts).

## 18. Contingent Liabilities Disclosed Under Ias 37

There were no contingent liabilities within the meaning of IAS 37 in 2018-19 or 2017-18.

## 19. Related-Party Transactions

None of the Non-Executive Board Members, President, Key managerial staff or related parties have undertaken any transactions with UKSC during the year other than the pay information disclosed in the Remuneration Report on pages 84 to 92.

UKSC had a number of significant transactions with the Ministry of Justice and Her Majesty's Revenue and Customs Service.

## 20. Third Party Assets

In all civil cases where an Appeal lay to the House of Lords under the provisions of the Appellate Jurisdiction Act 1876, Appellants must provide security for the costs of such Appeals. This payment was made to the House of Lords Security Fund Account which recorded the receipt, payment and disposition of the lodgements for each financial year. The balance on this Security Fund Account was transferred to The Supreme Court on 1 October 2009 and is now operated as The Supreme Court Security Fund Account. No interest is paid on the lodgements, nor are any fees deducted. Security Fund monies are payable to the relevant party, usually on the issue of the Final Judgement or Taxation of the Bill of Costs.

Securities held on behalf of third parties are not included in UKSC's Statement of Financial Position.

	2018-19	2017-18
	£000	£000
Balance as at 1 April	435	334
Add: Receipts – Lodgements by Appellants	283	160
Less: Repayments to Appellants/Respondents	(160)	(59)
<b>Balance as at 31 March</b>	<b>558</b>	<b>435</b>

## 21. Events After The Reporting Period Date

In accordance with the requirements of IAS 10 'Events after the Reporting Period', events are considered up to the date on which the financial statements are authorised for issue, which is interpreted as the same date of the certificate and report of the Comptroller and Auditor General. There are no such events to report.



Mark Ormerod  
Chief Executive and Accounting Officer  
31 May 2019

# Annex

## Jurisdictions where the JCPC is the final Court of Appeal

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Anguilla  
Antigua and Barbuda  
Ascension  
Bahamas  
Bermuda  
British Antarctic Territory  
British Indian Ocean Territory  
British Virgin Islands  
Cayman Islands  
Cook Islands and Niue  
Falkland Islands  
Gibraltar  
Grenada  
Guernsey  
Isle of Man  
Jamaica  
Jersey  
Kiribati  
Mauritius  
Montserrat  
Pitcairn Islands  
Saint Christopher and Nevis  
St Helena  
St Lucia\*  
St Vincent and the Grenadines  
Sovereign Base of Akrotiri and Dhekelia  
Trinidad and Tobago  
Tristan da Cunha  
Turks and Caicos Islands  
Tuvalu

### United Kingdom

Royal College of Veterinary Surgeons  
Church Commissioners  
Arches Court of Canterbury  
Chancery Court of York  
Prize Courts  
Court of the Admiralty of the Cinque Ports

### Brunei

Civil Appeals from the Court of Appeal to the Sultan and Yang di-Perchian for advice to the Sultan  
Power to refer any matter to the Judicial Committee under section 4 of the Judicial Committee Act 1833

\*The Government of St Lucia has previously communicated its intention to accede to the Caribbean Court of Justice's appellate jurisdiction. This has yet to take effect.

