



The Supreme Court
Annual Report and Accounts
2015–2016

The Supreme Court Annual Report and Accounts 2015–2016

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 4 July 2016.



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You can download this publication from www.supremecourt.uk

Print ISBN 9781474132770

Web ISBN 9781474132787

ID 11051611 06/16

Printed on paper containing 75% recycled fibre content minimum

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

Front cover image © Kevin Leighton

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Foreword

BY THE PRESIDENT OF THE SUPREME COURT
LORD NEUBERGER



This has again been a busy year for the Supreme Court and the Judicial Committee of the Privy Council.

During the 800th anniversary year of Magna Carta, the Supreme Court gave judgment in over 80 cases, most of them resting on legal issues of considerable public importance. These ranged from deciding how tax legislation should be interpreted when applied to complex avoidance schemes that remain within the letter of the law, to reviewing the common law understanding of the proper test for securing a joint enterprise conviction for murder, to clarifying the rules on the enforceability of penalty clauses in contracts. In the same period, the Judicial Committee gave nearly 50 judgments on topics as diverse as arbitration, judicial bias and retrospective legislation.

There have been no departures from or arrivals to the Judicial Bench this year. Over the next three years, however, six Justices (including me) reach their compulsory retirement. That means that we are approaching a time of considerable turnover of Justices, a direct consequence of the reduction of the compulsory retirement age for the judiciary from 75 to 70 in the mid-1990s. We have now reached the point at which those who were appointed earlier and allowed to continue in office until 75 are leaving at the same time as those appointed later and required to retire at 70. Fortunately we shall be able to call on the services of those who have retired at 70 through use of the Supplementary Panel, which allows retired Justices under the age of 75 to sit if necessary. The large turnover of Justices will

inevitably mean a period of adjustment for the Court but it also provides opportunities for new appointments, and therefore fresh insights and perspectives to be brought to bear on our caseload and the way in which we operate.

During the year we said goodbye to the Court's first Chief Executive, Jenny Rowe. I would like to pay personal tribute to Jenny for the excellent way in which she supported the Justices in the administration of the Court. She provided energy, direction, resilience and fortitude in the face of the many challenges in establishing the Court and overcoming a range of teething problems. She is a hard act to follow but we are delighted to welcome Mark Ormerod as her successor. On behalf of all my colleagues, I wish Jenny a long and happy retirement.

As well as what I hope is seen as an important and impressive contribution to the jurisprudence of the United Kingdom, the Supreme Court attracts a large number of visitors. It was my pleasure in February this year to welcome our 500,000th visitor since the Court opened its doors in 2009. The numbers of people coming to the Court – be it school parties, guided tours, university moots or simply people wandering in to the building on their visit to Parliament Square – is an important demonstration of our openness. And when account is taken of the live streaming and 'on demand' broadcasting of our hearings and judgments via our website, which allows access throughout the world, I believe that we are doing our best to live up to our aim of making the Court, its processes and its decisions properly accessible.

Handling appeals as the Judicial Committee of the Privy Council continues to represent about one third of the Justices' workload: it is an enriching privilege to serve in this capacity, hearing cases from a range of smaller jurisdictions outside the UK. Debates continue in some of the jurisdictions that send cases to the Judicial Committee about whether it is still appropriate to do so. In particular islands in the Caribbean now have the option of taking their final appeals to the Caribbean Court of Justice. Our attitude in these debates is one of studied neutrality. It is an honour to serve the people of those jurisdictions by providing a final court of appeal but whether a country chooses to leave the JCPC is entirely that country's decision, and we respect any such decision.

I should like to end by thanking my colleagues for all their hard work and support during this year, the staff of the Supreme Court and the Judicial Committee of the Privy Council for their hard work and support, as well as the Lord Chief Justice, the Master of the Rolls, the Lord President and the Lord Chief Justice of Northern Ireland for their continued support including, on occasion, sitting, and releasing judges to sit, with us here in Parliament Square.

Introduction

BY THE CHIEF EXECUTIVE
MARK ORMEROD



I am pleased to present my first Annual Report, prepared to meet the obligation placed upon the holder of my office by section 54 of the Constitutional Reform Act 2005.

I am delighted to have been appointed Chief Executive of the Supreme Court and the Judicial Committee of the Privy Council, following an external recruitment competition. I would like to pay tribute to my predecessor, Jenny Rowe, for her dedication and hard work as Chief Executive from the inception of the Supreme Court through to her retirement last summer. She has left the Court in excellent shape and it is a daunting as well as exciting privilege to follow her.

I have been very struck by the warmth of welcome from the Justices and staff of the Court together with those with whom the Court has dealings. It is clear to me that the Court has established itself as a high performing, increasingly efficient and innovative court and it is my strong intention to continue to assist in supporting the Justices in maintaining the prestige and the smooth running of the most senior Court in the United Kingdom and the important work of the Judicial Committee of the Privy Council.

I am acutely conscious of the fact that the Supreme Court is a court of the United Kingdom. I shall be taking time to visit other parts of the United Kingdom and have already been to Edinburgh, Belfast and Cardiff for a variety of meetings and conferences. These will continue on a regular basis.

As the Court matures from its early inception, I considered it important that there should be a body within the Court which brings together senior members of the Court, of the staff and the Management Board's Non-Executive Directors. This Strategic Advisory Board has now been established and will be taking a longer term view of the way in which the Court can develop in order to ensure that its reputation is maintained and enhanced and that it continues to be a forward looking and innovative Court in terms of the service that it provides to the public.

After seven months in post, I very much look forward to dealing with the challenges ahead, not simply those presented by a tighter financial settlement, but also the increasing demands of users and the large numbers of members of the public who visit the court building. To those who have not yet seen the Court in action, I would commend to them the live-streaming that is undertaken and shown on the website – the only Court in the United Kingdom that provides this service. Better still I would encourage them to visit the building in person. It really is a relatively unknown jewel in terms of art, architecture and visitor reception. It is a pleasure to work here and I know that so many of those who do visit come away much heartened by what they have seen.



Section
one

Overview: objectives
and governance



Our Mission

The mission of the administration of the Supreme Court of the United Kingdom (UKSC) and the Judicial Committee of the Privy Council (JCPC) is to ensure that the President, Deputy President and Justices of the two Courts can deliver just and effective determination of appeals heard by the Court, in ways which also best develop the Rule of Law and the administration of justice.

Our Strategic Objectives

At the beginning of 2015, the Management Board agreed the following objectives to deliver the overall mission set out above. It agreed that the administration of the UKSC/JCPC would:

- 1 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 supports them in developing the Rule of Law.
- 2 Maintain and increase confidence in the delivery of justice throughout the United Kingdom. It will promote transparency in, accessibility to and knowledge of the ways in which justice should be rightly administered. It will thereby promote knowledge of the importance of the rule of law, not least as a guarantee of democratic freedom.
- 3 Provide efficient and effective support, 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 they are provided. In particular it 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 Promote good relations with all the individual jurisdictions, legislatures and governments in the different parts of the United Kingdom.
- 5 Support the Justices in developing appropriate relationships with courts in Europe, throughout the Commonwealth and in other countries, especially those which share their common law heritage.
- 6 Demonstrate appropriate corporate social responsibility. In particular it will promote diversity amongst its staff, ensuring they are also representative of all the jurisdictions of the United Kingdom. It will also both source its supplies and consume its resources in ways which contribute as much as possible to sustainable development and the conservation of the world's natural resources.
- 7 As the statutory custodian of its own records, provide the most appropriate environment it can for the organisation, preservation and future inspection of those records.
- 8 As occupant of the former Middlesex Guildhall, promote knowledge of, and interest in, this historic building, the works of art it houses, especially the Middlesex Art Collection, and more generally the history of the County of Middlesex.

These objectives informed the business plan for 2015–16.

Our Values

Although the mission and strategic objectives inform both our annual business plan and the objectives of individual members of staff, the way we go about these tasks is also important. All staff, including those with us on a temporary basis, for example, Judicial Assistants, are expected to follow the core values and behaviours set down in the Civil Service Code. In addition, we have developed our own set of values more specific to the organisation.

Each member of staff is expected to understand and demonstrate the following values. We hope they are evident in all we do.

1. Impartiality

We will respect judicial independence and deal with all casework fairly and objectively

2. Clarity and Openness

We will undertake our work without prejudice in an open and transparent manner.

3. 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.

4. Accountability

We will be responsible for delivering a high quality service to Justices, court users and to the public.

5. 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.

6. 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.

7. 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 UK, and with other courts around the world.

In 2014-15 we consulted staff about these values as part of our annual staff engagement survey. This was the first formal consultation we had undertaken since 2011/12 and we wanted to ensure they remained fit for purpose. I am pleased to report that there was 100% agreement with the values of clarity and openness, accountability, efficiency and accessibility; and 97% agreement with the values on influence and professionalism.

Our governance

Like any public organisation, the administration of the UKSC and the JPC has in place structures and safeguards to ensure proper accountability and clear lines of responsibility.

The administration of the UKSC is classified as a non-ministerial Department, established by the Constitutional Reform Act 2005 (CRA). The Court is supported by a Chief Executive, currently Mark Ormerod, following the retirement of Jenny Rowe in October 2015. The Chief Executive holds a statutory office created by s48 of the CRA; and he must carry out his functions in accordance with any directions given to him by the President of the Court, to whom he reports, although he may not act inconsistently with the standards of behaviour required of a civil servant, or with his responsibilities as Accounting Officer. The President of the Court may appoint officers and staff of the Court, but under s48(3) of the CRA the President of the Court may delegate to the Chief Executive this function and all other non-judicial functions of the Court; and the President, Lord Neuberger, has so delegated them.

The Chief Executive, officers and staff of the Court are all civil servants. Their pay, terms and conditions must be determined as such, although, subject to that constraint, the CRA (as amended by the Crime and Courts Act 2013) provides that the Chief Executive may determine the number of officers and staff of the Court and the terms on which they are appointed.

Under the CRA the Lord Chancellor must ensure the Court is provided with such accommodation and other resources as he

thinks are appropriate for the Court to carry on its business. The Chief Executive is placed under a parallel statutory duty to ensure that the Court's resources are used to provide an efficient and effective system to support its business. This is why the administration of the Court is classified as a non-ministerial Department. It is not part of the Ministry of Justice and does not report to the Lord Chancellor.

The Justices regard maintaining tangible independence from both the Legislature and the Executive as a key constitutional objective. This is particularly important because the Government is in practice a party in slightly more than half the cases in which an application is made or a hearing takes place before the Court. The Chief Executive is therefore also an Accounting Officer in his own right, accountable directly to the House of Commons Public Accounts Committee.

In the interests of clarity, in January 2014 a formal concordat was concluded between the Court and the Ministry of Justice which identifies the respective responsibilities of the Lord Chancellor and the Court's President and its Chief Executive. Copies were sent to the devolved administrations in Scotland and Northern Ireland and deposited in the Libraries of both Houses of Parliament.

The Chief Executive has two immediate deputies, the Director of Corporate Services (William Arnold), responsible for the institutional and organisational side of the Court; and the Registrar (Louise di Mambro), who exercises administrative and judicial functions under the Rules, and is responsible for the progress of cases and the Court's business.

Corporate Services cover broadly:

- accommodation and health & safety
- finance
- human resources
- communications, publicity and educational outreach; and
- records, IT and library services.

More details of key developments in these business functions over the year can be found in Section Five.

The Registry functions cover:

- the management of applications for permission to appeal
- the listing and actual hearing of appeals
- the issuing of court judgments and orders, and
- the resolution of disputed costs issues.

The Registrar has management responsibility for the Justices' personal support staff – their legally qualified Judicial Assistants and personal secretaries.

Who's who: Membership of Management Board and Committees

To support the Chief Executive in both his statutory responsibilities and his responsibilities as an Accounting Officer, an internal governance structure was established in 2009. This now comprises a Management Board, a Strategic Advisory Board (added in February 2016), an Audit and Risk Assurance Committee, a Remuneration Committee and a Health and Safety Committee.

The Strategic Advisory Board (SAB) comprises the President, the Deputy President, one other Justice appointed by the President, the Chief Executive, the Director of Corporate Services, the Registrar and the UKSC's two Non-Executive Directors. Its remit is to consider the strategic direction of the Court and to approve and review the UKSC's Strategic Framework. This board has no direct role in managing either the judicial or non-judicial functions of the Court. The SAB had its first meeting on 15 February 2016, when it approved the UKSC's Strategic Framework for the four year period (2016 – 2020) covered by the 2015 Spending Review settlement.

More details can be found in the Governance Statement in Section Six.



The Management Board. Back row (left to right): Martin Thompson, Ben Wilson, Olufemi Oguntunde, Paul Brigland, Chris Maile
Front row (left to right): Kenneth Ludlam, William Arnold, Mark Ormerod, Louise di Mambro, Stephen Barrett

	Maximum number of meetings possible to attend	Number of meetings attended
Management Board		
Jenny Rowe – Chief Executive (Chair to 31 August 2015)	4	4
Mark Ormerod – Chief Executive (Chair from 1 September 2015)	6	6
William Arnold – Director of Corporate Services	10	10
Louise di Mambro – Registrar	10	10
Olufemi Oguntunde – Director of Finance	10	10
Martin Thompson – Head of Accommodation/ Health and Safety Manager	10	9
Ben Wilson – Head of Communications	10	10
Chris Maile – Head of Human Resources	10	10
Paul Brigland – Head of ICT and Records Manager	10	10
Alex Jablonowski – Non-Executive Director (NED) to 31 July 2015	4	4
Stephen Barrett – Non-Executive Director (NED) from 1 July 2015	7	5
Kenneth Ludlam – Non-Executive Director (NED)	10	10
Audit and Risk Assurance Committee		
Alex Jablonowski (Chair to 31 July 2015)		
Kenneth Ludlam (took over as Chair from 1 August 2015)		
Stephen Barrett (from 1 August 2015)		
Charles Winstanley – NED, Scottish Government		
Ronnie Armour – Chief Executive Northern Ireland Court Service		
Remuneration Committee		
Kenneth Ludlam (Chair to 31 July 2015; member thereafter)		
Alex Jablonowski to 31 July		
Stephen Barrett (took over as Chair from 1 August 2015)		
Jenny Rowe to 31 August / Mark Ormerod from 1 September (or, in his absence, William Arnold)		
Health and Safety Committee		
William Arnold (Chairman)		
Martin Thompson – Head of Accommodation and Health & Safety Manager		
Toyin Soleye – Deputy Head of Accommodation and Deputy Health & Safety Manager		
Chris Maile – Head of Human Resources		
Ian Sewell – Trade Union Health & Safety representative		
James Noone – Security Manager – Carlisle Security		
Clive Brown – Building Engineer – MJ Ferguson – Hard FM Contractors		
Caroline Hutchins – General Manager for Julius Rutherford – Cleaning Contractor		
David Winter – Director Zafferano’s Café Concessionaire		

Meetings of the Health and Safety Committee are open to staff to attend and raise issues or observe; and minutes posted on the staff intranet. Management Board minutes are published on the UKSC website.

Section one

Overview: objectives and governance



Above: The Strategic Advisory Board. Back row (left to right): Paul Brigland (secretary), William Arnold, Kenneth Ludlam, Stephen Barrett

From row (left to right): Mark Ormerod, Lady Hale, Lord Neuberger, Lord Hodge, Louise di Mambro

Left: Lord Neuberger paying tribute to former Chief Executive Jenny Rowe during the latter's leaving party, July 2015

Policy developments

In our Business Plan for 2015/16 we highlighted a number of policy areas which we thought had the potential to impact on the work of the UKSC and/or the JCPC.

We have continued to keep in touch with Ministry of Justice officials, and with members of our User Group, about the continuing implementation of reforms to the provision of legal aid in England and Wales. Although these changes have involved some reductions in the scope of legal aid there has, as yet, been no significant impact on the number and type of cases where permission is sought to appeal to the Supreme Court. There has been a variety of approach to legal aid reform around the United Kingdom, and we have continued to keep in touch with the devolved jurisdictions about their thinking in this area. There has continued to be a slight increase in the number of litigants in person applying for permission to appeal to the Supreme Court. The numbers for the 2015/16 financial year are 26 out of a total of 230 permission applications (compared to 24 out of 231 applications in 2014/15).

During this year the government continued to introduce changes to judicial review and the leapfrog appeals procedure which were approved by Parliament, and given effect to, in the Criminal Justice and Courts Act 2015. We were consulted by Ministry of Justice officials on those provisions which affected the Supreme Court. Some such provisions, enabling certain cases to “leapfrog” from the High Court to UKSC, came into force in April 2015. Procedures to bring cases meeting specified criteria directly to UKSC from the Upper Tribunal, the Employment Appeal Tribunal and the Special Immigration Appeals Commission are yet to be brought into force.

In Scotland we have kept in touch with the implementation of the Courts Reform (Scotland) Act 2014. The Act included provision to introduce a permission to appeal regime for civil cases from Scotland to UKSC. Those provisions came into force in September 2015 so the same approach now applies throughout the United Kingdom.

Following the General Election in May 2015 the UK Government introduced a Scotland Bill to give effect to the proposals in the Smith Commission Agreement, which was published in November 2014 having been agreed by all the political parties in Scotland, for further devolution to Scotland. We monitored the progress of this Bill through Parliament to Royal Assent in March 2016 and will continue to assess any implications for the Court as the Act is implemented. We have similarly watched progress against the content of the framework for devolution published by the UK Government as the St David’s Day agreement on 27 February 2015, which resulted in a draft Wales Bill submitted to Parliament on 20 October 2015.

Section
two

Performance Report:
Jurisdiction and
casework



The UKSC

Jurisdiction and casework

The UKSC is the UK'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

During 2015, the statutory provisions which allow for cases to 'leapfrog' to the Supreme Court were extended and some measures have already been brought into force.

The devolution jurisdiction of the JPC transferred to the UKSC on its establishment. The UKSC can be asked to give judgments on questions which relate to whether the acts of the devolved administrations in Scotland, Wales and Northern Ireland are within the powers given to them by the UK 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.

Devolution cases can reach the UKSC in four ways:

- A question is referred by a court
- An appeal is made against a judgment by certain courts in England and Wales, Scotland and Northern Ireland
- A devolution issue is referred by certain appellate courts
- A devolution issue is directly referred whether or not the issue is the subject of litigation.

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 underlying procedure of the UKSC is in many respects the same as that of the Appellate Committee of the House of Lords, but section 45 of the Constitutional Reform Act 2005 imposes upon the President a specific duty in relation to the rule-making power bestowed upon him under section 45(3).

The Constitutional Reform Act 2005 requires that the Rules are 'simple and simply expressed' and that the Court is 'accessible, fair and efficient' and many of the rigid and detailed requirements in the House of Lords Practice Directions have been dispensed with. 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'. Rule 9(6) provides that, if any procedural question is not dealt with by the Rules, the Court or the Registrar 'may adopt any procedure that is consistent with the overriding objective, the Act and these Rules'. These words are very important in underpinning the approach adopted by the Court.

The Rules are kept under review and feedback from users is welcomed – both formally through our User Group, or informally in other ways. The Rules and Practice Directions have generally worked well during the Court's first years of operation: a number of revisions have been made to the Practice Directions to reflect suggestions made by practitioners and to effect a number of improvements.

The procedure for appealing: permission to appeal (PTA) applications

Following recent legislative enactments, cases from Scotland are now subject to the same requirement as in England, Wales and Northern Ireland that appellants gain permission to appeal before the UKSC will hear an appeal. 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 has been one oral permission hearing during the year.

Once the required papers have been filed, an application for permission will normally be determined within eight 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 (see Table 2).

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, 33 such applications have been made and all have been granted.

TABLE 1 – PTAs (1 April 2015 – 31 March 2016)

Applications Received	230
Applications Granted	84
Applications Refused	126
Applications with other result	5

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.

Between 1 April 2015 and 31 March 2016:

- 92 appeals were heard, and
- 81 judgments were given.

Hearings

The Court's aim remains for all appeals to be heard 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 in considerable extra expense.

The UKSC can and has arranged hearings within weeks of the grant of permission in a number of urgent cases (for example, family cases). The Court deliberately allows some gaps in its listing to enable such cases to be heard. The following table indicates urgent cases determined by the UKSC during the year, and the timescales within which they were handled.

TABLE 2 – Urgent appeal cases

Name	Permission to Appeal Application filed	Permission to Appeal determination given	Hearing
BNY Mellon Corporate Trustee Services Limited v LBG Capital No. 1 Plc and another	6 January 2016	11 February 2016	21 March 2016
PST Energy 7 Shipping LLC and another v O.W. Bunker Malta Limited and another	18 November 2015	11 February 2016	22 March 2016
N (Children)	11 January 2016	20 January 2016	17 February 2016
B (A Child)	3 September 2015	3 November 2015	8 December 2015
J (A Child)	24 July 2015	10 August 2015	17 November 2011
Edenred (UK Group) Limited and another v Her Majesty's Treasury and others	13 April 2015	29 April 2015	13 May 2015
Société Coopérative De Production Seafrance S.A. v The Competition and Markets Authority and another	12 June 2015	27 July 2015	14 October 2015
Trump International Golf Club Scotland Limited and another v The Scottish Ministers (Scotland)	16 July 2015	-	8 October 2015
ParkingEye Limited v Beavis	3 June 2015	-	21 July 2015

Section two

Performance Report: Jurisdiction and casework

	Total
PTA applications received	230
PTA applications referred to Justices	201
PTA applications not yet referred to Justices	30
PTA applications granted	84
PTA applications refused	126
PTA applications other result	5
PTA fee remissions	24
PTA fee deferred	2
Appeals filed as of right	12
Number of Appeals heard	92
Number of Appeals allowed	34
Number of Appeals dismissed	31
Number of Appeals other result	5
Number of Appeals referred to ECJ	2
Number of sitting days	104
Number of possible sitting days	133
Number of Judgments given	81

	Total
Permission to Appeal applications received	
Scotland	4
Northern Ireland	8
Permission to Appeal applications granted (not all filed during period)	
Scotland	0
Northern Ireland	7
Permission to Appeal applications refused (not all filed during period)	
Scotland	2
Northern Ireland	13
Appeals/references lodged as of right	
Scotland	12
Northern Ireland	0

Permission to Appeal	Number Granted	Number Refused	Number other	Total
Arbitration				
Banking	1			1
Children		1		1
Company	1	1		2
Conflict of laws		2		2
Contract law	2	4		6
Copyright				
Costs		1		1
Crime	7	12		19
Devolution		2		2
Discrimination	2			2
Education				
Employment	4	5		9
EU law	2	1	2	5
Evidence				
Extradition		1		1
Family	4	14		18
Financial Services	1			1
Freedom of Information				
Housing	1	2	1	4
Human Rights	1	3		4
Immigration	12	24		36
Insolvency	3	3		6
Insurance	2			2
Judicial Review	14	11		25
Land		5		5
Landlord and Tenant	2	5		7
Mental Health				
Mortgage				
Negligence	1			1
Patent	3	2	1	6
Pensions				
Personal Injury		2		2
Planning	1	9		10
Procedure	9	9	1	19
Shipping	4			4
Solicitor				
Social Security	1			1
Taxation	5	5		10
Tort				
Trade Mark		2		2
Trusts				
Will	1			1
Total	84	126	5	215

Section two

Performance Report: Jurisdiction and casework

TABLE 6 – UKSC appeals, disposed of by judgment, by subject matter 1 April 2015 – 31 March 2016	
	Total number of judgments
Children	5
Company	2
Competition	1
Contract	5
Conflict of laws	2
Costs	2
Crime	5
Design right	1
Discrimination	2
Employment	2
Evidence	1
EU law	4
Family	2
Housing	5
Human rights	9
Immigration	2
Injunction	1
Insolvency	1
Judicial review	5
Land	1
Landlord and Tenant	1
Mortgage	1
Negligence	2
Passing Off	1
Planning	2
Procedure	1
Social security	3
Tax	7
Tort	5
Total	81

References to the Court of Justice of the European Union

Like other courts, the UKSC is able (under Article 267 of the Treaty on the Functioning of the European Union) to ask the Court of Justice of the European Union (the CJEU) to give preliminary rulings concerning:

- a. the interpretation of the Treaties; and
- b. the validity and interpretation of acts of the institutions, bodies, offices or agencies of the Union;

where such a question is raised in proceedings before it and it considers that a decision on the question is necessary to enable it to give judgment.

As the final court of appeal in the UK, the UKSC has to refer a question to the CJEU unless it falls within the four categories identified in the decision of the European Court of Justice in *CILFIT v. Ministry of Health* (Case C283/81). That case laid down the categories of case where the European Court considered that no reference should be made to it, namely:

- a. where the question raised is irrelevant;
- b. where the Community provision in question has already been interpreted by the Court of Justice;
- c. where the question raised is materially identical with a question which has already been the subject of a preliminary ruling in a similar case; and
- d. where the correct application of Community law is so obvious as to permit no scope for any reasonable doubt.

In judgments given between 1 April 2015 – 31 March 2016 following substantive appeal hearings, the UKSC agreed to refer questions in two cases. It declined to do so in five cases.

In permission applications in cases said to raise a question of European Union law, the Supreme Court also considers whether the appeal falls outside of the CILFIT categories outlined above.

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 2015 and 31 March 2016, the UKSC made two such references. Over the same year, the UKSC has, when refusing permission to appeal, refused to make references in eight cases.

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Performance Report: Jurisdiction and casework



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Top: Many cases generate considerable public and media interest. Varsha Gohil (3rd from right) and Alison Sharland (far right) speak to the media outside the Supreme Court on the day the Justices gave judgment in a dispute over non-disclosure in divorce cases, October 2015

Left: Justices processing into Westminster Abbey for the annual service to mark the beginning of the legal year, October 2015

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. A particularly high number of larger panels have sat over the course of this year:

Easter term (14 April – 22 May 2015)

No panels of larger than five sat this term.

Trinity term (2 June – 31 July 2015)

Seven Justices sat on the following appeals:

- Cavendish Square Holdings BV v Talal El Makdessi and ParkingEye Limited v Beavis
- Sharland v Sharland and Gohil v Gohil

Michaelmas term (1 October – 21 December 2015)

Seven Justices sat on the following appeals:

- R (on the application of Wang Yam) v Central Criminal Court and another
- Macklin v Her Majesty's Advocate
- Belhaj and another v Straw and others and Rahmatullah v Ministry of Defence and another
- R v Taylor

Hilary term

(11 January – 23 March 2016)

Seven Justices sat in the following appeals:

- ZM v Secretary of State for the Home Department (Northern Ireland) and HA (Iraq) v Secretary of State for the Home Department
- Knauer v Ministry of Justice
- R (on the application of MM (Lebanon)) v Secretary of State for the Home Department, R (on the application of AM (Pakistan)) v Secretary of State for the Home Department, R (on the application of Master AF) v Secretary of State for the Home Department, R (on the application of SJ (Pakistan)) v Secretary of State for the Home Department, SS (Congo) v Entry Clearance Officer, Nairobi
- R (on the application of MA and others) v Secretary of State for Work and Pensions and R (on the application of MA and others) v Secretary of State for Work and Pensions, R (on the application of A) v Secretary of State for Work and Pensions, R (on the application of Rutherford and another) v Secretary of State for Work and Pensions

Nine Justices sat in the following appeals:

- Abd Ali Hameed Al Waheed v Ministry of Defence and Mohammed and others v Ministry of Defence and another
- Patel v Mirza
- Willers v Joyce and another (in substitution for Albert Gubay (deceased))

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 significant appeals determined by the Court this year include:

James Rhodes v OPO (by his litigation friend BHM) and another [2015] UKSC 32

This appeal required the Supreme Court to consider the scope of the rarely used cause of action known as the tort in *Wilkinson v Downton*: the tort of intentionally causing harm.

James Rhodes intended to publish an autobiography, detailing the physical and sexual abuse he suffered as a child, the severe effects of that abuse on his mental health and his redemption through music. His former wife sought an injunction to prevent its publication on the grounds that, should the contents come to the attention of their teenage son, who suffered from a number of developmental and behavioural disorders, and on whose behalf the injunction was sought, he was likely to suffer psychological harm.

The Court of Appeal had granted an injunction restraining the publication of 'graphic' accounts of the sexual abuse but the Supreme Court reversed the order, finding that there was no real prospect of establishing the tort. It required words or conduct directed towards the claimant for which there was no justification or reasonable excuse. In this case the Court considered that there was every justification for Mr Rhodes to exercise his right to

freedom of speech to tell the world his story. It was hard to envisage any cases where words which were not deceptive, threatening or (possibly) abusive could be actionable under this tort. It was also his right to choose the language in which it was expressed. Equally there was no evidence that Mr Rhodes intended to harm his son.

Sharland v Sharland [2015] UKSC 60

In this case the Supreme Court considered the impact of fraudulent non-disclosure on a financial settlement agreed between a husband and wife on divorce, and embodied in a court order by consent.

In the course of the financial proceedings Mr Sharland gave evidence confirming that there were no plans for an initial public offering (IPO) for the company he had established, and his shares in the company were valued on this basis. Mrs Sharland agreed to settle her claim on terms that she would receive 30% of the proceeds of any future sale. She discovered shortly afterwards that the company was being actively prepared for an IPO with an expected value far in excess of the valuations prepared for the hearing, and she applied for the hearing to be resumed. By the time her application was heard it was known that the IPO did not in fact go ahead.

The Court held that the fraudulent breach of the duty of full and frank disclosure in financial proceedings vitiated Mrs Sharland's consent and entitled her to rescind the agreement embodied in the consent order. The only exception to the rule that 'fraud unravels all' was where the fraud would not have influenced the consent given at the time. Mrs Sharland was entitled to a full and fair hearing of her claims.

Shahid v Scottish Ministers UKSC 58

A man convicted of the racially-aggravated abduction and murder of a 15 year old boy, was removed in custody from association with other prisoners and placed in solitary confinement (segregation). It was considered that he was liable to attack by other prisoners and at risk if accommodated in mainstream conditions. The appellant's segregation lasted for 56 months, almost continuously.

The appellant argued that his segregation was for large periods in breach of the Prison Rules and that it violated the prohibition against torture, inhuman and degrading treatment in article 3 of the European Convention on Human Rights (ECHR) and his right to private life guaranteed by article 8 ECHR.

The Supreme Court agreed that in three separate periods, totalling 14 months, the segregation of the appellant was unlawful and that his article 8 rights had been violated. The authorities had admitted breaches of the time limits required by the rules, and these had the effect of rendering invalid late authorisations. In addition some of the decisions to apply for authorisation by the governors were not independently made but relied on the decisions of other bodies which were not entrusted with the power to make such decisions. This invalidated authorisations made by the Scottish Ministers. The segregation did not however reach the minimum level of severity required for a violation of article 3.

The only relief granted to the appellant was a declaratory order.

Cavendish Square Holding BV v Talal El Makdessi; ParkingEye Limited v Beavis [2015] UKSC 67

The Supreme Court considered the scope of the well-known rule against the enforceability of penalty clauses in these two appeals. In both cases the clauses alleged to be penalties were found to be valid.

The first involved restrictive covenants against competing activities in a share sale agreement, providing for substantial financial adjustments to the share price in the event that the vendor was in breach. The second concerned the provision in a car park that overstaying a two hour time limit for free parking would result in a parking charge of £85.

The court decided neither to abolish the penalty rule, nor to extend it. Its existence was justified by its longstanding invocation and endorsement in the United Kingdom, Europe and across common law jurisdictions. The validity of a clause providing for the consequences of a breach of contract depends on whether the detriment it imposes is out of all proportion to any legitimate interest of the innocent party in the enforcement of the contract. Legitimate interests can extend beyond the recovery of pecuniary compensation. Thus in the first appeal the parties were the best judges of how critical the loyalty of the vendor was to the goodwill of the business, and in the second appeal (by a majority of six to one) the court held that the landowners had a legitimate interest in the management of the efficient use of parking space in the interests of retail outlets and their customers, which extended beyond the recovery of any loss.

Keyu and others v Secretary of State for Foreign and Commonwealth Affairs and another [2015] UKSC 69

This case concerned a challenge to the refusal of the Foreign and Defence Secretaries of State in 2010 to hold a public inquiry into the shooting by UK armed forces of 23 unarmed civilians in the village of Batang Kali in 1948, while the UK was the colonial power in the former Federation of Malaya. There had been a police investigation into allegations that the villagers had been ‘massacred’ following statements given in 1969 by soldiers who had been present at the killings, but it had terminated in 1970. In 2010 the government refused a request by a campaign group to hold a public inquiry.

Amongst other matters, the Court had to consider whether claims could be brought in respect of alleged breaches of rights in the ECHR, when the Convention only came into force in the UK and the Federation of Malaya in 1953, and the right of individual petition to the European Court of Human Rights was not recognised until 1966.

The right to life encompasses a separate duty on a state to carry out an effective investigation into deaths in suspicious circumstances. In certain cases the ECHR could require an investigation into deaths before the right of individual petition but only if the lapse of time was under ten years, which was not the case here. The Court held that there was no duty to hold an inquiry under the common law either, nor (Lady Hale dissenting) a duty under the Inquiries Act 2005.

R v Jogee [2016] UKSC 8 Ruddock v The Queen (Jamaica) [2016] UKPC 7

In an unusual step, an appeal to the Supreme Court was heard together with an appeal before the JCPC. Both were criminal appeals by secondary parties convicted of murder in joint enterprise cases. The court was invited to consider whether the common law took a wrong turning in a JCPC case in 1985 and a decision of the House of Lords in 1999, on the issue of the mental element which must be proved.

For thirty years juries had been directed that, in cases where parties set out to commit crime A, and one of them then committed crime B in the course of that venture, the secondary parties could be convicted of crime B if they foresaw the possibility that this might happen but nonetheless continued to participate. This departed from the well-established rule that the mental element required of a secondary party was an intention to assist or encourage the principal to commit the crime. As this was an area of law which had always been a matter of the common law rather than of statute it was right for the courts to set the law back on the correct footing which stood before these two cases. The error was to treat foresight of crime B as automatic authorisation of it, whereas such foresight was simply evidence (albeit sometimes strong evidence) of intent to assist or encourage.

The effect of this ruling was not to render every conviction made following such a direction unsafe. The outcome in many cases would have been the same. The Court of Appeal could grant exceptional leave out of time for appeals where it might have caused substantial injustice.

In the particular appeals, both convictions for murder were set aside and submissions were invited as to whether a conviction for manslaughter should be substituted or a retrial for murder take place.

UBS AG v Commissioners for Her Majesty's Revenue and Customs and linked appeal [2016] UKSC 13

HMRC brought appeals in respect of schemes adopted by the respondent banks which were designed to avoid the payment of income tax on bankers' bonuses. The schemes, which awarded employees 'restricted securities', exempt from tax, in place of cash bonuses, had been upheld as effective by the Court of Appeal.

The Supreme Court allowed the appeals, applying the purposive approach to statutory construction which disregards for fiscal purposes elements of a composite transaction which have no purpose other than tax avoidance. An analysis of the purpose of the exemption for restricted securities established that Parliament had not intended it to extend to awards with commercially irrelevant conditions, the only purpose of which was the obtaining of the exemption. Both the schemes imposed restrictive conditions which had not business or commercial rationale.

Although the exemption did not therefore apply, the proper basis for the taxation of the bonuses was as shares and not as cash, the value of which was to be assessed as at the date of their acquisition and take account of the impact of the restrictive conditions on the shares' true value.

The JCPC

Jurisdiction and casework

The JCPC is the court of final appeal for the UK 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 Judicial Committee. A list of the relevant countries is at Annex A. 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 commercial 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 for 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 forms for the JCPC can be accessed on the JCPC website at www.jcpc.uk

The procedure for appealing

Unlike in the UKSC where, in most cases, an Appellant requires permission to appeal before he 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 including 'death row 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 quickly, an application for permission would normally be determined within 12 sitting weeks.

TABLE 7 – PTAs (1 April 2015 – 31 March 2016)

Applications Received	48
Applications Granted	13
Applications Refused	44
Applications with other result	0

Appeals

As in the Supreme Court, 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.

Between 1 April 2015 and 31 March 2016:

- 45 appeals were heard
- 48 judgments were given.

TABLE 8 – Total JCPC statistics: 1 April 2015 – 31 March 2016

	Total
PTA applications received	48
PTA applications referred to Justices	56
PTA applications not yet referred to Justices	8
PTA applications granted	13
PTA applications refused	44
PTA applications other result	0
PTA fee remissions	0
Appeals filed as of right	38
Number of Appeals heard	45
Number of Appeals allowed	19
Number of Appeals dismissed	30
Number of Appeals other result	3
Number of sitting days	48
Number of possible sitting days	133
Number of Judgments given	48

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Performance Report: Jurisdiction and casework

TABLE 9 – Permission to appeal applications lodged and other appeals presented, by jurisdiction:
1 April 2015 – 31 March 2016

	Number of PTA applications lodged	Number of PTA applications granted (not all lodged during period)	Number of PTA applications refused (not all lodged during period)	Number of other appeals presented (i.e. lodged as of right)
Anguilla		1		
Antigua and Barbuda	1			1
Ascension				
Bahamas	5	1	4	6
Bermuda	1		3	1
British Indian Ocean Territory				
British Virgin Islands			2	3
Cayman Islands	4		2	1
Cook Islands and Niue				
Falkland Islands	1		1	
Gibraltar			3	
Grenada				1
Guernsey	4			2
Isle of Man	4		3	
Jamaica	5	2	5	3
Jersey	4	1	1	
Kiribati				
Mauritius	2	4	9	7
Montserrat				
Pitcairn Islands				
Saint Christopher and Nevis	1	1		
St Helena				
St Lucia			1	2
St Vincent and the Grenadines			1	
Sovereign Base of Akrotiri and Dhekelia	1			
Trinidad and Tobago	8	3	3	10
Tristan da Cunha				
Turks and Caicos Islands	3		2	
Tuvalu				
New Zealand	1		1	
UK				
Royal College of Veterinary Surgeons				1
Church Commissioners	1		1	
Arches Court of Canterbury	2		2	
Chancery Court of York				
Prize Court				
Court of the Admiralty of the Cinque Ports				
Total	48	13	44	38

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.

Easter Term (14 April – 22 May 2015)

Seven Justices sat in the following appeal:

- *Misick and others v The Queen* (Turks and Caicos)

Michaelmas term (1 October – 21 December 2015)

Seven Justices sat in the following appeal:

- *In the matter of Baronetcy of Pringle of Stichill*

Cases and judgments

JCPC cases of particular legal interest over the year included:

Hunte and Khan v The State (Trinidad and Tobago) [2015] UKPC 33

The Board dismissed these appeals against convictions for murder and, by a majority of 6 to 1, against the sentences of death imposed. The ground of appeal for the latter was that the passage of time since their imposition had rendered the sentences unconstitutional.

The majority held that the JCPC had no jurisdiction to order the commutation of sentences in these cases, overruling two earlier decisions of the Privy Council. The

appeal to the JCPC was an appeal from the Court of Appeal, which had no statutory power to entertain appeals against the mandatory sentences imposed. A complaint that the execution of the sentences of death was unconstitutional needed to be commenced in the High Court of Trinidad and Tobago, and no such application had been made. The Privy Council would be exercising an original jurisdiction which it did not have.

In this case the Board considered that there were several reasons to depart from the strong presumption in favour of respecting precedent. It would damage respect for the rule of law to continue to exercise a purported judicial power which the Board considers it did not have. The ruling will not affect the validity of orders made on the authority of the earlier judgments commuting death penalties.

Myers v The Queen (Bermuda); Brangman v The Queen (Bermuda); Cox v The Queen (Bermuda) [2015] UKPC 40

The Board heard three appeals against convictions in Bermuda, raising similar questions concerning the admissibility and proper ambit of evidence as to the existence and practices of gangs and the defendant's connections with them.

Each case involved a deliberate shooting and the issue was the identification of the defendants. The Crown's case was that the shooting was part of constant feuding between rival gangs and evidence that the victim and the defendants were members of rival gangs was given by a police officer. It was argued that this was inadmissible.

The Board held that evidence of motive was relevant, as supporting evidence of identity and intent. Evidence of a shared motive with other members of a group may equally be relevant. It was a strand in the cases against the defendants. If it was necessary to explain the case, it would not be excluded simply because it unavoidably introduced evidence of bad behaviour. The police officer's evidence was either from personal observation or from his expertise in the study of gangs generally. In relation to each item of such evidence the judge needed to weigh the balance between legitimate probative value and unfair prejudicial effect before deciding to admit it.

Ferguson v The Attorney General of Trinidad and Tobago; Maritime Life (Caribbean) Limited and others v The Attorney General of Trinidad and Tobago; Ameer Edoos v The Attorney General of Trinidad and Tobago [2016] UKPC 2

The Board heard a number of appeals arising from an ill-fated attempt to introduce a statutory limitation period for criminal prosecutions in Trinidad and Tobago. It remained in force for only two weeks before being retrospectively repealed by a fresh Act of Parliament. The appellants each would have been entitled to the benefit of the limitation but for the repeal and they argued that a retrospective abrogation of vested rights was unconstitutional, and their continued prosecution an abuse of process.

The Board concluded that the Amending Act did not violate the principle of the separation of powers. Nor did it deprive the appellants of their liberty or property: it merely exposed them to the due process of law. There could

be no legitimate expectation that a statutory right to a defence of limitation would never be taken away, given that Parliament could repeal any enactment consistently with the Constitution.

The promotion by the Director of Public Prosecutions in Trinidad and Tobago of the repeal did not give rise to an abuse of process. His conduct was within the proper limit of his functions, even if officious and sometimes ill-advised. Moreover there was no suggestion that the trials would be unfair and the decision to remove the limitation defence was ultimately that of Parliament.

**Ruddock v The Queen (Jamaica) [2016] UKPC 7
R v Jogee [2016] UKSC 8**

In an unprecedented move, this appeal to the JCPC was heard together with an appeal before the UKSC. A summary can be found on pages 30-31.

Court One can accommodate up to nine Justices, the largest panel size possible by convention



Section
three

Performance Report:
Communication and
external relations



Since its establishment in 2009, the UKSC has placed considerable emphasis on making its proceedings as accessible as possible and nurturing effective relationships with a wide range of stakeholders across the UK and beyond.

The 800th anniversary of the sealing of Magna Carta provided a particular focus for much of our educational and public engagement work during the year.

Maintaining effective relationships with all jurisdictions in the United Kingdom

We have continued to build constructive relationships with legislatures across the UK. The Court hosted a visit by the House of Lords Constitution Committee on 24 June, and Lord Neuberger and Lady Hale made their annual appearance before the House of Lords Constitution Committee on 8 July (the transcript of their appearance can be found on the Committee's website). A number of members of the House of Lords, led by the Lord Speaker, visited the UKSC on 27 October as one of the regular breakfast meetings recently established between the senior judiciary and the House of Lords. The President and Deputy President invited the new Chair of the House of Commons Justice Committee for an introductory meeting which was held on 22 February.

The context within which the Court operates, particularly in relation to the developing devolution settlements in Scotland, Wales and Northern Ireland, underlines the importance of building and maintaining relationships with judges, lawyers, the devolved administrations and other bodies throughout the United

Kingdom. It is an expectation that Justices who originate from either Scotland or Northern Ireland will keep in touch with judges and lawyers in those jurisdictions. Lord Reed and Lord Hodge have done this for Scotland; and Lord Kerr plays a similar role in relation to Northern Ireland. Additionally, Lord Hughes has begun occasional meetings with the Counsel-General for Wales.

We have also benefited from the contribution of judges drawn from across the United Kingdom sitting either as Acting Judges of the UKSC or in the JCPC. The following Judges have sat in this financial year: Lord Collins, the Lord Chief Justice (England and Wales), the Master of the Rolls, the then Lord President of the Court of Session, Lord Justice Briggs, and Sir Bernard Rix. We are grateful to all of them for the contribution they have made.

Scotland

Lord Neuberger hosted an informal dinner for the new Lord President, Lord Carloway, in London on 23 February.

Lord Reed attended a meeting of the Judicial Council for Scotland in Edinburgh in May. Lord Reed and Lord Hodge met with the Lord Advocate and the Solicitor General for Scotland on 4 June and 10 December, and the new Advocate General on 11 June and 29 October. Lord Reed was a member of the selection panel for the Lord President of the Court of Session, and participated in a number of meetings in relation to this appointment.

Lord Reed was introduced as a Fellow of the Royal Society of Edinburgh on 25 May. He gave the Scrymgeour Lecture at the

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Performance Report: Communication and external relations

University of Dundee in October, on the relationship between historians, academics and judges. In November, he spoke at the Grampian, Highlands and Islands Sheriffdom Conference in Inverness. He chaired a book launch in Edinburgh for Professor Alan Page's 'Constitutional Law of Scotland' in October, and in February gave a lecture to Edinburgh Tax Network.

Lord Hodge attended the Law Society of Scotland's Conference in Edinburgh in October. He was one of a number of Justices who attended the Commonwealth Law Conference held in Glasgow in April 2015. Lord Hodge chaired dialogues for Justice (Scotland) in November 2015 and January 2016 (between General Sir Mike Jackson and Lord (Menzies) Campbell; and Shami Chakrabarti and Derek Ogg QC respectively). Lord Hodge also gave a lecture at the Law Society of Scotland, on pleading in the Supreme Court, in February 2016.

Additionally, Lady Hale gave the inaugural lecture at the Institute for Legal and Constitutional Research, University of St Andrews, in October. Lord Clarke gave the William Miller Commercial Law Annual Lecture at Edinburgh Law School in November, on fraudulent claims. Lord Sumption gave the James Wood Lecture, on Article 6 of the ECHR, at the University of Glasgow in November, and gave the Stair Society Annual Lecture, on the Beginnings of International Law, at the Faculty of Advocates in November.

Mark Ormerod visited Scotland on 19 November as part of what will be a regular pattern of visits to different parts of the United Kingdom. He met Steve Humphreys,

Executive Director of the Judicial Office; Paul Gilmour, Lord President's Office; James Wolffe, Dean of the Faculty of Advocates, and Lorna Jack, Chief Executive of the Law Society of Scotland.

Northern Ireland

The following Judges have sat in this financial year: Lord Collins; Lord Thomas, the Lord Chief Justice (England and Wales); Lord Dyson, the Master of the Rolls; Lord Gill, the then Lord President of the Court of Session; Lord Justice Briggs; and Sir Bernard Rix.

Lord Kerr hosted a seminar at the UKSC for a delegation led by Mr Justice Deeny and Mr Justice Horner on 12 February. The visitors were briefed on how the UKSC increasingly uses information technology in case presentation, and took part in a demonstration of a system used at the court whereby counsel can take Justices to passages in an electronic bundle via screens set up at each place on the judicial bench, typically saving both time and paper during hearings.

Lord Kerr also spoke at the Irish Legal History Society's Spring Discourse in Belfast in February, on the development of the Supreme Court from the Appellate Committee of the House of Lords.

Additionally, Lord Neuberger addressed the Northern Ireland Assembly Committee for Justice in March 2016, delivering a lecture on how technology can improve access to the courts.

Mark Ormerod was in Northern Ireland on the first day of his appointment as Chief Executive, for the opening of the legal year.

As well as attending the ceremony and the Lord Chief Justice of Northern Ireland's address, he had meetings with the Lord Chief Justice, David Ford, the Minister of Justice; David Lavery, Director Access to Justice; Mandy Kilpatrick, Chief Executive Northern Ireland Judicial Appointments Commission; David Mulholland, Chief Executive of the Bar Library; Alan Hunter, Chief Executive NI Law Society; Paul Andrews, Chief Executive Legal Services Agency NI and Ronnie Armour, Chief Executive, Northern Ireland Courts and Tribunals Service.

Wales

Lord Hughes held the first of occasional meetings with the Counsel-General for Wales in May 2015, and a further meeting was held in October.

Mark Ormerod has continued to hold regular meetings with officials from the Wales Office. We have also kept in contact with the Welsh Assembly Legal team and, partly as a result of feedback from officials, the Court's Practice Directions relating to the management of devolution cases have been updated.

Mark Ormerod attended the Legal Wales Conference held on 9 October.

Judicial Committee of the Privy Council

As an administration, our focus has been on maintaining and enhancing the relationship with the jurisdictions which use the JCPC, and on ensuring that we identify swiftly any specifically JCPC related issues which need to be addressed.

A number of the Caribbean countries which use the JCPC have continued to debate the

pros and cons of moving to the jurisdiction of the Caribbean Court of Justice (CCJ). St Lucia is now close to transferring to the latter court, and in Jamaica, the Government is undertaking consultation on taking forward legislation to achieve the same effect. We have also been actively involved in supporting a public education programme in Antigua and Barbuda, designed to inform citizens there about the role and practice of the JCPC and CCJ, with a view to a possible referendum later in 2016. We have monitored all these debates, and the media comment on those debates, and opinions seem divided. We have always been clear that the decision is one for the Governments and Parliaments concerned. Our principal concern is to ensure that the public debate is well informed, and that adequate provision is made for any cases which may be in progress at the time any change takes place.

The Chief Executive and Registrar have continued to offer to brief incoming Governors of the British Overseas Territories before they take up their posts or at another convenient juncture, and this year met with the Governor of the Falkland Islands, Colin Roberts.

We have continued to issue a twice yearly e-newsletter to JCPC jurisdictions, as well as to Privy Council agents and other court users. In that newsletter we aim to bring people up-to-date with key judgments which may have a wider significance, as well as with other developments of particular interest to JCPC users. The number of subscribers has grown over the year.

We again hosted an educational day to mark Commonwealth Week, this year involving sixth form students from Strode College,

Somerset. The event, held on 18 March 2016, involved the students debating the issues raised in the recent case of *The Queen v Ruddock* (joint enterprise), and learning more about the committee's jurisdiction.

Finally, we were pleased to welcome a number of senior parliamentary officials from Commonwealth countries, including a number of JCPC jurisdictions such as Trinidad and Tobago and Bermuda, to the Magna Carta mock trial event held at the end of July 2015 (see pages 50-51).

Responding to our users

The User Group, covering both the UKSC and the JCPC, has continued to meet when there is sufficient business to discuss. Lord Kerr chaired the meeting held in June. The Chief Executive and the Registrar attend all meetings, with other Justices and staff attending as necessary.

A variety of users are involved in these meetings, including barristers' clerks, solicitors and members of the Bars from around the United Kingdom. Agendas and papers are circulated to a wide range of users, with meetings typically attended by between 20 and 30 people. Once minutes of the meetings have been approved, they are placed on our website.

As in previous years we are particularly grateful to members of the Group who have raised practical issues which have needed to be reflected in revised Practice Directions or operational changes. This year, helpful discussions took place in relation to the Court's practice of allowing draft judgments to be seen by counsel a few days in advance of hand-down, the pilot of

electronic bundle filing, and the video archive service (see page 48).

Welcoming visitors

During the year we received almost 100,000 visitors, including the 500,000th visitor since the building opened in October 2009 (in January 2016: see page 44). We encourage all visitors to observe proceedings, even for a short while, when the court is sitting. Summaries of the facts and issues in each appeal are available from our Reception desk to aid understanding. In addition, visitor guides are available freely in a number of languages, including Braille.

During the year, our permanent exhibition space on the lower ground floor has been developed further to house an exemplification of Magna Carta in English, on long-term loan from the Crown Office and funded by the UKSC, the City of London and Ministry of Justice. We also launched an activity trail for younger visitors, to help explain some of the themes of the exhibition in more child-friendly language. This has proved popular, with almost 2,000 copies of the trail being taken away in little over six months.

We again participated in the 'Open House London' weekend in September 2015 (where more than 3,000 people visited over just two days) and in addition to four other dedicated 'open days' we also piloted two evening tours, enabling those usually unable to visit during the day to see the building with the benefit of a knowledgeable staff guide. We aim to repeat this initiative on a number of dates in 2016/17, in light of the positive feedback received.



Above: Lord Carnwath chaired a public lecture given by Philippe Sands QC in Court One as part of a wider conference organised by King's College London on climate change and the rule of law, September 2015.

Right: Visitors enjoyed looking around the building into the evening on 14 May 2015, when the Court took part in the 'Museums at Night' initiative.

Below: Lord Kerr (centre) welcomed Mr Justice Deeny (right of Lord Kerr) and Mr Justice Horner (second from right side of picture) to the Supreme Court on 12 February 2016, accompanied by Mark Orr QC (third from right) and Michaela Diver (third from left). The delegation were briefed on how the Court increasingly uses information technology in case presentation, such as the use of laptops and display systems in each courtroom.



Section three

Performance Report: Communication and external relations

Right: Laura D'Allesandro and Stephen Gibson of Plymouth University Student Law Society moot in front of Lord Neuberger at the Society's moot final, held at the Court in March 2016.

Below: Lord Neuberger gave a personal tour to a group of students from the University of Westminster, studying law as part of their undergraduate Construction Studies programme, in January 2016. The group included the 500,000th visitor to the Court since it opened in October 2009.



2015-16 has again seen growth in the number of organised groups booking guided tours to see parts of the building not normally open to the public, such as the Library. These tend to be offered on Fridays during term-time and on occasional days during Court recesses.

Additionally, in September we offered a series of free tours during the lunch hour to local workers, mainly targeting government departments in and around Whitehall. This initiative was designed to help better inform civil service stakeholders about the Court's role. These proved extremely popular and were repeated in January 2016 to meet demand: we anticipate doing so again later in 2016.

Educating and inspiring

We welcomed 377 educational groups for visits to the court over the year – a slight increase on the total in 2014/15. The proportion of visits from UK schools and colleges remained stable at almost 90% of the total, and almost 75% of school visits were from the state sector.

The percentage of educational visits from Wales, Scotland and Northern Ireland has again risen, to 9% of the total – a figure we continue to work to increase each year.

This year we have welcomed groups from Sacred Heart Grammar School and Assumption Grammar School, both from County Down, Madras College in Fife, Queensferry Community High School in Edinburgh, Carluke High School and New College from Lanarkshire, the University of Strathclyde, University of St Andrews, the University of Glasgow, Gower College in Swansea, the University of Bangor and University of South Wales.

In addition to regular tours, each month we offer A Level/Higher groups the opportunity to participate in a one-day workshop where students prepare legal arguments on a case previously considered by the UKSC. These 'debate days' are supported by our Judicial Assistants and other volunteer lawyers. The debate is staged in our main courtroom, judged by a group of the students' peers. These days remain extremely popular with both students and teachers, who value the chance to explore the role of appellate courts in a real-life setting.

We offered 14 universities the opportunity to hold the final of their mooting competition in a UKSC courtroom, judged by a Justice. The universities were selected based on published criteria, which gave priority to those institutions which had not taken advantage of such an opportunity here before. This year five of the 14 institutions selected for the mooting programme were from Scotland, Wales and Northern Ireland – the highest proportion of universities from outside of England since the programme began. Students report finding this experience immensely rewarding – if at times a little nerve-wracking – and we are pleased to be able to welcome parents and other supporters, who might not otherwise have ever visited us.

We have continued our support for the Big Voice London project, a student-led initiative working with sixth formers drawn from across the capital to explore advocacy and law reform. Other educational projects included supporting the second 'Magna Carta Constitutional Convention' held in April 2015 and led by Egham Museum, where 75 students mainly drawn from the

South East of England debated the clauses they would include in a modern-day charter of rights. A display panel describing the day was produced for the exhibition area. Additionally, in June 2015, a special Magna Carta moot was held by Strode's College, Egham, involving four students who had won an internal moot competition for the chance to debate in front of Lord Neuberger. Strode's College is the educational institution whose students entertained guests during the Royal Opening event in October 2009.

Reaching new audiences through special events

We have also taken opportunities to make available the UKSC's facilities for events which support the promotion of the rule of law, including our annual hosting (in October) of the High Sheriff of London's award ceremony for members of the public credited by trial judges with assisting the detection or apprehension of criminals. We have also supported events run by the Association of London Welsh Lawyers, the Lord Edmund-Davies Legal Education Trust, the Hindu Lawyers Association and the educational charity Classics for All.

In September, during the legal recess, the Court hosted a public lecture by Philippe Sands QC as part of a wider conference on climate change and the rule of law organised by the Dickson Poon School of Law at King's College London, with the support of HM Government, the Journal of Environmental Law, the Asian Development Bank and the United Nations Environment Programme. The aspect of the event held at the Court was chaired by Lord Carnwath, and was live streamed via the UKSC website to hundreds of viewers worldwide.

In May 2015 we again took part in the 'Museums at Night' festival, offering 320 ticket holders a programme of illustrated talks and theatre giving insights into the work of the Court. Furniture designer Luke Hughes spoke about his team's contribution to the building refurbishment, art conservator Jim Dimond reflected on his restoration of some of the portraits in the Middlesex Guildhall Art Collection, students from Inner Temple Drama Society performed a sketch taking inspiration from '12 Angry Men', and a jazz duo played in our pop-up cocktail bar. In addition to the positive feedback received from ticket holders, our participation in the programme also led to coverage in a number of listings magazines and websites.

Using art to educate

During 2015-16, work continued on the formation of an independent UKSC/JCPC Arts Trust to develop the Courts' use of art to promote visually a greater understanding of the development of justice and the rule of law within the context of the UK's and the Commonwealth's legal systems. In March 2016 the Trust was formally brought into being as a Charitable Incorporated Organisation, with five independent Trustees. They are Sir Anthony Salz (Executive Vice Chairman, NM Rothschild) as Chair, Dinah Casson (Casson Mann), Sir Christopher Frayling (former Chair of the Arts Council, England), Elsie Owusu (formerly of Feilden and Mawson, the conservation architects who were responsible for the refurbishment of the UKSC building between 2006 and 2009) and Sharon Witherspoon (formerly of the Nuffield Foundation). The Trustees have met on four occasions over the year.

The Trust now has the ability to acquire (and if appropriate dispose of), maintain and manage works of art for the UKSC's collection, similarly to accept or decline gifts of appropriate works of art, as well as to commission appropriate new works of art. It will seek to raise and hold funds to be used for these purposes. It is envisaged that the Trust will begin to take on much of the co-ordination of occasional exhibitions at the Court, once it has raised sufficient funds and attracted additional curatorial support.

Working with the media

The communications team works proactively to support accurate coverage of the Court's decisions and wider work, primarily through communicating judgments in a timely and accessible manner. We continue to develop positive working relationships with journalists and bloggers interested in our work, in an evolving media landscape.

We have continued to issue press summaries for every UKSC judgment (and JCPC judgments of particular significance), a list of highlights of each term's forthcoming hearings and determinations of permission to appeal applications likely to be of news value.

Over the year, a number of cases attracted particularly extensive media attention:

- R (on the application of Evans) and another v Attorney General, on whether a statute gave ministers final veto preventing the publication of the Prince of Wales' letters to their predecessors;
- R v Jogee and The Queen v Ruddock (Jamaica), on reliance on the 'foresight test' in joint enterprise convictions;

- Sharland v Sharland and Gohil v Gohil, relating to non-disclosure during divorce proceedings;
- James Rhodes v OPO, on whether a biographical account of child abuse should be prohibited from publication to protect the child of the abused man;
- A reference to the JCPC in the case of the Baronetcy of Pringle of Stichill, revolving around the admissibility of DNA evidence in determining the legitimate successor to hereditary titles.

We have continued to routinely issue the texts of lectures delivered by Justices at external events, and helped organise a number of profile interviews with different media outlets over the course of the year. We focused attention on promoting the Magna Carta anniversary activity with which the Court was involved (see pages 49-51) and, separately, the launch of the video archive of UKSC and JCPC proceedings.

We were also pleased to accept an invitation to provide a brief article from Lord Neuberger about cameras in courts to feature as the lead story in the inaugural issue of 'The Brief', a daily e-newsletter from The Times aimed at the legal sector launched in October 2015.

A user-focused online presence

The number of visitors to our websites has grown considerably over the year, and we are now regularly welcoming over 50,000 users to the UKSC website over the course of a month. Approximately 75% of total traffic over the year was from devices registered in the UK, and, in common with all other organisations, we are seeing significant growth in the proportion of traffic from tablets and mobile devices.

We invest considerable effort in ensuring our websites remain as up-to-date as possible, and that new developments are readily accessible from mobile devices. A prime example was the launch in May 2015 of an 'on demand' video archive of UKSC and JCPC proceedings, to complement the live streaming service launched in October 2014. This facility allows users to watch footage of court proceedings at their convenience, for up to one year after the relevant hearing. The service has proved popular, with approximately 10,000 case videos accessed in an average month by users, and we intend to continue operation for as long as this remains economically viable (pending review of our broadcasting services contract in the autumn of 2017). We have also continued to upload footage of the lead Justice's judgment summary in each UKSC appeal (and more high-profile JCPC appeals) to our YouTube channel, which can help expose the Court's work to a wider non-specialist audience.

Other enhancements over the year include expanded material promoting the organisation's commercial 'wider market initiatives', and an ongoing trial of publishing links to ICLR daily case summaries of UKSC judgments alongside the Court's own press summary.

The Court's official Twitter profile now has more than 190,000 followers, providing legal professionals, students and others with real-time alerts on judgments and other Court news. We continue to operate this account in accordance with our published policy.

Maintaining links with Middlesex

We value greatly the historical relationship the building enjoys with the county of Middlesex and we have continued to reflect this heritage in our guided tours and other visitor material.

The Middlesex Guildhall art collection continues to form the majority of the portraiture on display in the building. This is managed by a set of Trustees independently of the Court, who hold their quarterly meetings in the building.

An audio guide to the outside of the building, focusing on the original architecture and the building's original role as the home of Middlesex County Council, has been available from app stores since 2013. This is complemented by a guide to the original stained glass of the building, which is dominated by the coats of arms of prominent individuals in Middlesex's civic life down the centuries.

The annual Middlesex Regimental Association Service of Remembrance was held in the building on 7 November. The ceremony, which focused on the continuing centenary of the First World War, was conducted by the Reverend Father Timothy Hutton, Honorary Chaplain to the Middlesex Regimental Association and there were also contributions made by Colonel Rex Cain, President of the Association and Colonel James Coote, Acting Colonel of the Princess of Wales' Royal Regiment. Lord Reed laid a wreath on behalf of the Supreme Court and Mark Ormerod read a lesson.

Marking 800 years of Magna Carta

The 800th anniversary of the sealing of Magna Carta at Runnymede provided a particular focus for a number of education and outreach projects over the course of 2015. A facsimile of the iconic document is engraved on to the doors of the Justices' Library, reflecting the centrality of some of the concepts understood to be crystallised in the charter.

Extra-judicial lectures

A number of Justices spoke in some detail on the enduring significance of Magna Carta over the course of the year, including Lord Neuberger at Lincoln's Inn in May and Guildford Cathedral in June, Lady Hale giving the US Supreme Court Historical Society's Annual Lecture in Washington D.C. in June and a separate lecture at Gray's Inn in October, and Lord Sumption at the Friends of the British Library AGM in March and at the Franco-British Council Conference in June. All of these speeches are available on the UKSC website.

Chartered Voyage: the impact of Magna Carta

The Supreme Court's primary contribution to the anniversary was a special exhibition held during the summer recess, made possible by financial support from the Magna Carta 800th Anniversary Committee. The exhibition explored the legal impact of Magna Carta in 1215 and beyond, focusing particularly on UK jurisdictions.

The exhibition's richly illustrated panels explained how the legal significance of Magna Carta developed over time and was used by the courts to protect fundamental freedoms, as well as to inspire emerging nations to place the rule of law at the heart of their written constitutions.

The exhibition was opened formally by HRH The Duke of Kent and HRH Princess Alexandra at the end of July 2015.

The centrepiece of the exhibition was one of the later reissues of Magna Carta, sealed by Edward I in 1300, on loan by kind permission of the Dean and Chapter of Westminster.

HRH Princess Alexandra signs the Court's visitor book, watched by Lady Hale and Jenny Rowe



Alongside the copy of an original Magna Carta, visitors could see a rare copy of the first unabridged English language edition of the charter. George Ferrers' translation, first published in 1534, was corrected and reprinted in 1542, and a copy of that publication was generously lent to the Court by the library of the Faculty of Advocates in Edinburgh.

Activities for younger visitors were available, along with an animated film produced by the Guy Fox History Project, to encourage children to engage with the exhibition material.

Approximately 20,000 people visited the Court while the exhibition was on display. Feedback surveys suggested that 95% thought the exhibition was 'Excellent' or 'Good' and eight out of ten visitors also felt more informed about the Supreme Court's work after visiting the exhibition. Around one third of visitors were from the UK, one third from the rest of Europe and the final third from elsewhere.

School debate days

The Court also hosted a series of Debate Days during September 2015 to run alongside the exhibition. Four sessions were arranged for classes of Year 12/13 students studying law and/or politics, including groups from Bury St Edmunds and Southend-on-Sea.

During the course of these days, students learnt about the history of Magna Carta by spending time in the exhibition and have the chance to debate a legal case centred on principles associated with the document. Students also had the opportunity to meet lawyers and learn more about life in the profession.

Contemporary exemplification of the Charter

Another permanent legacy of the year is the commissioning of a hand-illustrated exemplification of Magna Carta, in English, using authentic materials such as vellum and natural inks. This stunning document, laboriously crafted over six sheets to include the coats of arms of each of the barons party to the 1215 treaty, was commissioned by the Crown Office, with additional financial support from the City of London, the Ministry of Justice, and the Supreme Court.

It is now on display in the Supreme Court's permanent exhibition space, and souvenir reproductions can be purchased from our café.

Mock trial of the Magna Carta barons

On 31 July, 800 people witnessed a mock trial where three judges – Lord Neuberger, Justice Stephen Breyer of the US Supreme Court, and Dame Sian Elias, Chief Justice of New Zealand – heard submissions from two senior barristers on whether King John's actions in the run-up to 1215 justified the terms the barons forced him



to agree in the form of Magna Carta, and the extent to which rebellion against the King can ever be acceptable in the eyes of the law.

The event was organised by the Magna Carta 800th Anniversary Committee, in conjunction with the Supreme Court. With the kind permission of the Lord Great Chamberlain, the Lord Speaker and Mr Speaker, the mock trial was staged in the majestic surroundings of Westminster Hall, for centuries the home of England's highest law courts.

The presenter, comedy writer and former barrister Clive Anderson played King John, while historic witnesses included the then Archbishop of Canterbury, Stephen Langton (played by Lord Lisvane), intermediary William Marshal (played by Lord Judge), and Baron FitzWalter (played by Professor David Carpenter). James Eadie QC acted for the prosecution and Nathalie Lieven QC for the defence.

Lord Neuberger, Justice Breyer and Dame Sian unanimously found the barons not guilty. Commenting on their acquittal, Sir Robert

Worcester, Chairman of the Anniversary Committee, said: "This decision was far from inevitable, but just goes to show how the bravery and determination of those barons 800 years ago rings down the centuries as a justified act of rebellion. Those of us living today in democracies which take the rule of law seriously are reaping the benefits of the barons' bold demonstration against King John."

Magna Carta Reflections: photography exhibition

During the Michaelmas term, a temporary exhibition of photographic portraiture by Michael Waller-Bridge was held in the Lobby. This comprised striking black and white images of twelve figures drawn from across the legal profession. Each sitter offered an insight into the enduring relevance of Magna Carta in their working lives through a personal statement of around 300 words presented alongside their portrait. The exhibition offered a glimpse of how the fundamental principles associated with Magna Carta influence those working in the law, from former Attorney Generals to high street solicitors.



Left: Mock trial judges (left to right) Justice Stephen Breyer, Lord Neuberger and Dame Sian Elias consider evidence being given by King John, played by Clive Anderson

Above: Lord Neuberger shows HRH The Duke of Kent one of the exhibition panels in the Supreme Court Lobby

Above right: Lord Neuberger joins mooters from Strode's College at the end of their Magna Carta-inspired debate

Section
four

Performance Report:
International Relations



We have continued to experience a good deal of international interest in the UKSC – amongst judges, lawyers, administrators and other observers throughout the year. This is in addition to the long established interest of many countries in the role of the JCPC.

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

- Links with the 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 French Conseil d’Etat and the Bundesverfassungsgericht, the German Constitutional Court, with both of which we have regular judicial exchanges.
- Relationships with other European courts, such as the Italian Council of State and the Supreme Court of Ireland.
- Relationships with Common Law countries such as Australia, New Zealand, Canada 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.

These visits, and the relationships which develop as a result, have a number of benefits. For the Justices there are opportunities to exchange views on how different courts have approached legal issues, the format of judgments, relationships with the executive and the legislature; and specifically discussions with other European Judges about the interpretation and implementation of CJEU and ECHR jurisprudence.

In pursuance of these goals, in addition to the visits listed below, we have also hosted visits for a number of judges and officials over the year. These include President Koen Lenaerts and Judge Christopher Vajda of the Court of Justice of the EU; the Chief Justice of Peru; the Chief Justice and other Justices of the Supreme Court of Columbia; and delegations of senior judges from Bahrain, Brasil, Oman, Nigeria and Kenya.

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 participated in two judicial exchange schemes run by the Network of Presidents of Supreme Courts of the European Union. Under this scheme we hosted Judge Milagraos Calvo Ibarlucea from the Supreme Court of Spain during October 2015 and Judge Charalambos Macheras from the Supreme Court of Greece in December 2015.

Justices' International Links

Lord Neuberger has continued the practice of authorising up to two Justices to sit as non-permanent judges on the Court of Final Appeal in Hong Kong for up to a month each. Lord Neuberger himself undertook this role in September 2015, when he attended the opening of the Court's new home in the former Legislative Council Building. The cost of these sittings are met by the Hong Kong authorities.

A delegation of judges from the Republic of Korea visited in June 2015, led by the Chief Justice of the Supreme Court of the Republic of Korea, H.E. Sungtae Yang. The visiting delegation were particularly interested in the jurisdiction of the UKSC and its procedures for considering applications for permission to appeal. Lord Neuberger led the host delegation alongside Lady Hale and Lord Carnwath.

In September 2015 we held the inbound leg of the UK-US Legal Exchange, which takes place roughly every five years. The exchange was led by Lord Mance alongside Lord Reed and members of the judiciaries and bars of England & Wales, Scotland and Northern Ireland. Topics discussed included access to justice, federalism, and international law and terrorism. The second leg will be held in September 2016 in Washington and Philadelphia.

The Second UK-China Judicial Roundtable took place in October, when we welcomed a delegation led by Vice President Jing Hanchao. Lord Toulson led the UK delegation for discussions on judicial transparency and how both traditional and social media cover court proceedings, especially in the context

of criminal trials. The roundtable is a core component of a more strategic approach to judicial engagement with China, which is being overseen by Lord Hodge on behalf of all of the judiciaries of the UK. A third roundtable is scheduled for May 2016.

Lord Neuberger, Lady Hale, Lord Mance and Lord Kerr joined a delegation alongside senior judges from each part of the UK for the Irish Bilateral Conference in Dublin in February 2016. The conference discussed topics including European Arrest Warrants.

In March 2016, at the invitation of Daw Aung San Suu Kyi, Lord Hodge led a delegation to Burma representing the UKSC, the Judicial Appointments Commission of England and Wales and the Association of Women Judges. The delegation visited a number of dignitaries and officials, who were keen to gather examples of good practice in supporting the rule of law.

Visits by individual Justices

Lord Neuberger gave a speech at the Singapore Academy of Law in September 2015. He also took part in the Network of Presidents' Conference in Dublin when visiting Ireland for the Irish Bilateral Conference in February 2016.

Lady Hale gave a lecture at Renmin University, Beijing, in April 2015; she also spoke on 'Magna Carta: Our Shared Heritage' to the Supreme Court Historical Society in Washington DC. In September 2015, she gave the Caldwell lecture at the University of Melbourne and attended the Commonwealth Magistrates and Judges Association conference in Wellington, New Zealand. She is UK delegate to the Working



Above: The joint delegations of the US and UK legal exchange pictured in Court Two, with respective Supreme Court Justices pictured towards the centre, September 2015

Right: Lady Hale delivers a lecture on Magna Carta in the US Supreme Court Chamber, September 2015.

Below: Lord Hodge and Daw Aung San Suu Kyi pictured during the former's visit to Burma in March 2016



Section four

Performance Report: International Relations



Left: Jing Hanchao, Vice-President of the Supreme People's Court of the Republic of China, presents Lord Neuberger with a silk scroll during the Second UK-China Judicial Roundtable, October 2015

Below: Lord Hodge (second from left) with Prof Jacques du Plessis, Prof Juanita Pienaar and Prof Geo Quinot of Stellenbosch University in South Africa, where Lord Hodge gave the annual Morti Malherbe Memorial Lecture in April 2015



Group on Article 13(1)(b) of the 1980 Child Abduction Convention set up by the Hague Conference on Private International Law, which met in The Hague in January 2016.

Lord Mance attended the European Law Institute Senate Meeting in Vienna in April 2015. He gave a lecture at the Association International de Droit des Assurances in Copenhagen in June as well as a speech in Luxembourg to mark M Vassilos Skouri's Presidency of the European Court of Justice. In the same month Lord Mance attended the Max-Planck Advisory Committee Meeting in Hamburg, and attended the Königswinter Conference in Berlin. He gave a speech on arbitration in Singapore and attended the inaugural meeting of the Singapore branch of the International Law Association in September 2015 and in February 2016, he judged a moot and spoke at a roundtable at Pepperdine University, California.

Lord Sumption spoke at the Conseil d'Etat in Paris in November 2015 as part of a series of conferences devoted to comparative law and the territoriality of the law. He also attended the Opening of the Legal Year of the European Court of Human Rights on behalf of the UKSC in January 2016.

Lord Reed gave a lecture in Brussels in March 2016, at the Belgian Royal Academy for Science and Arts, which formed part of a conference on Constitutional Law. He took part in an international conference on constitutional law at Yale Law School in September 2015. He was a member of the selection panel for the UK Judge on the European Court of Human Rights.

Lord Carnwath attended the UNEP International Advisory Council for Environmental Justice in New York in May 2015, and in the same month attended the ACA Europe conference held in the building of the Supreme Administrative Court of the Czech Republic in Brno. In October 2015 he took part in the EU Forum for Judges for the Environment in Italy. In November, he participated in a conference on the Adjudication of Environmental Disputes in Chile, and in the same month attended the Fourth South Asia Judicial Roundtable of Environmental Justice in Nepal. He took part in judicial events related to the United Nations Climate Change Conference in Paris in December 2015. Lord Carnwath also attended the South Asia Workshop on Compliance and Enforcement of Multilateral Environmental Agreements in New Delhi in March 2016.

Lord Hodge gave two lectures in South Africa in April 2015, the first at Cape Town University and the second at Stellenbosch University, given as the annual Mortimer Malherbe Memorial Lecture. In November 2015, he attended the 'ACA Europe' conference on public procurement in Helsinki.

Costs

As a general rule, all international travel and accommodation costs were paid for by the host country or institution. The net cost to the UKSC of international travel for Justices was approximately £3,000, significantly less than in recent years. This is largely due to the fact that it happened to be the UK's turn to host the major exchanges mentioned earlier in this chapter.

Section
five

Performance Report:
Corporate Services



The core work of the UKSC and JCPC is underpinned by a number of professional support functions which help ensure the independence of the Justices and which provide tailor-made services to ensure the Court operates efficiently.

Our People

Managing a committed team

On 31 March 2016 there were 46 UKSC and JCPC employees (44 full-time equivalents) paid by UKSC. This figure represents 39 permanent staff, and 7 fixed term Judicial Assistants. Approximately 45 further staff are employed through services provided under contracts. These contracts cover broadcasting, security, building maintenance, catering and cleaning.

Employees are on UKSC terms and conditions of service with pension benefits provided through the Civil Service pension arrangements and administered by MyCSP Liverpool.

The complete range of HR services is provided by our in-house team and this includes a contract for payroll services with Liberata UK.

We monitor and manage sick absence for staff and this year had an average absence rate of less than 2 days per member of staff. This is well below both the Civil Service target of less than 7.5 days and the private sector average of 6.4 days per employee, and might reasonably be interpreted as suggesting that staff consider the Court to be a positive working environment. Sick absence and turnover are monitored by the Management Board on a monthly basis and there have been no concerning trends to note during the year.

We recruited a new Chief Executive who started in September 2015, replacing Jenny Rowe following her retirement. One member of staff accepted a secondment opportunity to the Royal Courts of Justice which gave an opportunity for a transfer from the Court of Protection for a Registry Support Officer. We have reviewed business areas and offered internal promotion opportunities where these have been 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 Judicial Assistant (JA) recruitment campaign was launched in January 2016 to recruit seven barristers, solicitors or advocates to work on fixed term contracts from September 2016 to July 2017. The JAs support the Justices by carrying out research in connection with appeals and summarising applications for permission to appeal. This year we focused on attracting lawyers from across the UK jurisdictions, and worked to promote the opportunity through the Scottish Young Lawyers Association, the Law Society of Northern Ireland and the Association of London Welsh Lawyers. We also used social media to help promote the opportunity, providing material for legal blogs and running a 'Day in the Life' Twitter feed. We continue to seek innovative ways to promote this annual opportunity across the UK jurisdictions and attract a diverse pool of candidates each year.

Creating a great place to work

To measure our staff engagement the annual staff survey was conducted in October 2015. As in previous years, we again received an excellent response, achieving a 97% completion rate. The results gave an increase to our overall employee engagement score, up from 77% to 83%. There were very positive responses with almost everyone indicating that they understood the overall objectives of the Court and how individual roles fitted with the wider Business Plan. Staff also indicated that they have the necessary skills and knowledge to do their job well and care about the future of the Court.

The established 'Results into Action' team has been considering the results of the 2015 staff survey and working on identifying opportunities to bring different sections of the Court together. There have been various new initiatives that have proved very successful, such as the 'Can't Sing Choir' and a block of lunchtime pilates classes run in conjunction with the Civil Service Sports Club. We have also continued the UKSC Book Club and hold weekly five-a-side football training at a local youth club. Staff have again given generously of their time and talents to raise money for charity, including taking part in the London Legal Walk last May and the Great Legal Bake in February, both in aid of free legal advice centres.



Left: Judicial Assistants Admas Habteslasie and Jessica Jones discuss their research work in the Supreme Court Library. We recruit seven Judicial Assistants each year to support the Justices, and continually seek to promote the opportunity to lawyers across the UK

Above: Staff and Justices prepare to embark on the London Legal Walk in aid of legal advice centres, 18 May 2015. 'Team Supreme' raised over £2,500, as one of a number of charity endeavours over the course of the year which also help encourage team working

We have continued to use our intranet to communicate key information to staff, including the monthly 'People Matters' update which helps inform of any changes within the organisation. The very positive staff survey results were added to the intranet in December and in January summarised in a short video featuring nearly half the workforce and some of our contractors. The results help inform the Management Board and the 'Results into Action' team as to future activities and ensure that progress with the action plan will be measured through the next staff survey responses when the exercise is repeated in October 2016.

We have continued to invest in the development of staff and encourage each member of staff to have a training plan linked to their objectives and the required competencies. This assists in individual development and also future succession planning for the Court. Development activities in 2015-16 included a range of different training activities from Understanding Risk Management to Essential Diplomatic Protocol. Staff have continued to use the Civil Service Learning site and we support a variety of different development opportunities from mentoring to improving and updating knowledge.

We employ professional leads in a number of specialist areas such as the library, communications, finance, human resources, ICT, 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.

We continue to deliver services that are accessible and meet the needs of all court users and members of the public, including tactile tours and the use of portable hearing loops.

Some of the further actions we have taken to achieve this include:

- Training staff on diversity and equality issues to increase awareness and encourage respect for individual differences.
- Compulsory training for all managers on Unconscious Bias; and separate training on the same topic offered through the Judicial College for the Justices.
- Ensuring that our website conforms to all recommended accessibility requirements.
- Maintaining physical accessibility across the building and responding positively to any comments or suggestions for improvements.
- Pro-actively encouraging tours and visits from all sections of society.
- Actively encouraging diversity in all recruitment campaigns while continuing to appoint on the basis of merit.
- Ensuring our shared values are promoted and reflect that all staff, court users, and visitors should be treated with respect at all times.

Our information and resources, and how we manage them

Information Assurance, Freedom of Information and Data Protection

The Court holds an array of information, including case papers and financial and administrative records. Information assurance policies and procedures were followed throughout the year so that the information entrusted to the Court, or generated by it, was properly used, managed and protected.

All staff have personal responsibility for making sure they are aware of and understand the Court's information risk-related policies and procedures and handle information accordingly. All new staff complete the Civil Service Learning e-learning package 'Protecting Information' shortly after their appointment, with refresher assessments taking place annually. This year refresher assessments were completed in April.

The annual Departmental Security Health Check identified no significant weaknesses in the systems we follow for handling our information. There were no recorded breaches concerning protected personal data reported either to the Information Commissioner or recorded centrally in the Court.

Over 70 Freedom of Information (FOI) requests were received in addition to the many general enquiries which the Court receives daily about its work, rules and procedures and public access arrangements. This was more than double the number of requests received in the previous year. All but two of the FOI requests were handled within their respective statutory deadlines. The FOI requests generated three requests for internal review and no complaints to the Information Commissioner.

Using information technology to create a more efficient court

Since January 2014 the UKSC/JCPC has been using its own IT network, having moved from one provided by the Ministry of Justice. The IT arrangements include new hardware and enhanced software provision based around Microsoft Office 365, including a new Case Management System. Data hosting was also moved to a combination of on-site server and cloud storage. This arrangement has provided an IT system which better meets the needs of the Court and over which the organisation has more direct control.

The improved IT provision has resulted in an increase in the use of IT by the Justices, both in court and while out of the building, and better supports staff with flexible working patterns. Improved Wi-Fi provision has also enabled parties to make better use of IT during hearings.

Further development of the IT is continuing. The Court has established its own off-site secure back up facility, which went live in March 2016. This will improve the resilience of the system and reduce annual running costs. The in-house IT team are developing a video-link facility which can be used in appropriate cases where parties may not have easy access to the building.

Work has also commenced on establishing an e-filing system which will make it possible for parties to submit applications, pay fees and file papers online.

The Case Management System, which is based on Dynamics CRM, is being expanded to log and manage FOI requests and other general correspondence.

Providing an effective library service

The Library has continued to support the information and research needs of the Court by providing the Justices, Judicial Assistants (JAs), and court staff with relevant publications and electronic databases, as well as current information on legal topics.

The Library manages a collection of print textbooks, law reports, journals, and legislation. The textbook collection has been much improved and expanded since 2009 and now comprises some 3,000 books, more than double the number inherited from the House of Lords. The Library has continued to keep the collection up-to-date and relevant by identifying and acquiring key works published during the year, and by deepening certain areas of the collection – this year trust law and property law in particular. As far as the collection of law reports and journals is concerned, we have continued to fill gaps by purchasing volumes or receiving donations from other libraries.

Of increasing importance is the use of electronic resources. The Library has therefore continued to provide the Justices and JAs with access to a number of online subscription databases, and organised training sessions and produced supplementary material to guide their effective use.

In order to alert colleagues to useful information, the Library has continued to develop a number of ‘current awareness’ services, including a monthly internal newsletter listing journal articles, books, and judgments; the distribution of contents pages of certain journals and textbooks; and monitoring new legislation passed by the UK Parliament and the devolved assemblies.

The Library has also continued to engage actively with the wider law library community. The Court’s Librarian, Christine Younger, represented the Library at the annual conference of the British & Irish Law Librarians Association (BIALL) in Brighton; she has also been a leading member of the Government Law Librarians Forum (GLLF) and has been driving its project to map serial holdings in government law libraries. The Library has continued to develop and maintain contacts with law libraries in both the UK and overseas, and has received visits from a number of law librarians throughout the year.

Christine retires in April 2016 having worked at the Court for seven years, and having set up the Supreme Court Library in 2009. A new Librarian, Paul Sandles, has been appointed and is due to take over in May 2016.

Our building, your building

Health and Safety

Like all employers, the UKSC has a legal duty to ensure the health, safety and welfare of employees. Our commitment goes further than this. In our health and safety policy we commit the Court to set and maintain exemplary standards of health and safety performance. The Management Board model their monitoring of standards in health and safety by reference to the IoD/HSE publication, Leadership Actions for Directors and Board Members.

In addition to our health and safety policy, we have maintained the practice that Justices and staff are given, upon appointment, a formal briefing on health and safety at the Court. Contractors engaged by the Court, or on behalf of the Court, continue to have

to sign up to an induction booklet of safety procedures developed in collaboration with an independent adviser on health and safety, before commencing any maintenance work or building projects.

Every health and safety incident, including any 'near miss', is recorded and investigated, and any action considered necessary is taken to avoid a recurrence.

The intention throughout is to have a comprehensive health and safety management system, which engages Justices, staff and visitors and encourages them to observe sensible and proportionate precautions.

The Health and Safety Committee, which includes members co-opted from the Court's facilities management contractors, continued to monitor health and safety performance against measures set in a Health and Safety Corporate Plan (adopted originally in 2011–12 and updated for 2015–16), and has adopted an annual cycle of monitoring including annual reviews of the risk assessments and biennial reviews of the Health and Safety Policy. The Head of Accommodation, who is the Health and Safety Competent Person, also reports regularly to the Management Board on health and safety.

Building a sustainable court

An updated Display Energy Certificate was commissioned over the course of the year, which showed an energy efficiency rating of 'D' (our score was 92 for a second successive year: 100 would be the expected score for this type of building and a score of less than 100 indicates a better than average performance).

Maintaining our accommodation

The building's Grade II* Listed status means that its architectural and historic fabric is protected and alterations, either outside or inside, are carefully scrutinised. Work, which will continue into 2016/17, was started at the end of the year on improvements to the lighting in the courtrooms where illumination levels were less than optimum.

The facilities management services of security guarding, building maintenance and cleaning are all outsourced; and the performance of each contractor has been satisfactory.

Dealing with complaints

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 Court 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 by the Court, they can refer it via a Member of Parliament to the Parliamentary and Health Service Ombudsman (PHSO). No complaints received in the 2015-16 reporting year were subsequently referred to the PHSO.



We continue to invest in maintaining the Supreme Court building, the design of which enhances the historic Middlesex Guildhall with modern touches such as two lightwells formed by the former courtyard spaces

Section
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Performance Report:
Management
Commentary



Financial Position and Results for the Year Ended 31 March 2016

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 UK Supreme Court on 1 October 2009. These were Property, Plant & 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 UK Supreme Court 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 £4.5m (2014/15, £4.5m)
- Justices & Staff costs of £6.0m (2014/15, £5.8m)
- Other Administration Costs of £0.2m (2014/15, £0.2m)
- Other Programme Costs of £6.3m (2014/15, £6.4m)
- Operating Income of £8.0m (2014/15, £8.0m)

The Court employed an average 46 (Full Time Equivalent) staff during the year ended 31 March 2016 (2014/15, 46 FTE). There were also 12 Justices (2014/15, 12 Justices) who served during the same period.

Accommodation costs and Finance Lease costs account for about 70% of non-pay costs (2014/15, 70%). Depreciation charges, Library, Repairs & Maintenance and Broadcasting costs were responsible for the majority of other non pay costs.

The Court had operating income of £7.97m which was used to support the administration of justice. Out of this, £6.63m was received by way of contribution from the various jurisdictions i.e. £5.92m from HMCTS, £0.48m from the Scottish Government and £0.24m from Northern Ireland Court Service.

UKSC Court fees during the year were £0.94m whilst £0.30m was generated as Court fees for JCPC. The court also had income of about £0.10m 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 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 Supreme Court 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 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 2016, the UK Supreme Court met all of its control totals. At £4.53m the net resource outturn was £1.27m less than the 2015-16 Estimate of £5.81m. £1m of this reported variance was due to non-utilization of £1m AME provision for diminution in the value of the building.

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

Statement of Cash Flows

The Statement of Cash Flow provides information on how the UK Supreme Court 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 £3.66m.

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	2015-2016
	£'000
Net Resource Outturn (Estimates)	1,634
Adjustments to additionally include:	
Non-voted expenditure in the OCS	2,906
Net Operating Cost (Accounts)	4,540
Adjustments to additionally include:	
Resource consumption of non-departmental public bodies	0
Resource Budget Outturn (Budget) Of which	4,540
Departmental Expenditure Limits (DEL)	4,540
Annually Managed Expenditure (AME)	0

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 2015-16 was 1.7 days (2014-15, 2.2 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 page 76 of the Governance Statement.

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.

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 Courts to pay suppliers within 10 working days, the UK Supreme Court achieved 89% prompt payment of invoices within 10 working days. The average payment day of invoices from suppliers during the year was 6.5 days.

Auditors

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

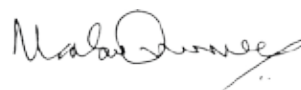
The audit of the financial statements for 2015-16, resulted in an audit fee of £35K. This fee is included in non-staff programme costs, as disclosed in Note 3 to these accounts. The C&AG did not provide any non-audit services during the year.

Other Elements of the Management Commentary

Information on the Management Board and committees, information assurance, data protection and sustainability is contained in the Corporate services section 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
Accounting Officer
27 June 2016

Section Accountability Report
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Statement of Accounting Officer's Responsibilities

1. Under the Government Resources and Accounts Act 2000, the Supreme Court of the United Kingdom (the Department) is required to prepare resource accounts for each financial year detailing the resources acquired, held or disposed of during the year and the use of resources by the Department during the year. The 2015-16 accounts are to be prepared in the form and on the basis set out in the Accounts Direction given by the Treasury dated 18 December 2015.
2. The resource accounts are prepared on an accrual basis and must give a true and fair view of the state of affairs of the Department, and of its the net resource outturn, resources applied to objectives, changes in taxpayers equity, and cash flows for the financial year.
3. HM Treasury has appointed the Chief Executive as Accounting Officer of the Department with overall responsibility for preparing the Department's accounts and for transmitting them to the Comptroller and Auditor General.
4. In preparing the accounts, the Accounting Officer is required to comply with the Financial Reporting Manual (FRoM) prepared by HM Treasury, and in particular to:
 - a. observe the accounts direction issued by Her Majesty's Treasury including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
 - b. make judgement and estimates on a reasonable basis;
 - c. state whether applicable accounting standards, as set out in the FRoM, have been followed, and disclose and explain any material departures in the accounts; and
 - d. prepare the accounts on a going-concern basis.
5. The responsibilities of an Accounting Officer (including responsibility for the propriety and regularity of the public finances for which the accounting officer is answerable, for keeping proper records and for safeguarding the Department's assets) are set out in the Accounting Officers Memorandum issued by HM Treasury and published in Managing Public Money.

Governance Statement

Introduction

The UKSC is an independent non-Ministerial Court established by the Constitutional Reform Act 2005 which came into existence on 1 October 2009. The role of the Court is to determine arguable points of law of general public importance arising from civil cases throughout the United Kingdom; and from criminal cases in England and Wales and Northern Ireland. The Court also hears cases to determine issues relating to the legislative competence of the devolved administrations, Parliaments and Assemblies.

The UKSC administration assumed responsibility for the administration of the Judicial Committee of the Privy Council (JCPC) on 1 April 2011. The JCPC hears appeals from a number of Commonwealth countries, Crown Dependencies and British Overseas Territories.

As an independent non-Ministerial Government Court, the UKSC's governance structure differs from that of a conventional Ministerial Government Court, although it still complies with all the requirements of the Corporate Governance Code, where relevant.

Scope of responsibility

I became the Chief Executive of UK Supreme Court with effect from 1 September 2015 and was appointed Accounting Officer by HM Treasury with effect from the same date in accordance with section 5, subsection (6) of the Government Resources and Accounts Act 2000. I am responsible for the non-judicial functions of the Court which have all been delegated to me by the President, in accordance with the Constitutional Reform Act 2005, section 48 (3).

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the delivery of the UKSC's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

The governance framework of the organisation

The UKSC has a robust governance framework, appropriate for an organisation of its size. More details about this can be found in Section one of the annual report.

In the course of the reporting period, a new board – the Strategic Advisory Board – was established and there were also a number of personnel changes in both the Management Board and Audit and Risk Assurance Committee.

The key elements of the Court's governance framework in place are:

Management Board

The Management Board supports me in delivering the Court's strategic objectives and in ensuring effective corporate governance of the court.

- The Management Board is chaired by me and comprises two Non-Executive Directors & all Heads of Division.
- Jenny Rowe, the former Chief Executive, and Alex Jablonowski, one of the Non-Executive Directors, retired on 2 October and 31 July 2015 respectively.
- Stephen Barrett joined the board as a Non-Executive Director from 1 July 2015.
- The Board used to meet monthly but since the creation of the Strategic Advisory Board in January 2016 now meets bi-monthly. It considers as standing agenda items:
 - Dashboard report of key performance indicators
 - Risk Register
 - Finance and fees incorporating financial performance reports
 - Media and communications update
 - Human Resources update
 - Parliamentary Questions and Freedom of Information requests; and
 - Case Update (on appeals before the UKSC/JCPC)
- Minutes of the Management Board meetings are posted on the website and made available to staff on the intranet.
- The attendance records of individual board members are as detailed below

Management Board	Maximum number of meetings possible to attend	Number of meetings attended
Mark Ormerod Chief Executive (from 1 September 2015)	6	6
Jenny Rowe Chief Executive (until 2 October 2015)	4	4
William Arnold Director of Corporate Services	10	10
Louise Di Mambro Registrar	10	10
Olufemi Oguntunde Director of Finance	10	10
Martin Thompson Head of Accommodation/Health and Safety Manager	10	9
Ben Wilson Head of Communications	10	10
Paul Brigland Head of ICT and Records Manager	10	10
Chris Maile Head of Human Resources	10	10
Alex Jablonowski Non-Executive Director (until 31 July 2015)	4	4
Ken Ludlam Non-Executive Director	10	10
Stephen Barrett Non Executive Director (from 1 July 2015)	7	5

In order to draft this statement, I have considered the various management reports reviewed and debated by the Management Board through the year as well as seeking and making use of various sources of assurances relating to governance, risk and control within the administration.

I have considered the effectiveness of the Board against the NAO's compliance checklist for corporate governance in central government Courts 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

Directors 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.

Board papers are generally distributed in good time, and minutes and matters arising are dealt with at each meeting. The Dashboard report sets out key performance information which comes to the Board monthly. The statistics are challenged where necessary. The Board plays a full part in developing Strategic and Business Plans and exercises a monitoring role throughout the year. All the Board papers presented are reviewed and challenged as appropriate. The quality of the papers and reports meet the objectives of the Board. At least once a year the Board has an “away day” which enables time to be devoted to considering the wider context in which the Court is operating.

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 Courts, insofar as it is relevant to us. 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 means that we do not require a separate Nominations Committee.

Strategic Advisory Board

The Strategic Advisory Board was set up in January 2016 and exists to consider the strategic direction of the UK Supreme Court (UKSC) and the Judicial Committee of the Privy Council (JCPC); and to approve and review the Strategic Framework.

In doing so it will take into consideration:

- information on the current state of the UKSC and JCPC
- the strategic issues facing the UKSC and JCPC
- strengths, weaknesses, opportunities and threats; and
- the financial provision

The Board has no role in directing the judicial functions of the Court.

Similarly, the Board has no role in directing the running of the non-judicial functions of the Court, including the allocation of resources, which remains the responsibility of the Management Board.

The members of the Strategic Advisory Board are:

- The President (Chair)
- The Deputy President
- A Justice (as appointed by the President)
- The Chief Executive
- The Director of Corporate Services
- The Registrar
- The two Non-Executive Directors

At least two Judicial members, two UKSC members and one Non-Executive Director are required to form a quorum. The Board may invite others to attend meetings as required for specific items. It meets three times during the financial year, in June, October and February.

Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee provides assurance that all aspects of the Court’s policies, procedures, internal controls and governance are effective and appropriate to deliver the Court’s statutory responsibilities and strategic objectives. It is also responsible for assuring the Management Board that all aspects of the Court’s risk management policies and procedures are effective and appropriate. It provides an independent challenge to the appropriateness, adequacy and value for money of the Department’s governance, risk management and assurance processes; and offers independent advice to the Accounting Officer

- The Audit and Risk Assurance Committee is constituted in line with HM Treasury’s Audit Committee Handbook, to advise me as Accounting Officer. It is chaired by Ken Ludlam who is one of the Court’s two Non-Executive Directors.
- The Audit and Risk Assurance Committee meets three times a year and includes representatives from Scotland and Northern Ireland.
- It considers regular reports by internal audit, to standards defined in the Public Sector Internal Audit Standards, which include the Head of Internal Audit’s independent opinion on the adequacy and effectiveness of the UKSC’s system of internal control together with recommendations for improvements

- It also reviews the adequacy of management responses to the external auditor's management letter.
- It plays a key role in developing a risk management framework, and in considering the Risk Register. The Chairman of the Audit and Risk Assurance Committee is one of the nominated officers (together with the other Non-Executive Director) for whistle-blowers.
- It reviews and challenges management on the Annual Report and Accounts.

The Chair of the Audit and Risk Assurance Committee has provided the following statement:

"We have an effective Audit and Risk Assurance Committee commensurate with the size and complexity of the Supreme Court. The committee is well supported by management, the secretariat and both internal and external audit. There is a range of skills and experience amongst the committee members which provides valuable insight and review.

The committee is satisfied that there were no significant issues that needed to be drawn to the attention of the Accounting Officer."

The attendance details of the committee members for 2015/16 are as detailed below:

Audit and Risk Assurance Committee		
	Maximum number of meetings possible to attend	Number of meetings attended
Ken Ludlam Chairman & Non-Executive Director	3	3
Stephen Barrett (from 1 July 2015)	2	1
Charles Winstanley Representative from Scotland	3	3
Ronnie Armour Representative from Northern Ireland	3	3
Alex Jablonowski Chairman & Non-Executive Director (Until 31 July 2015)	1	1

The Chief Executive, Director of Corporate Services and Director of Finance are regular attendees of the Audit Committee and they attended all the three meetings held in 2015/16.

Remuneration Committee

The Remuneration Committee is chaired by the Non-Executive Director not chairing the Audit Committee. The Chief Executive and the two Non-Executive Directors are the members of the committee, supported by the Director of Finance and the Head of HR who also attend the Committee's meetings. If for any reason the Chief Executive cannot be present at a meeting, he is replaced by the Director of Corporate Services, although the Chief Executive leaves any meeting without replacement, if and when issues relating to his own remuneration are being discussed.

Meetings are held annually and as and when required, and the terms of reference cover all issues affecting pay and benefits for staff. All policy decisions relating to pay and bonuses for each reporting year are agreed at the committee meeting in June each year for implementation in August, in line with the UKSC Pay and Allowances Policy.

Health and Safety Committee

- The Health and Safety committee facilitates co-operation and co-ordination between management, employees and contractors so as to ensure everyone's health and safety in the court.
- The committee is chaired by the Director of Corporate Services.
- In line with the reduction in the number of Management Board meetings it now meets three (rather than four) times a year and includes representatives of the Trade Unions, and of the Facilities Management, Security Guarding, Cleaning and Catering providers.

Members of the Health and Safety Committee are named in Section Two of the Annual Report.

UKSC Court User Group

The Court User Group is a standing body which provides a forum for practitioners and staff to review the operation of the Court and to make recommendations for changes to the Court's procedure and practice. More details are in Section Three (Responding to our users) of the Annual Report.

Performance against Business Plans

The UKSC publishes an annual Business Plan and the objectives of individual members of staff are derived from that Business Plan. The Business Plan is reviewed regularly and a formal review is conducted by the Management Board at the half-year point. The detailed account of performance against the preceding year's Business Plan is contained in the Annual Report for that year and quarterly reports are also provided to the jurisdictions, detailing performance over the reporting period.

Other elements of the Court's Corporate Governance arrangements include:

- provision of relevant Corporate Governance pages on the UKSC intranet linked to all available guidance and instructions. These are reviewed and updated regularly.
- business and financial planning processes which explicitly take into consideration business risk;
- formal letters of delegated financial authority supported by a system of central budgetary control;
- signed assurance statements from divisional Heads on how they manage budgets within their delegated authority, in order to meet their objectives and comply with their corporate governance responsibilities.

Risk assessment

The UKSC is committed to high standards of corporate governance, including the need for an effective risk management system and internal control environment. The Management Board and the Audit and Risk Assurance Committee both play a full role in this, and members of the Management Board are responsible for owning, monitoring, and managing risks and controls within their areas of direct responsibility. The UKSC Management team, under my leadership, incorporates risk management as a standing Management Board meeting agenda item. Risk owners formally review risks on a monthly basis and report back to the Management Board and Audit and Risk Assurance Committee.

The risk and control framework

A Risk Register that identifies, assesses, and sets out mitigating actions to significant risks is in place across the Court. Management and review of the risks identified is carried out at Board level during the Management Board monthly meetings.

The key elements of the UKSC's risk management strategy for identifying, evaluating and controlling risk include:

- The establishment of appropriate committees to maintain strategic oversight of the court's business and activities.
- Identification of new or emerging risks throughout the year. The Management Board always consider risks when decisions are taken or as the risk environment changes. Risks that have a high impact and high likelihood are given the highest priority.
- A Business Continuity Plan (BCP) to manage the risk of disruption to the business. We are aware, and this has been confirmed by our auditors, that these need to be revised and tested during the coming year.
- The role of the Senior Information Risk Owner (SIRO). An Information Security policy, information asset register and risk assessment procedure are in place alongside guidance on protective marking and handling documents. Information Asset Owners' roles have been delegated with appropriate guidance rolled out.
- Regular engagement with key stakeholders, particularly through the Users' group.
- Information assurance training for all staff by means of the Civil Service Learning's on-line e learning 'protecting information' package. This package is refreshed annually and is mandatory for all staff to complete. There were no 'loss of data' incidents during the year.
- The Court's "Whistle Blowing" policy for confidential reporting of staff concerns.

Review of the effectiveness of risk management and internal control

In 2015/16 the Risk Register was comprehensively reviewed with the number of risks in the registered streamlined to seven main risks from the former fifteen risks.

The UKSC makes stringent efforts to maintain and review the effectiveness of the system of internal control. Some of these processes are:

- periodic review by Internal Auditors;
- regular review of the Risk Register;
- signed assurance statements from Heads of Division on how they have discharged their corporate governance responsibilities;
- meetings three times a year of the Audit and Risk Assurance Committee; and
- bi-monthly Management Board meetings with a financial planning report review as a standing item.

Any additional measures required to strengthen controls will be incorporated if gaps are identified.

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by the work of the internal auditors and the managers within the Court who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the effectiveness of the system of internal control by the Board and the Audit and Risk Assurance Committee and where any weaknesses have been identified, plans have been put in place to rectify them.

I have also been advised by Jenny Rowe, the previous Accounting Officer, on the period from 1st April 2015 to 31st August 2015 that the systems of internal control were robust and fit for purpose, including the maintenance of an appropriate structure for managing risk. I am therefore content that a good system of internal control was in place for the year ended 31st March 2016.

Significant Issues

There were no significant internal control issues, and no significant findings from internal audits during the year.

The Head of Internal Audit in his annual report for Internal Audit Activity for 2015/16 has given the UKSC a Substantial rating which is the highest level of assurance on the adequacy and effectiveness of the system of governance, risk management and internal control.

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

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 delivery departmental service;
- 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

Salary, Pension entitlements and Other Staff Costs for Non-Directors

STAFF/JUSTICES COSTS COMPRISE					2015-2016	2014-2015
	Permanent			Others	Total	Total
	Justices	Front line staff	Administrative staff	Judicial assistants		
	£'000	£'000	£'000	£'000	£'000	£'000
Wages & Salaries	2,567	953	500	221	4,241	4,191
Social security costs	339	80	46	22	487	478
Supplementary Judges & Special Advisers	1	0	0	0	1	0
Other pension costs	987	179	103	26	1,295	1,100
Sub Total	3,894	1,212	649	269	6,024	5,769
Inward secondments	0	13	0	0	13	12
Agency Staff	0	1	0	0	1	39
Voluntary Exit Costs	0	0	0	0	0	27
Total Net Costs	3,894	1,226	649	269	6,038	5,847

No salary costs have been capitalized. Judicial Salaries and Social Security costs are paid directly from the Consolidated Fund while the Pension costs are paid for by the UKSC.

Principal Civil Service Pension Scheme

The Principal Civil Service Pension Schemes (PCSPS) is an unfunded multi-employer defined benefit scheme, therefore, the UK Supreme Court 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.civilservice-pensions.gov.uk)

For 2015-16, employer's contributions totalling £307,866 were payable to the PCSPS, (2014-15, £282,715) at one of four rates in the range of 20% to 24.5% (2014-15, 16.7% to 24.3%) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates were last revised on the 1st April 2015, but the salary bands were revised from 1st April 2010.

The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £12,045 (2014-15, £6,455) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3.0 to 12.5 per cent (2014-15, 3.0 to 12.5 per cent) of pensionable pay up to 30 September 2015 and from 8% to 14.75% of pensionable pay from 1 October 2015. Employers also match employee's contributions up to 3% of pensionable pay. In addition, employer contributions of £NIL, (2014-15, £NIL) 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 £1,232, (2014-15, £603).

There were no early retirements on ill health grounds in 2015-16. (2014-15, None).

Average number of persons employed and Justices that served

The average number of whole-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 SUPREME COURT OF THE UNITED KINGDOM					2015-2016	2014-2015
PERMANENT			OTHER		Total	Total
Justices	Frontline Staff	Administrative Staff	Judicial Assistants			
	12	30	10	6	58	58
Total	12	30	10	6	58	58

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:

a) Single Total figure of remuneration

Name and Title	Salary (£'000)		Bonus Payments (£'000)		Pension benefits (£'000)		Total (£'000)	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Mark Ormerod* Chief Executive (from 1 September 2015)	55-60	N/A		N/A	18	N/A	75-80	N/A
Jenny Rowe Chief Executive (until 2 October 2015)	55-60	105-110	5-10	–	17	22	85-90	130-135
William Arnold Director for Corporate Services	80-85	80-85	–	0-5	28	16	110-115	100-105
Louise di Mambro Registrar	70-75	70-75	0-5	0-5	23	14	95-100	85-90
Olufemi Oguntunde Director of Finance	65-70	60-65	–	–	28	16	90-95	75-80
Martin Thompson Building Manager	60-65	60-65	–	–	17	13	75-80	70-75
Ben Wilson Head of Communications	50-55	50-55	0-5	–	20	19	75-80	70-75
Paul Brigland Head of IT & Records Manager	35-40	35-40	0-5	0-5	30	8	70-75	45-50
Chris Maile Head of Human Resources	35-40	35-40	0-5	0-5	25	8	65-70	45-50
Alex Jablonowski Non-Executive Director (until 30 September 2015)	0-5	5-10	–	–			0-5	5-10
Ken Ludlam Non-Executive Director	5-10	0-5	–	–			5-10	0-5
Stephen Barrett Non-Executive Director (from 1 July 2015)	0-5	N/A	–	–			0-5	N/A

* Note: The annualised salary band for Mark Ormerod is (90-95).

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 UK taxation. This report is based on accrued payments made by the Department and thus recorded in these accounts.

Ken Ludlam, non-executive director, supplies his services under the terms of a contract, which commenced on 1 July 2014. He is remunerated by the way of a daily attendance fee. As non-executive director, there are no entitlements to pension or other contributions from the Supreme Court.

Alex Jablonowski, non-executive director, supplies his services under the terms of a contract, which commenced on 1 August 2009 until 31 July 2015. He is remunerated by the way of a daily attendance fee. As non-executive director, there are no entitlements to pension or other contributions from the Supreme Court.

Stephen Barrett, non-executive director, supplies his services under the terms of a contract, which commenced on 1 July 2015. He is remunerated by the way of a daily attendance fee. As non-executive director, there are no entitlements to pension or other contributions from the Supreme Court.

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 2015-16 relate to performance in 2014-15 and the comparative bonuses reported for 2014-15 relate to the performance in 2013-14.

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 UK Supreme Court in 2015-16 was £90,000 to £95,000 (2014-15, £105,000 to £110,000). This was 2.89 times (2014-15, 3.57 times) the median remuneration of the workforce, which was £32,003 (2014-15, £30,088).

In 2015-16, no (2014-15, 0) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £20,000 to £84,287 (2014-15 £18,409 – £83,453).

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.

b) – Pension Benefits (Audited)

Name and Title	Accrued Pension at age as at 31 March 2016 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2016	CETV at 31 March 2015	Real Increase/ (Decrease) in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Mark Ormerod Chief Executive	0-2.5 plus lump sum of 0-2.5	0-2.5 plus lump sum of 0-2.5	18	3	12	
Jenny Rowe Chief Executive	50-55 plus lump sum of 150-155	0-2.5 plus lump sum of 2.5-5	1,151	1,109	17	–
William Arnold Director of Corporate Services	45-50 plus lump sum of 135-140	0-2.5 plus lump sum of 2.5-5	994	992	27	–
Louise di Mambro Registrar	30-35 plus lump sum of 100-105	0-2.5 plus lump sum of 2.5-5	745	737	22	–
Olufemi Oguntunde Director of Finance	10-15 plus lump sum of 0-2.5	0-2.5 plus lump sum of 0-2.5	195	162	12	–
Ben Wilson Head of Communications	0-2.5 plus lump sum of 0-2.5	0-2.5 plus lump sum of 0-2.5	60	45	4	–
Martin Thompson Building Manager	30-35 plus lump sum of 90-95	0-2.5 plus lump sum of 2.5-5	707	670	17	–
Paul Brigland Head of IT & Records Manager	10-15 plus lump sum of 30-35	0-2.5 plus lump sum of 2.5-5	206	165	24	–
Chris Maile Head of Human Resources	5-10 plus lump sum of 15-20	0-2.5 plus lump sum of 0-2.5	118	93	14	–

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 3% and 8.05% of pensionable earnings for members of classic (and members of alpha who were members of classic immediately before joining alpha) and between 4.6% and 8.05% for members of premium, classic plus, nuvos and all other members of 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 3% and 12.5% up to 30 September 2015 and 8% and 14.75% from 1 October 2015 (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 0.8% of pensionable salary up to 30 September 2015 and 0.5% of pensionable salary from 1 October 2015 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

Cash Equivalent Transfer Values

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.

Reporting of Civil Service and other compensation schemes – exit packages

The UKSC did not incur any cost in 2015-16 for exit packages (2014-15, £27k).

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 UK Supreme Court 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 2015-16

Request for Resources	SoPs Note	Estimate			Outturn			2015-2016	2014-2015
		Voted	Non-voted	Total	Voted	Non-voted	Total	Voted outturn compared with Estimate: saving/(excess)	Outturn Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Departmental Expenditure Limit									
- Resources	1.1	1,900	2,913	4,813	1,634	2,906	4,540	266	4,461
- Capital	1.2	450	-	450	432	-	432	18	332
Annually Managed Expenditure									
- Resource	1.1	1,000		1,000	-	-	-	1,000	-
Total Budget		3,350	2,913	6,263	2,066	2,906	4,972	1,284	4,793
Non Budget		-	-	-	-	-	-	-	-
Total		3,350			2,066		4,972	1,284	4,793
Total Resource		2,900	2,913	5,813	1,634	2,906	4,540	1,266	4,461
Total Capital		450	-	450	432	-	432	18	332
Total		3,350	2,913	6,263	2,066	2,906	4,972	1,284	4,793

NET CASH REQUIREMENT 2015-2016

		Estimate	Outturn	Outturn compared with Estimate: saving/(excess)	Outturn
	SoPS Note	£'000	£'000	£'000	£'000
Net cash requirement	2	1,229	1,227	2	1,288

ADMINISTRATION COSTS 2015-16

		Estimate	Outturn	Outturn compared with Estimate: saving/(excess)	Outturn
	Note	£'000	£'000	£'000	£'000
		916	738	178	804

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.

The notes on pages 96 to 106 form part of these accounts.

SOPS 1. Net outturn

SOPS 1.1 Analysis of net resource outturn by section

							2015-16	2014-15		
							Outturn	Estimate	Outturn	
	Administration			Programme						
	Gross	Income	Net	Gross	Income	Net	Total	Net Total	Net total compared to Estimate:	Total
£'000	£'000		£'000	£'000	£'000		£'000	£'000	£'000	
Spending in Departmental Expenditure limit										
Voted	842	(104)	738	8,766	(7,870)	896	1,634	1,900	266	1,579
Non Voted	0	0	0	2,906	0	2,906	2,906	2,913	7	2,882
Annually Managed Expenditure										
Voted	0	0	0	0	0	0	0	1,000	1,000	0
Total	842	(104)	738	11,672	(7,870)	3,802	4,540	5,813	1,273	4,461

Further details are provided in the Management Commentary on page 66-69.

SOPS 1.2 Analysis of net capital outturn by section

					2015-16	2014-15
	Outturn		Estimate		Outturn	
	Gross	Income	Net	Net Total	Net total compared to Estimate:	Net Total
	£'000	£'000	£'000	£'000	£'000	£'000
Spending in Departmental Expenditure Limit						
Voted	432	0	432	450	18	332

The notes on pages 96 to 106 form part of these accounts.

SOPS 2. Reconciliation of Net Resource Outturn to Net Cash Requirement

				2015-16	2014-15
		Estimate	Outturn	Net total outturn compared with Estimate: Saving/(excess)	Outturn
	SoPS Note	£'000	£'000	£'000	£'000
Resource Outturn	1.1	5,813	4,540	1,273	4,461
Capital Outturn	1.2	450	432	18	332
Accruals to cash adjustments					
Adjustments to remove non-cash items:					
– Depreciation		(2,081)	(959)	(1,122)	(865)
– Other non-cash items		(40)	(35)	(5)	(38)
Adjustments to reflect movements in working balances:		–			
– Increase /(decrease) in inventories			(9)	9	(21)
– Increase /(decrease) in receivables			106	(106)	43
– Increase /(decrease) in payables			18	(18)	278
– Changes in payables falling due after more than one year		–	40	(40)	(20)
Removal of non-voted budget items:					
Non Voted Expenditure		(2,913)	(2,906)	(7)	(2,882)
Use of provision		–	–	–	–
Net cash requirement		1,229	1,227	2	1,288

SOPS 3. Income payable to the Consolidated Fund

SOPS 3.1 Analysis of income payable to the Consolidated Fund

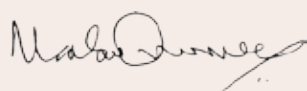
During the financial period, there were no amount payable to the consolidated fund.

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.

The notes on pages 96 to 106 form part of these accounts.

Signed on behalf of the UKSC by



Mark Ormerod
Chief Executive and Accounting Officer
27 June 2016

Audit Certificate

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

I certify that I have audited the financial statements of the United Kingdom Supreme Court for the year ended 31 March 2016 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. 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 Remuneration and Staff Report and the Parliamentary Accountability Disclosures that is described in that reports as having been audited.

Respective responsibilities of the Accounting Officer and auditor

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. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. This includes an assessment of: whether the accounting policies are appropriate to the Department's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies

with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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.

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 2016 and shows that those totals have not been exceeded; and
- 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.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Department's affairs as at 31 March 2016 and of the Department's net operating cost 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 other matters

In my opinion:

- the part of the Remuneration and Staff Report and the Parliamentary Accountability disclosures to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in the Performance Report 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 part of the Remuneration and Staff Report and the Parliamentary Accountability disclosures 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.

Sir Amyas C E Morse
28 June 2016

Comptroller and Auditor General

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

Section
eight

Financial statements



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Statement of Comprehensive Net Expenditure

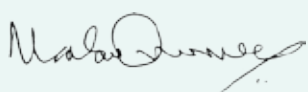
FOR THE YEAR ENDED 31 MARCH 2016

		2015-2016	2014-2015
	Note	£'000	£'000
Income from sale of goods and services	4	(7,870)	(7,913)
Other operating income	4	(104)	(66)
Total operating income		(7,974)	(7,979)
Staff costs	2	6,038	5,847
Purchases of goods and services	3	5,517	5,728
Depreciation and impairment charges	5 & 6	959	865
Total Expenditure		12,514	12,440
Net Operating Cost for the year ended 31 March		4,540	4,461
Other Comprehensive Expenditure			
Net (gain)/loss on revaluation of property, plant and equipment		(6,493)	(7,823)
Total Comprehensive Expenditure for the year ended 31 March		(1,953)	(3,362)

The notes on pages 96 to 106 form part of these accounts.

Statement of Financial Position

		as at 31 March 2016		as at 31 March 2015	
	Note	£'000	£'000	£'000	£'000
Non-current assets					
Property, Plant & Equipment	5	42,919		36,930	
Intangible assets	6	93		116	
Total non-current assets			43,012		37,046
Current assets:					
Assets classified as held for sale					
Inventories	9	10		19	
Trade and other receivables	10	956		850	
Cash and cash equivalents	11	2		27	
Total current assets			968		896
Total assets			43,980		37,942
Current liabilities					
Trade and other payables	12	(594)		(696)	
Finance Lease	12	(2,411)		(2,352)	
Total current liabilities			(3,005)		(3,048)
Non current assets plus/less net current assets/liabilities			40,975		34,894
Non current liabilities:					
Other Payables	12	(34,239)		(34,279)	
Total non current liabilities			(34,239)		(34,279)
Total Assets less liabilities			6,736		615
Taxpayers' equity and other reserves					
General fund			(15,301)		(14,929)
Revaluation reserve			22,037		15,544
Total Equity			6,736		615



Mark Ormerod
Chief Executive and Accounting Officer
27 June 2016

The notes on pages 96 to 106 form part of these accounts..

Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2016

		2015-16	2014-15
	Note	£'000	£'000
Cash flows from operating activities			
Net operating cost		(4,540)	(4,461)
Adjustment for non-cash transactions	3	994	903
(Increase)/Decrease in trade and other receivables		(106)	(43)
(Increase)/Decrease in Inventories		9	21
Increase/(Decrease) in current trade payables		(102)	(498)
Increase/(Decrease) in Finance Lease		59	57
less movements in payables relating to items not passing through the SCNE		25	163
Net cash outflow from operating activities		(3,661)	(3,858)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(426)	(331)
Purchase of intangible assets	6	(6)	(1)
Net Cash outflow from investing activities		(432)	(332)
Cash flows from financing activities			
From the Consolidated Fund (Supply) – current year		1,202	1,125
From the Consolidated Fund (non-Supply)		2,906	2,882
Capital increase in respect of finance leases		(40)	20
Net Financing		4,068	4,027
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		(25)	(163)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		(25)	(163)
Cash and cash equivalents at the beginning of the period	11	27	190
Cash and cash equivalents at the end of the period	11	2	27

The notes on pages 96 to 106 form part of these accounts.

Statement of Changes in Taxpayers' Equity

FOR THE YEAR ENDED 31 MARCH 2016

		General Fund	Revaluation Reserve	Total Reserves
	Note	£'000	£'000	£'000
Balance at 31 March 2015		(14,929)	15,544	615
Net Parliamentary Funding – drawn down		1,202		1,202
Net Parliamentary Funding – deemed		27		27
Consolidated Fund Standing Services		2,906		2,906
Supply (payable)/receivable adjustment		(2)		(2)
Excess Vote – Prior Year				-
CFERs payable to the Consolidated Fund		-		-
Comprehensive Expenditure for the Year		(4,540)		(4,540)
Non-cash charges – auditors remuneration	3	35		35
Movement in Revaluation Reserve	5		6,493	6,493
Transfer between reserves		-	-	-
Balance at 31 March 2016		(15,301)	22,037	6,736

The notes on pages 96 to 106 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 2015-16 Government Financial Reporting Manual (FRoM) issued by HM Treasury. The accounting policies contained in the FRoM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FRoM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Supreme Court of the United Kingdom (UKSC) for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Supreme Court of the United Kingdom (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 FRoM 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. Also, there are no reconciling items.

1.3 Property Plant and Equipment

The Minimum level for the capitalisation of Property, Plant & Equipment is £5,000.

i. Land & Building

The UKSC Land & 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 31st March 2016 and 31st March 2015 as valuation

dates. The VOA and its staffs are independent of the UK Supreme Court. The Revaluation Surplus balance at yearend was £22M, with an increase of £6.5M within the financial year.

ii. Other Plant & Equipment

These were valued at cost. The Department has decided not to apply Modified Historic Costs Accounting for Other Plant & 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.

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 & 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
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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

Operating income is income which relates directly to the operating activities of the UKSC. Operating Income includes judicial fees, sale of gift items, hire of court facilities for corporate events and contributions from the Jurisdictions (Her Majesty's Courts and Tribunal Service, Northern Ireland Court Service and Scottish Parliament). Judicial fees are payable at different stages that fairly reflect status of cases. UKSC recognises all fees received in each reporting period as income.

1.8 Administration and Programme Expenditure

The Statement of Comprehensive Net Expenditure is analysed between administration and programme costs. The classification of expenditure and income as administration or as programme follows the definition of administration costs set out in *Managing Public Money* by 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.

1.10 Leases

Where substantially all risks & 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 6.88%.

1.11 Audit Costs

A charge reflecting the cost of the 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;

- there is a present obligation as a result of a past event;
- it is probable that a transfer of economic benefits will be required to settle the obligation, and;
- a reliable estimate can be made of the amount.

There are no provisions recognized 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

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.

2. Staff/Justices numbers and related costs

A – STAFF/JUSTICES COSTS COMPRISE;	2015–2016	2014–2015
	Total	Total
	£'000	£'000
Wages & Salaries	4,241	4,191
Social security costs	487	478
Supplementary Judges & Special Advisers	1	0
Other pension costs	1,295	1,100
Sub Total	6,024	5,769
Inward secondments	13	12
Agency Staff	1	39
Voluntary exit costs	0	27
Total Net Costs	6,038	5,847

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 Report on pages 78-84.

3. Purchases of Goods and Services

	Notes	2015–2016		2014–2015	
		£'000	£'000	£'000	£'000
Accommodation Costs		1,976		1,903	
Finance Costs		2,531		2,528	
Library Costs		230		241	
IT Costs		67		142	
Publicity & Communications		90		99	
Broadcasting Costs		163		163	
Repairs & Maintenance		153		237	
Recruitment & Judicial Appointment Costs		16		38	
Transportation Costs		60		101	
Other Staff Costs		34		35	
Hospitality & Events		17		20	
Printing, Postage, Stationery & Publications		112		131	
Internal Audit & Governance Expenses		18		19	
Other costs		12		22	
International Judicial Travel		3		11	
			5,482		5,690
Non-cash items					
Depreciation	5	930		837	
Amortisation	6	29		28	
Realised gain from building		-		-	
Impairment		-		-	
Auditors' Remuneration		35		38	
Total Non Cash			994		903
Total Programme Costs			6,476		6,593

4. Income

OPERATING INCOME, ANALYSED BY CLASSIFICATION AND ACTIVITY, IS AS FOLLOWS:

	2015–2016		2014–2015	
	£'000	£'000	£'000	£'000
Contribution from HMCTS	(5,915)		(5,914)	
Contribution from Scottish Government	(478)		(478)	
Contribution from the Northern Ireland Courts and Tribunals Service	(239)		(239)	
Total Contributions		(6,632)		(6,631)
Court Fees – UKSC		(940)		(966)
Court Fees – JCPC		(298)		(316)
Wider Market Initiatives		(104)		(66)
Total Income		(7,974)		(7,979)

	2015–2016			2014–2015		
	Income	Full Cost	Surplus/ (Deficit)	Income	Full Cost	Surplus/ (Deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
Total Court Fees	(1,238)	12,402	(11,164)	(1,282)	12,374	(11,092)
Wider Market Initiatives	(104)	104	0	(66)	66	0
	(1,342)	12,506	(11,164)	(1,348)	12,440	(11,092)

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

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

The UK Supreme Court has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

5. Property, Plant and Equipment

	Land	Building	Office Equipment	Furniture and Fittings	Robes	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 April 2015	20,600	17,186	1,399	2,091	154	41,430
Additions	-	-	161	264	1	426
Revaluations	2,900	3,593	-	-	-	6,493
At 31 March 2016	23,500	20,779	1,560	2,355	155	48,349
Depreciation						
At 1 April 2015	-	(2,168)	(808)	(1,507)	(17)	(4,500)
Charged in year	-	(435)	(207)	(285)	(3)	(930)
At 31 March 2016	-	(2,603)	(1,015)	(1,792)	(20)	(5,430)
Carrying amount at 31 March 2016	23,500	18,176	545	563	135	42,919
Asset Financing						
Owned	1,243					
Finance Leased	41,676					
On-balance sheet	42,919					

	Land	Building	Office Equipment	Furniture and Fittings	Robes	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 April 2014	14,000	15,963	1,232	1,927	154	33,276
Additions	-	-	167	164	-	331
Revaluations	6,600	1,223	-	-	-	7,823
At 31 March 2015	20,600	17,186	1,399	2,091	154	41,430
Depreciation						
At 1 April 2014	-	(1,769)	(629)	(1,250)	(15)	(3,663)
Charged in year	-	(399)	(179)	(257)	(2)	(837)
At 31 March 2015	-	(2,168)	(808)	(1,507)	(17)	(4,500)
Carrying value at 31 March 2015	20,600	15,018	591	584	137	36,930
Asset Financing						
Owned	1,312					
Finance Leased	35,618					
On-balance sheet	36,930					

6. Intangible non-current assets

Intangible fixed assets comprise software licences	Purchased software licences & Websites
£'000	
Cost or valuation	
At 1 April 2015	204
Additions	6
Impairment	-
Donations	-
At 31 March 2016	210
Amortisation	
At 1 April 2015	(88)
Charged in year	(29)
Impairment	-
At 31 March 2016	(117)
Carrying amount at 31 March 2016	93

Intangible fixed assets comprise software licences	Purchased software licences & Websites
£'000	
Cost or valuation	
At 1 April 2014	203
Additions	1
Revaluations	-
Impairment	-
Donations	-
At 31 March 2015	204
Amortisation	
At 1 April 2014	(60)
Charged in year	(28)
Revaluations	-
Impairment	-
At 31 March 2015	(88)
Carrying amount at 31 March 2015	116

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.

8. Impairments

Throughout the financial year there were no impairment.

9. Inventories

	2015-2016	2014-2015
	£'000	£'000
Opening balances	19	40
In year movement	(9)	(21)
Total	10	19

10. Trade Receivables and other current assets

A – ANALYSIS BY TYPE	2015-2016	2014-2015
	£'000	£'000
Amounts falling due within one year:		
Trade Receivables	41	2
VAT Recoverable	118	140
Staff Receivables	18	17
Prepayment & Accrued Income	779	691
Total	956	850

B – INTRA-GOVERNMENT BALANCES	2015-2016	2014-2015
	£'000	£'000
Balances with other central government bodies	118	140
Balances with local authorities	-	-
Subtotal: intra-government balances	118	140
Balances with bodies external to government	838	710
Total Receivables at 31 March	956	850

11. Cash and Cash Equivalents

	2015-2016	2014-2015
	£'000	£'000
Balance at 1 April	27	190
Net changes in cash and cash equivalent balances	(25)	(163)
Balance at 31 March	2	27
The following balances at 31 March were held at:		
Government Banking Service (RBS & Citibank)	2	27
Balance at 31 March	2	27

12. Trade Payables and other current liabilities

A – ANALYSIS BY TYPE	2015–2016	2014–2015
	£'000	£'000
Amounts falling due within one year		
Other taxation and social security	(77)	(76)
Trade payables	(261)	(190)
Amounts issued from the Consolidated Fund for supply but not spent at year end.	(2)	(27)
Accruals and Deferred Income	(254)	(403)
Finance leases	(2,411)	(2,352)
Total	(3,005)	(3,048)
Amounts falling due after more than one year		
Finance leases	(34,239)	(34,279)
	(37,244)	(37,327)

B – INTRA-GOVERNMENT BALANCES	2015–2016	2014–2015
	£'000	£'000
Balances with other central government bodies	(79)	(103)
Subtotal: intra-government balances	(79)	(103)
Balances with bodies external to government	(37,165)	(37,224)
Total payables at 31 March	(37,244)	(37,327)

13. Provisions for Liabilities and Charges

There were no provisions or claims during 2015-16 and in 2014-15.

14. Capital Commitments

There were no capital commitments.

15. Commitments under leases

15.1 – FINANCE LEASES	2015–2016	2014–2015
Total future minimum lease payments under finance leases are given in the table below for each of the following periods		
	£'000	£'000
Obligations under finance leases comprise:		
Land		
Not later than 1 year	1,451	1,452
Later than 1 year and not later than 5 years	6,177	6,181
Later than 5 years	36,496	39,077
Sub-total	44,124	46,710
Less: Interest Element	(23,459)	(25,525)
Net Total	20,665	21,185
Building		
Not later than 1 year	1,122	1,059
Later than 1 year and not later than 5 years	4,778	456
Later than 5 years	28,229	28,489
Sub-total	34,129	34,054
Less: Interest Element	(18,144)	(18,608)
Net Total	15,985	15,446
Grand total	36,650	36,631

	2015–2016	2014–2015
	£'000	£'000
Present Value of Obligations under finance lease for the following periods comprise:		
Land		
Not later than 1 year	1,359	1,360
Later than 1 year and not later than 5 years	4,917	4,919
Later than 5 years	14,389	14,906
Sub-total	20,665	21,185
Building		
Not later than 1 year	1,052	992
Later than 1 year and not later than 5 years	3,804	3,586
Later than 5 years	11,129	10,868
Sub-total	15,985	15,446
Grand total	36,650	36,631

16. Commitments under PFI contracts

There were no commitments under PFI contracts.

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

UKSC has entered into a loan agreement with the Middlesex Guildhall Collection Trust in respect of Works of Arts located in the building. The department agreed to indemnify the Trust against loss or damage occasioned to the items and has put an insurance policy in place to cover any incidental financial loss.

None of these is a contingent liability within the meaning of IAS 37 since the possibility of a transfer of economic benefit in settlement is too remote.

19. Related-Party Transactions

None of the Management Board members, key managerial staff or related parties have undertaken any material transactions with UKSC during the year.

UKSC had a number of significant transactions with other government departments and other central government bodies.

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 1st 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.

	2015-2016	2014-2015
	£'000	£'000
Balance as at 1 April	518	320
Add; receipts – Lodgements by Appellants	90	243
Less: Repayments to Appellants/ Respondents	(243)	(45)
Balance as at 31 March	365	518

21. Events after the reporting period date

A referendum was held on 23 June 2016 to decide whether the United Kingdom should stay in or leave the European Union (EU). The result was a vote to leave the EU. This decision does not impact on UKSC's financial results for 2015-16. Similarly, there were no other events recorded after the Statement of Financial Position date which affected the true and fair view of the accounts. Events are considered up to the date on which the Accounts are authorised for issue. This is interpreted as the same date the Accounts are certified by the Comptroller and Auditor General.

Annex

Jurisdictions where the JCPC is the final Court of Appeal

Anguilla
 Antigua and Barbuda
 Ascension
 Bahamas
 Bermuda
 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

UK

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

* During the reporting period, the Government of St Lucia communicated its intention to accede to the Caribbean Court of Justice's appellate jurisdiction. This has yet to take effect.



ISBN 978-1-4741-3277-0



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