



The Supreme Court
Annual Report and Accounts
2017–2018

The Supreme Court Annual Report and Accounts 2017–2018

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
5 June 2018.



© Crown Copyright 2018

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3 or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at: www.gov.uk/government/publications

Any enquiries regarding this publication should be sent to us at: enquiries@supremecourt.uk

You can download this publication from www.supremecourt.uk

ISBN 978-1-5286-0404-8

CCS – CCS0518645990

Printed on paper containing 75% recycled fibre content minimum.

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

Front cover image: © UK Supreme Court / Kevin Leighton

The Supreme Court
Annual Report and Accounts
2017–2018

Contents

one

two

three

four

five

FOREWORD AND INTRODUCTION

Foreword	6
Introduction	8

OVERVIEW: OBJECTIVES AND GOVERNANCE

Our mission	11
Our strategic objectives	11
Our values	12
Our governance	13
Who's who: membership of Management Board and Committees	14
Policy developments	17

PERFORMANCE REPORT: JUDICIAL APPOINTMENTS

Retirement of Lord Toulson	19
Extract of Lord Neuberger and Lord Clarke Valedictory remarks, given by Lady Hale, 28 July 2017	20

PERFORMANCE REPORT: JURISDICTION AND CASEWORK

(A) UKSC	23
Jurisdiction and casework	23
Rules and Practice Directions	24
The procedure for appealing: Permission to Appeal (PTA) applications	24
Appeals	25
Sitting days	25
References to the Court of Justice of the European Union	31
Size of panels hearing cases	31
Cases and judgments	32
(B) JCPC	33
Procedures for appealing	37
Appeals	37
Size of panels hearing cases	42
Cases and judgments	42

PERFORMANCE REPORT: COMMUNICATIONS AND EXTERNAL RELATIONS

Maintaining effective relationships with all Jurisdictions in the United Kingdom	45
Engaging with professional users	47
Welcoming visitors	48
Educating and inspiring	48
Using art to educate	50
Serving the media	51
A user-focused online presence	51

PERFORMANCE REPORT: INTERNATIONAL RELATIONS

Justices' international links	58
Visits by individual Justices of the UKSC	58
Costs	59

six

seven

eight

nine

annex

PERFORMANCE
REPORT:
CORPORATE
SERVICES

Our people	61
Our information and resources, and how we manage them	64
The Supreme Court building	66
Dealing with complaints	67

PERFORMANCE
REPORT:
MANAGEMENT
COMMENTARY

Management commentary	68
-----------------------	----

ACCOUNTABILITY
REPORT

Statement of Accounting Officer's Responsibilities	74
Governance Statement	74
Remuneration and Staff Report	81
Parliamentary Accountability and Audit Report	89
Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament	92

FINANCIAL
STATEMENTS

Statement of Comprehensive Net Expenditure	98
Statement of Financial Position	99
Statement of Cash Flows	100
Statement of Changes in Taxpayers' Equity	101
Notes to the Departmental Resource Accounts	102

Jurisdictions where the JPC is the final Court of Appeal	114
--	-----

Foreword

BY THE PRESIDENT OF THE SUPREME COURT
LADY HALE



It was a great honour to be appointed the first woman President of the Supreme Court in September 2017. I am the longest serving member of the court, having been appointed to the Appellate Committee of the House of Lords, predecessor to the Supreme Court, in 2004. During my time I have seen many changes. It was a privilege to be involved in developing the design of the building in which the Supreme Court and the Judicial Committee of the Privy Council now sit and to contribute to the evolution of our working practices here. It was a very proud moment when I was sworn in as President and I am deeply grateful to those who have placed such confidence in me.

I should like to play tribute to my predecessor, David Neuberger, Lord Neuberger of Abbotsbury. His intellectual eminence and many contributions to the law and to the judiciary are well known. What may be less well known outside the building is the supportive and collegiate atmosphere that he engendered within the Court, encouraging as much agreement as possible while respecting the judicial independence of each individual Justice. His leadership within the building was also exemplary, never better demonstrated than during the historic hearing on Article 50 of the Treaty of Lisbon. If I leave the Court in as happy a place as he left it, I shall count my time here a success.

This has been a busy year for the Court, with judgments given in 78 appeals between 1 April 2017 and 31 March 2018.

We worked for the whole of the legal year 2016/17 with a vacancy, following the retirement of Lord Toulson in the summer of 2016. It is a tribute to the diligence and hard work of the Justices that we were able to function for so long on a reduced complement. Lord Toulson was a great help to us in remaining on top of the workload, by sitting as a retired Justice on the Supplementary Panel, not only on appeals but also on the panels deciding applications for permission to appeal. It was a great shock, and a deep sorrow, that Lord Toulson died very suddenly in June 2017. Our sympathies remain with Lady Toulson, and with all his family and friends.

The summer of 2017 also saw the retirement of Lord Clarke, the first of the new Justices to join the Court when it was established in 2009. There was a packed courtroom and many warm words at the joint valedictory held for Lord Neuberger and Lord Clarke on 28 July. We wish them both long life and happiness in the next phase of their impressive careers.

There was another packed courtroom on 2 October 2017, the first day of the new legal year, when five people were sworn in – myself as President, Lord Mance as Deputy President and three new Justices. We were delighted to welcome Lady Black, Lord Lloyd-Jones and Lord Briggs to the Bench of the Supreme Court. It was a particular pleasure for me to welcome Lady Black, as the second woman appointed to the Court. Lord Lloyd-Jones is the first Welsh person to be appointed a Justice and to take the Judicial Oath in Welsh as well as English.

Lord Neuberger also took the historic decision that we should sit outside London for the very first time. In June 2017, we spent four days in Edinburgh, sitting in the City Hall and hearing three cases. We are very grateful for the warmth of the welcome that we received from the city, from the judiciary, from the legal professions, and from the people of Scotland. As I write this foreword, we are preparing for our second sitting outside London, this time in Belfast, and we propose to follow it by sitting in Cardiff in 2019. We are very conscious that we are the Supreme Court for the whole United Kingdom and must not appear to be trapped in a London ‘bubble’.

We welcome a large number of visitors to the Court – members of the legal professions, people working in legal systems abroad, students from schools, colleges and universities, tour groups, and members of the general public, all of whom are welcome to drop in at any time when the building is open.

In addition, we have more formal exchanges with Supreme and Constitutional Courts of other countries and with International Courts. This, along with the live-streaming of our hearings and the many outreach activities of the Justices and our staff, are an important part of promoting an understanding of our work and of the legal system generally and of the vital part it plays in the Constitution of the United Kingdom.

Introduction

BY THE CHIEF EXECUTIVE
MARK ORMEROD



The President has referred to the change of President, Deputy President and Justices during the year. We have also had changes to senior staff, with the departure of our Director of Finance, Femi Oguntunde and our Director of Communications, Ben Wilson. Both Femi and Ben played a very significant role in the development and administration of the Court and had been loyal and hardworking heads of their particular units for a considerable number of years. We wish them well for the future.

In line with our settlement over this spending review period, the Court is working against a background of diminishing resources. Nevertheless we have continued to provide a good service to the Justices and those using the Court, as well as to visitors and I am proud of what we have been able to achieve.

The Court's sitting in Edinburgh presented a number of logistical difficulties which the team organising the hearings successfully overcame. I was very grateful to the support and goodwill that we received from the Lord President's office, the Scottish Court Service, the police and the staff at the City Hall. We were able to accommodate all those who wished to see the hearings and used the livestreaming equipment in the Council Chamber to ensure that we continued our broadcast service over the internet. We also had to increase security by installing our own security arrangements. Although all this seemed daunting in the planning, I was very pleased how smoothly the hearings went and with the contribution made by all those who supported the planning and delivery of the initiative, in particular those

who provided the livestreaming and came across from the Scottish courts service to help us.

We have continued to support video hearings in Privy Council cases, though we are still developing this service so that it meets the needs of all concerned. One of the hearings, although adequate, was not of the technical standard to which we aspire. We shall be working during the coming year to improve that service, which has the prospect of significant financial benefits to parties with cases suitable for video link, usually short hearings or applications.

During the year we launched the first essay competition for the Supreme Court. We were delighted with the number of entries and hope that this will become a regular feature. We are constantly looking for ways by which to extend the educational outreach that the Supreme Court provides and are planning further initiatives over the coming year.



JUSTICE ANYWHERE IS A THREAT TO JUSTICE EVERYWHERE
WE ARE CAUGHT IN AN INESCAPABLE NETWORK OF MUTUALITY
TIED IN A SINGLE GARMENT OF DESTINY
EFFECTS ONE DIRECTLY AFFECTS ALL INDIRECTLY

*not the laws
of the state
but the laws
of God*

*Justice
is truth in action*

THE LAW IS CLEAR TO EACH MAN
BUT IT IS NOT CLEAR TO EACH MAN
HOW TO OBEY IT
THE LAW IS CLEAR TO EACH MAN
BUT IT IS NOT CLEAR TO EACH MAN
HOW TO OBEY IT

Section One

Overview: objectives and governance



Our mission

This section contains a summary of the mission and key objectives of the Supreme Court of the United Kingdom (UKSC). The governance arrangements and policy developments are also stated. A list of the key strategic risks that could affect the UKSC in achieving its objectives are covered in the Governance Statement of this report.

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

The administration of the UKSC/JCPC will:

- | | |
|----------|--|
| 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, the administration of the Court 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 2017–18.

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.

Our governance

Like any public organisation, the administration of the UKSC and the JCPC 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. 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, Lady Hale, like her predecessor 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 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.

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

Section one

Overview: objectives and governance

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

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
- the resolution of disputed costs issues

The Registrar also has management responsibility for the Justices' legally qualified Judicial Assistants.

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, an Audit and Risk Assurance Committee, a Remuneration Committee and an executive Health and Safety Committee.

A Strategic Advisory Board (SAB) has also been created. This 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. It met three times in 2017–2018, in June, October and February. A consequence of creating the SAB was that the number of meetings

of the Management Board was reduced to six times a year at two monthly intervals. In 2017–2018 it therefore met in May, July, September, November, January and March.

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

The Justices of the Supreme Court, as at 2 October 2017:
Back row (left-right) Lord Briggs, Lady Black, Lord Hughes, Lord Reed, Lord Carnwath, Lord Hodge, Lord Lloyd-Jones.
Front row (left-right) Lord Wilson, Lord Mance, Lady Hale, Lord Kerr, Lord Sumption.



	Maximum number of meetings possible to attend	Number of meetings attended
Management Board		
Mark Ormerod – Chief Executive	6	6
William Arnold – Director of Corporate Services	6	6
Louise di Mambro – Registrar	6	5
Olufemi Oguntunde (to 31 May 2017) – Director of Finance	1	1
Joyti Mackintosh (from 1 June 2017) – Director of Finance	5	5
Ben Wilson (to 31 August 2017) – Head of Communications	2	2
Sophia Linehan Biggs (from 19 September 2017) – Head of Communications	4	4
Chris Maile – Head of Human Resources	6	6
Paul Brigland – Head of Office & Building Services (and Departmental Records Officer to 30 September 2017)	6	6
Stephen Barrett – Non-Executive Director (NED) to 31 October 2017	3	2
Kathryn Cearns – Non-Executive Director from 1 October 2017	3	3
Kenneth Ludlam – Non-Executive Director (NED)	6	5
Audit and Risk Assurance Committee		
Kenneth Ludlam (Chair)	3	3
Stephen Barrett (Non-Executive Director)	2	2
Kathryn Cearns (Non-Executive Director)	1	1
Charles Winstanley – NED, Scottish Government	3	3
Peter Luney – Chief Executive Northern Ireland Courts and Tribunals Service	3	3
Remuneration Committee		
Kathryn Cearns Chair (Non-Executive Director)	1	1
Stephen Barrett (Non-Executive Director)	2	2
Kenneth Ludlam (Non-Executive Director)	3	2
Mark Ormerod (or, in his absence, William Arnold)	3	3
Health and Safety Committee		
William Arnold (Chair)		
Paul Brigland – Head of Office & Building Services		
Ryan Stanbrook – Building & Contracts Manager, Health & Safety Manager (to 31 December 2017)		
Lee McLoughlin – Building & Contracts Manager, Health & Safety Manager (from 1 January 2018)		
Toyin Soleye – Deputy Building 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, Julius Rutherford – Cleaning Contractor		
David Mills – Director of Zafferano’s – Café Concession		

Management Board minutes are published on the UKSC website.

Meetings of the Health and Safety Committee are open to staff to attend and raise issues or observe and minutes are posted on the Court’s intranet.



Policy developments

In our Business Plan for 2017–2018 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.

The most significant wider policy development of 2017–2018 has continued to be the referendum vote on membership of the EU and the subsequent start of the process of withdrawing from the European Union. Although the decision has so far only led to one major case heard by UKSC in December 2016, other issues may be brought before the Court and the UKSC's relationship with the Court of Justice of the European Union will change in the longer term, as well as its own role. This will become clearer as the legislation to withdraw from the European Union completes its Parliamentary passage during the remainder of the legislative session 2017–2019.

In 2015, the Government introduced changes to judicial review and the leapfrog appeals procedure which were given effect to in the Criminal Justice and Courts Act 2015. So far, the wider range of cases that can 'leapfrog' to the Supreme Court has not led to a significant rise in the rate of applications for permission to appeal, though we will continue to monitor this closely.

We have continued to monitor the number of litigants in person applying for permission to appeal to the Supreme Court and the Judicial Committee of the Privy Council (JCPC). The number applying to the UKSC has risen slightly during the year,

from 24 in 2016–2017 to 25 for the first 10 months of 2017–2018. The corresponding figures for the JCPC are 18 for 2016–2017, but only 11 for the first 10 months of 2017–2018.

Section
two

Performance report:
judicial appointments



Retirement of Lord Toulson

For the first half of the reporting year of 2017–2018 the Court operated with 11 Justices, against the statutory complement of 12. This was because Lord Toulson had retired the previous September and the decision had been taken to carry a vacancy for a year, with Lord Toulson and other retired Justices sitting occasionally, from the Supplementary Panel of Justices. As the President has noted in her introduction, very sadly Lord Toulson died at the start of this reporting year.



Former UK Supreme Court Justice, Lord Toulson:
23 September 1946 – 27 June 2017.
© UK Supreme Court, Kevin Leighton



Valedictory ceremony for Lord Neuberger and Lord Clarke, at the UK Supreme Court, on Friday 28 July 2017.

Extract from Lady Hale's valedictory remarks for Lord Neuberger and Lord Clarke, 28 July 2017

Lord Neuberger

"And, typically for the traditionalist that he is, he was not at first an enthusiast for the move to the Supreme Court. But he overcame his initial doubts and became our President in 2012. And we are so glad that he did. I know that I can speak for all my colleagues when I say that we have enjoyed five happy and fruitful years under his leadership. David has tried to make every Justice feel that he or she is valued, to share out the work and the lead judgments fairly, to take into account our strengths and our preferences. He has fostered the collegiate atmosphere amongst us – no easy task with twelve forceful and independent intellects to cope with."

Lord Clarke

"In this Court, he will surely be remembered as the Justice who sooner or later in almost any case could be relied upon to say "...well it all comes down to a question of construction". But he has brought his own common sense and humanity to those questions of construction. I pick out only two examples. First is *Rainy Sky*, where he held that if a contractual term is capable of having two meanings, the court is entitled to prefer the one which made business common sense. Second is *Autoclenz*, where he held that in an employment context, taking account of the relative bargaining power of the parties, what is said in written contracts which the workers were obliged to sign might not represent the actual terms of the agreement."



Lord Neuberger © UK Supreme Court, Kevin Leighton



Lord Clarke © UK Supreme Court, Kevin Leighton

Recommendations for appointments to the UKSC are made by an independent selection commission, convened by the Lord Chancellor under rules set by Parliament. The Constitutional Reform Act 2005 and the Crime and Courts Act 2013 stipulate the main elements of the process to be followed, including the senior judges and politicians who need to be consulted at different stages of the process.

It was announced in July 2016 that, in order to encourage the broadest and most diverse range of applications and achieve the most efficient process for candidates and the selection commission, recruitment for the forthcoming vacancies would be grouped together in several joint selection exercises. The next set of vacancies are caused by the retirement of Lord Mance in June 2018, Lord Hughes in August 2018 and Lord Sumption in December 2018

In November 2017 the Lord Chancellor wrote to Lady Hale inviting her to convene selection commissions (one for the Deputy Presidency and one for Justices) to fill the above forthcoming vacancies. The membership of these commissions is the same and both competitions are being run in parallel. The commissions comprise Lady Hale (Chair), Lord Kakkar (Chair of the Judicial Appointments Commission for England and Wales), Lord Burnett (Lord Chief Justice of England and Wales), Deirdre Fulton (a member of the Judicial Appointments Board for Scotland) and Lindsay Todd (a member of the Judicial Appointments Commission for Northern Ireland).

All vacancies were advertised widely in December 2017. A dedicated section of the UKSC website presented information on the job description and selection criteria.

Other steps undertaken by the UKSC and the selection commissions to encourage a broad pool of eligible applicants included the launch of 'insight sessions' to give potential candidates an opportunity to make a private visit to the Court and discuss the role with a serving Justice, and ensuring that the application material made clear the availability of part-time working for new Justices.

Applications closed on 26 January 2018 and, at the close of the period to which this report relates, the selection commissions have considered the applications submitted and have proceeded with the appointment process by way of interviews of shortlisted candidates. Lord Reed was appointed Deputy President on 29th May 2018. It is hoped that the names of the new Justices appointed will be announced by the UK Government on behalf of HM The Queen before the summer.

Section three

Performance report: Jurisdiction and casework



The Supreme Court of the United Kingdom

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 UK 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

The devolution jurisdiction of the JPCPC 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 her 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 nine (six) 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 and have been improved further to reflect suggestions made by practitioners.

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

An appellant requires permission to appeal before he or she can bring a case to the UKSC. This used not to be so in cases from Scotland but the position has been changed. 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 12 sitting weeks. In urgent cases, a request for expedition may be made and an expedited application can be determined within 14 days or even less (see Table 1).

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, 59 such applications have been made and 55 were granted.

Appeals

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

Sitting days

Over the year, the UKSC sat for 95.5 days. The Court's target remains for all appeals to be listed for hearing within nine months of the grant of permission. The Court, however, seeks to arrange hearings according to the availability of parties'

legal representatives. In practice, it is this factor alone which can prolong the 'life' of an appeal as instructing new advocates if their advocate of choice is not available within the target period involves the parties incurring considerable extra expense.

The UKSC can and has arranged hearings within weeks of the grant of permission in urgent cases. The Court deliberately allows some gaps in its listing to enable such cases to be heard. Table 1 below indicates some cases heard by the UKSC within six months, and the timescales within which they were handled.

TABLE 1 – Expedited Appeal Cases¹

Case name	Permission to Appeal application filed	Permission to Appeal determination given	Hearing	Judgement
R v M (Appellant)*	13 January 2017	12 April 2017	19 June 2017	3 August 2017
R v C (Appellant)*	13 January 2017	12 April 2017	19 June 2017	3 August 2017
R v T (Appellant)*	13 January 2017	12 April 2017	19 June 2017	3 August 2017
In the matter of C (Children)	31 July 2017	Appeal as of Right	9 October 2017	14 February 2018
In the matter of an application by the Northern Ireland Human Rights Commission for Judicial Review (Northern Ireland)	24 July 2017	Appeal as of Right	24 October 2017	TBC
Belhaj and another (Appellants) v Director of Public Prosecutions (Respondent)	22 January 2018	28 February 2018	22 March 2018	TBC

* These three cases were linked

¹ Normally an appeal would be listed for hearing within 9 months of the grant of permission, unless the parties request a later date or the Court decides the hearing should be fixed earlier and 'expedites the hearing'.

Section three

Performance report: Jurisdiction and casework

TABLE 2 – Total UKSC statistics, including all jurisdictions: 1 April 2017 – 31 March 2018

	Total
PTA applications received	228
PTA applications granted (not all filed during period)*	65
PTA applications refused (not all filed during period)*	130
PTA applications other result	4
PTA fee remissions	17
PTA fee deferred	7
Appeals/references lodged with permission or as of right	6
Number of appeals heard	85
Number of appeals allowed	35
Number of appeals dismissed	36
Number of appeals other outcomes	7
Number of appeals referred to CJEU	7
Number of sitting days	95.5
Number of judgments given	78

*Not all applications which are filed are ready for determination during the same reporting year period.

TABLE 3 – Permission to Appeals from Scotland and Northern Ireland: 1 April 2017 – 31 March 2018

	Total
Appeal applications received	
Scotland	21
Northern Ireland	11
Appeal applications granted (not all filed during period)	
Scotland	10
Northern Ireland	7
Appeal applications refused (not all filed during period)*	
Scotland	10
Northern Ireland	4
Appeals/references lodged as of right	
Scotland	2
Northern Ireland	2

*Not all applications which are filed are ready for determination during the same reporting year period.

TABLE 4 – UKSC Applications for Permission to Appeal disposed of, by subject area:
1 April 2017 – 31 March 2018

Subject area	Number Granted	Number Refused	Number other	Total
Arbitration	0	2	0	2
Banking	2	1	0	3
Betting	0	0	0	0
Charities	0	0	0	0
Children	0	0	0	0
Company	0	3	0	3
Competition	0	0	0	0
Confidence	0	0	0	0
Consumer credit	0	0	0	0
Conflict of laws	0	0	0	0
Contract	1	4	0	5
Copyright	0	1	0	1
Coroners	0	0	0	0
Costs	0	0	0	0
Crime	7	7	0	14
Defamation	0	2	1	3
Devolution	1	1	0	2
Discrimination	1	2	0	3
Ecclesiastical law	0	0	0	0
Education	0	0	0	0
Employment	4	4	0	8
Environment	0	3	0	3
Equity	0	0	0	0
EU law	1	2	0	3
Evidence	0	0	0	0
Extradition	0	0	0	0
Family	2	6	0	8
Financial services	0	0	0	0
Freedom of information	0	0	0	0
Highways	1	0	0	1
Housing	2	1	0	3
Human rights	0	4	0	4
Immigration	5	17	2	24
Insolvency	1	2	0	3
Insurance	2	1	0	3

The table above follows the subject headings of Halsbury's Laws and Incorporated Council of Law Reporting.

Section three

Performance report: Jurisdiction and casework

TABLE 4 – UKSC Applications for Permission to Appeal disposed of, by subject area:
1 April 2017 – 31 March 2018

Subject area	Number Granted	Number Refused	Number other	Total
Judicial review	9	9	0	18
Land	1	4	0	5
Landlord and tenant	1	3	0	4
Legal profession	0	0	0	0
Licensing	0	0	0	0
Limitation	0	0	0	0
Mental health	1	1	0	2
Mortgage	0	0	0	0
Negligence	1	2	0	3
Occupier's liability	0	0	0	0
Partnership	0	0	0	0
Patents	2	4	0	6
Pensions	1	0	0	1
Personal injury	2	2	0	4
Planning	0	8	0	8
Police	0	1	0	1
Probate	0	0	0	0
Procedure	7	23	0	30
Rating valuation	3	0	0	3
Road traffic	0	1	0	1
Sale of goods	0	0	0	0
Shipping	1	0	0	1
Statutory interpretation	0	0	0	0
Solicitor	0	0	0	0
Social security	0	0	0	0
Taxation	6	7	2	15
Tort	0	1	0	1
Trade mark	0	1	0	1
Trusts	0	0	0	0
Wills	0	0	0	0
Total	65	130	5	200

The table above follows the subject headings of Halsbury's Laws and Incorporated Council of Law Reporting.

TABLE 5 – UKSC appeals, disposed of by judgment, by subject matter:
1 April 2017 – 31 March 2018

	Allowed	Dismissed	Other	Total number of judgments
Arbitration	0	0	0	0
Banking	0	0	0	0
Betting	0	1	0	1
Charities	0	0	0	0
Children	0	0	0	0
Company	1	1	0	2
Competition	0	0	0	0
Confidence	0	0	0	0
Consumer credit	0	0	0	0
Conflict of laws	0	0	0	0
Contract law	1	0	0	1
Contract	0	0	0	0
Copyright	0	0	0	0
Coroners	0	0	0	0
Costs	0	1	1	2
Crime	1	4	1	6
Defamation	0	0	0	0
Devolution	0	1	0	1
Discrimination	2	1	0	3
Ecclesiastical law	0	0	0	0
Education	1	0	0	1
Employment	4	3	1	8
Enforcement costs	0	0	0	0
Environment	0	0	0	0
Equity	0	0	0	0
EU law	1	0	0	1
Evidence	0	0	0	0
Extradition	0	0	0	0
Family	3	0	0	3
Financial services	0	0	0	0
Freedom of information	0	0	0	0
Highways	0	0	0	0
Housing	0	1	0	1
Human rights	2	1	0	3

The table above follows the subject headings of Halsbury's Laws and Incorporated Council of Law Reporting.

Section three

Performance report: Jurisdiction and casework

Immigration	1	0	1	2
Insolvency	0	0	1	1
Insurance	0	0	0	0
Judicial review	5	6	1	12
Land	0	0	0	0
Landlord and tenant	0	0	0	0
Legal profession	0	0	0	0
Licensing	1	0	0	1
Limitation	0	0	0	0
Mental health	0	0	0	0
Mortgage	0	0	0	0
Negligence	2	1	0	3
Occupier's liability	0	0	0	0
Patent	1	0	0	1
Partnership	0	0	0	0
Pensions	0	0	0	0
Personal injury	2	0	0	2
Planning	0	3	0	3
Probate	0	0	0	0
Procedure	3	4	0	7
Rating valuation	0	1	0	1
Road traffic	0	0	0	0
Sale of goods	0	0	0	0
Shipping	2	1	0	3
State immunity	0	1	0	1
Statutory interpretation	0	0	0	0
Solicitor	1	0	0	1
Social security	0	1	0	1
Taxation	1	4	1	6
Tort	0	0	0	0
Trade mark	0	0	0	0
Trusts	0	0	0	0
Wills	0	0	0	0
Totals	35	36	7	78

The table above follows the subject headings of Halsbury's Laws and Incorporated Council of Law Reporting.

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 CJEU in *CILFIT v. Ministry of Health* (Case C 283/81). 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 2017 and 31 March 2018 following substantive appeal hearings, the UKSC agreed to refer questions in four cases.

In permission applications in cases said to raise a question of European Union law, the UKSC 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 2017 and 31 March 2018, the UKSC made four such references. Over the same year, the UKSC has, when refusing permission to appeal, refused to make references in nine cases.

Size of panels hearing cases

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

Easter term 2017 (25 April – 26 May 2017)

Seven Justices sat on the following appeals:

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

Michaelmas Term 2017 (2 October – 21 December 2017)

Seven Justices sat on the following appeals:

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

*These two cases were linked

Hilary Term 2018 (11 January – up to 28 March 2018)

Seven Justices sat on the following appeals:

- PNM v Times Newspapers Limited and others

Cases and judgments

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

In the matter of Charlie Gard

The case which attracted the most attention this year was not a judgment on appeal, but a decision not to grant permission to appeal. The parents of a terminally ill baby, Charlie Gard, sought to appeal against the decision of the lower courts that his further treatment by Great

Ormond Street Hospital would be futile and not in his best interests, and continuation of artificial ventilation, nutrition and hydration was therefore unlawful. After an oral hearing, the Supreme Court explained in a judgment delivered by Lady Hale on 8 June 2017 that the proposed appeal did not raise an arguable point of law, while expressing the utmost sympathy for Charlie's devoted parents.

After this hearing, the parents applied to the European Court of Human Rights (ECtHR). That court requested the UK government to ensure that the hospital continued to provide the treatment keeping Charlie alive for a limited period while the Court decided whether the application was admissible.

The ECtHR dealt with the application urgently and declared it inadmissible on 27 June 2017.

Isle of Wight v Platt [2017] UKSC 28

The controversial issue of fines for parents who take their children on holiday during school term time reached the Supreme Court in 2017. Mr Platt took his daughter out of her primary school for seven school days without permission, but had successfully challenged the fine imposed by the Isle of Wight Council in the lower courts on the basis that the requirement in section 444(1) Education Act 1996 for parents to ensure that their children attend school 'regularly' was satisfied by her attendance otherwise over 90% of the academic year.

The Supreme Court allowed the council's appeal. Its task was to interpret section 444(1). The word 'regularly' had several possible meanings and the history of this

obligation on parents in the Education Acts preceding the 1996 Act showed that Parliament must have intended ‘regularly’ to mean ‘in accordance with the rules’ rather than ‘sufficiently often. A trivial breach could be dealt with by a sensible prosecution policy, but it was important that a statute imposing criminal liability enabled everyone to know what was and was not an offence.

**RFC 2012 Plc (in liquidation)
(formerly The Rangers Football Club
Plc) v Advocate General for Scotland
(Scotland) [2017] UKSC 45**

This case was one of several coming before the Supreme Court recently which examined the effectiveness of tax avoidance schemes. The arrangements for the remuneration of employees at Rangers Football Club, involving the creation of a Principal Trust and loans to a sub-trust for each employee, were challenged by Her Majesty’s Revenue and Customs (HMRC). HMRC argued that the Club had failed to pay income tax and national insurance contributions due on the sums paid to the trust as remuneration for the employees.

The Supreme Court upheld the Inner House’s decision that it was not necessary that the employee should himself receive, or at least be entitled to receive the remuneration, in order for that payment to amount to taxable earnings. Income derived from an employee’s work was subject to deduction under the Pay As You Earn regulations, even if the employee had agreed that it should be redirected to a third party.

**Walker v Innospec Limited and others
[2017] UKSC 47**

An important case on discrimination on grounds of sexual orientation held that the current law, which in respect of employees in civil partnerships denied pension benefits accruing before 2005, when civil partnerships were introduced, was contrary to European Union law and must therefore be disapplied.

Mr Walker had worked for Innospec from 1980 until his retirement in 2003. He had lived with his male partner since 1993. They entered into a civil partnership in 2006 and are now married, but Innospec refused to confirm that in the event of his death, it would pay the spouse’s pension under the scheme to his civil partner.

The domestic law of the UK, now found in the Equality Act 2010, had not properly transposed the prohibition on discrimination in the relevant EU Directive. EU law did not impose a requirement on member states to recognise same-sex marriages but, if a status equivalent to marriage was available under national law, an employer must treat both equally. Unless there would be unacceptable economic or social consequences of giving effect to Mr Walker’s entitlement to a survivor’s pension for his husband at the time this pension would fall due, there was no reason why he should be subjected to unequal treatment as to the payment of that pension, calculated on the basis of all his years of service with Innospec.

R (on the application of UNISON) v Lord Chancellor [2017] UKSC 51

A case challenging the introduction of application fees to enforce employment rights in employment tribunals, which had previously been free, had at its heart the fundamental right of access to justice.

The Supreme Court reiterated that access to justice is essential to ensure that the laws created by Parliament and the courts are applied and enforced. Any unjustifiable impediment to the right of access to the court can breach this right, even if it does not make access impossible. It is open to Parliament to authorise limitations, including financial ones, on the right but the limitations must pursue a legitimate objective and be no more intrusive than is justified by this objective. In this case the evidence showed that the cost of bringing legitimate claims had rendered it futile or irrational in many cases to bring a claim. Fees must be affordable not in a theoretical sense but in the real world. The bringing of a claim before a tribunal was not a purely private activity: it provided a broader social benefit.

The Fees Order was also inherently discriminatory against women, because higher fees were charged for discrimination claims, which were disproportionately brought by women, but such claims did not always correspond with a greater workload for the tribunal.

The government responded quickly to the quashing of the Fees Order by the Supreme Court and fees ceased immediately to be charged to litigants. It was also announced

that tribunal fees wrongly paid while the Fees Order was in place would be refunded to litigants.

Reyes v Al-Malki and another [2017] UKSC 61

This was one of two cases raising the issue of immunities associated with employment in London embassies or by diplomatic staff. The other was *Benkharbouche v Secretary of State for Foreign and Commonwealth Affairs* [2017] UKSC 62.

Ms Reyes had been employed as a domestic servant at the London residence of Mr Al-Malki, a member of the diplomatic staff of the Saudi Arabian embassy in London. She alleged that she was the victim of trafficking and had been mistreated in the course of her employment. The question of whether Mr Al-Malki was entitled to diplomatic immunity under the Vienna Convention on Diplomatic Relations 1961, incorporated into law by the Diplomatic Privileges Act 1964, with the result that the employment tribunal lacked jurisdiction to hear the claim, was heard as a preliminary issue.

The Supreme Court held he was not entitled to immunity and remitted the case to the tribunal. The Convention drew a fundamental distinction between the acts of a diplomat performed in the exercise of an official function, and thus committed on behalf of a state, and those which are not. The latter do not enjoy a residual immunity after the diplomatic posting comes to an end. The engagement of Ms Reyes to carry out domestic tasks was not an act in the exercise of the diplomatic functions of the mission and Mr Al-Malki

lost his immunity from her claims when he left the United Kingdom. The Supreme Court left open the question of whether, had Mr Al-Malki remained in his post, he might still have lost his immunity under the Convention, on the ground that the employment of trafficked persons (if proven) would amount to a commercial activity outside his official functions.

Ivey v Genting Casinos (UK) Ltd t/a Crockfords [2017] UKSC 67

When a professional gambler sued a casino, which refused to pay him his winnings because it believed he had cheated, it provided an opportunity for the Supreme Court to review the law of dishonesty.

On the facts of the case, it was clear that Mr Ivey staged a carefully planned and executed sting on the croupier, tricking her into turning the cards in a particular manner to aid the identification of high value cards. This was cheating and in breach of an implied term of his contract with the casino.

Although dishonesty was not an additional element of cheating at gambling, the Supreme Court held that the subjective stage of the two-stage test which had been applied to the concept of dishonesty in criminal proceedings – whether the defendant must have realised that ordinary honest people would regard his behaviour as dishonest – should be abandoned. The law should not excuse those who make a mistake about contemporary standards of honesty. Instead, the test should be the same as the objective test of dishonesty which was applied in civil actions. In all claims, the fact-finding tribunal must

ascertain the actual state of the individual's knowledge or belief as to the facts and then determine whether his conduct was honest or dishonest by the standards of ordinary decent people.

Scotch Whisky Association and others v The Lord Advocate and another [2017] UKSC 76

In this case the Supreme Court upheld the lawfulness of the Act of the Scottish Parliament which introduced a minimum pricing regime for alcohol, the Alcohol (Minimum Pricing) (Scotland) Act 2012. It held that the Act did not breach EU law and was a proportionate means of achieving the legitimate aim of addressing the health and social consequences arising from the over-consumption of cheap alcohol.

The case had been the subject of a preliminary reference to the Court of Justice of the European Union and the issues arising had to be examined in the light of the guidance from that court. The Scottish Government accepted that minimum pricing would affect the market and EU trade in alcohol but showed it to be justified. It aimed to reduce the consumption of alcohol both generally and in a targeted way at those consumers whose consumption was hazardous or harmful. It did this in a way that an increase in excise duty or VAT could not, was easy to understand and simpler to enforce.

Commissioner of Police of the Metropolis v DSD and another [2018] UKSC 11

Two victims of the 'black cab rapist', John Warboys, brought proceedings against the

police alleging failure to conduct effective investigations into Warboys' crimes. They claimed that this failure constituted a violation of their rights under Article 3 of the European Convention on Human Rights, which provides that no one shall be subjected to torture or inhuman or degrading treatment.

The main issue was the extent to which Article 3 imposes a positive obligation on states to conduct effective investigations into reported crimes perpetrated by private individuals. The victims had succeeded in the lower courts and been awarded compensation. The Metropolitan police appealed to the Supreme Court in relation to the scope of the Article 3 duty while not attempting to recover the damages paid.

The Supreme Court analysed the ECHR case law supporting the existence of the positive obligation and held that there was indeed an operational duty on the police to conduct a proper inquiry into behaviour amounting to a breach of Article 3. A breach of this duty would only arise if the investigative errors were serious. The basis for liability for claims under the Human Rights Act 1998 was different from claims against the police for negligence under the common law, where it has been held that the police do not owe a common law duty of care to victims in these circumstances.

The Judicial Committee of the Privy Council

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 in the Annex. Although the Judicial Committee was instituted by a United Kingdom Act, the substantive law which it applies is the law of the country or territory from which the appeal comes. The Judicial Committee therefore plays an important role in the development of law in the various constituent jurisdictions and the impact of its decisions extends far beyond the parties involved in any given case, and often involves questions arising out of the relevant constitution and/or the fundamental rights and freedoms of the inhabitants of the country or territory.

The JCPC hears a wide variety of cases and deals with complex commercial or wide-reaching matters – often in a short timeframe – e.g. *A v R* (Guernsey).

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

Rules and Practice Directions

The underlying procedure of the JCPC is in many respects the same as that of the UKSC. The Rules are kept under review and feedback from users, whether formally through the User Group or informally in other ways, is welcomed. The Rules, Practice Directions and forms for the JCPC can be accessed on the JCPC website at www.jcpc.uk

Procedure for appealing

Unlike in the UKSC where 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. Permission to appeal is granted in criminal cases for applications where, in the opinion of the Board, there is a risk that a serious miscarriage of justice may have occurred.

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

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.

A key development during 2017/2018 has been the use of video link equipment to reduce the need for parties to travel to London for brief hearings. This was used for *Maharaj and another (Appellants) v Motor One Insurance Company Ltd (Respondent)* case (2016/0101), on appeal from the Court of Appeal (Trinidad and Tobago), and for *The State of Mauritius and another (Appellants) v The (Mauritius) CT Power Limited and others (Respondents)* case (2017/0023 and 2017/0025) on appeal from the Supreme Court of Mauritius, and in *Fishermen and Friends of the Sea (Appellant) v The Minister of Planning, Housing and the Environment (Respondent)* (2016/0028) on appeal from the Court of Appeal (Trinidad and Tobago). Following the success of the 2016 pilot, permanent equipment has been installed in Court Three to allow for greater use of this technology in future.

The JCPC can and has arranged hearings within weeks of the grant of permission in urgent cases. The Court deliberately allows some gaps in its listing to enable such cases to be heard, for example *A (Appellant) v R (Respondent)* (Guernsey).



The Judicial Committee of the Privy Council (JCPC) courtroom.

TABLE 6 – Total JCPC statistics: 1 April 2017 – 31 March 2018

	Total
PTA applications received	113
PTA applications referred to Justices	61
PTA applications granted (not all filed during period) ⁶	20
PTA applications refused (not all filed during period) ⁷	32
PTA applications other result	11
PTA fee remissions	8
Appeals filed as of right	47
Number of appeals heard	43
Number of appeals allowed	11
Number of appeals dismissed	30
Number of appeals other result	4
Number of sitting days	46
Number of judgments given	44

⁶ Not all applications which are filed are ready for determination during the same reporting year period.

⁷ Not all applications which are filed are ready for determination during the same reporting year period.



Using video link equipment during an appeal in the Judicial Committee of the Privity Council (JCPC).

Section three

Performance report: Jurisdiction and casework

TABLE 7 – Permission to appeal applications lodged and other appeals filed, by jurisdiction:
1 April 2017 – 31 March 2018

	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)
Akrotiri and Dhekelia	3	0	0	0
Anguilla	0	0	0	0
Antigua and Barbuda	1	1	2	0
Bahamas	18	3	3	10
Bermuda	7	0	1	3
British Indian Ocean Territory	0	0	0	0
British Virgin Islands	5	1	2	3
Cayman Islands	7	0	2	2
Cook Islands and Niue	1	0	0	1
Falkland Islands	0	0	0	0
Gibraltar	2	0	1	0
Grenada	1	1	0	0
Guernsey	1	1	2	1
Isle of Man	6	0	3	0
Jamaica	7	2	7	2
Jersey	3	1	2	0
Mauritius	12	2	2	9
Montserrat	0	0	0	0
Pitcairn Islands	1	0	0	0
St Christopher and Nevis	3	0	0	0
St Helena	1	0	0	1
St Lucia	1	0	0	0
St Vincent and the Grenadines	0	0	0	0
Solomon Islands	0	0	0	0
Trinidad and Tobago	29	8	5	14
Tristan da Cunha	0	0	0	0
Turks and Caicos	1	0	0	0
Tuvalu	0	0	0	0
UK				
Royal College of Veterinary Surgeons	1	0	0	1
Schemes of the Church Commissioners under Pastoral Measure	2	0	0	0
Arches Court of Canterbury	0	0	0	0
Chancery Court of York	0	0	0	0
Referrals under section 4 of the Judicial Committee Act 1833	0	0	0	0
Total	113	20	32	47

TABLE 8 – JCPC appeals, disposed of by judgment, by subject matter:
1 April 2017 – 31 March 2018

	Allowed	Dismissed	Other	Total number of judgments
Arbitration	0	0	0	0
Assault	1	0	0	1
Children	0	0	0	0
Company	0	1	1	2
Companies	0	3	1	4
Competition	0	0	0	0
Contract law	0	2	0	2
Conflict of laws	0	0	0	0
Constitutional law	0	1	0	1
Copyright	0	1	0	1
Costs	0	0	0	0
Crime	1	5	0	6
Damages	0	1	0	2
Design right	0	0	0	0
Discipline	0	0	0	0
Discrimination	0	0	0	0
Employment	1	1	0	2
Evidence	0	0	0	0
EU law	0	0	0	0
Family	0	2	0	2
Housing	0	0	0	0
Human rights	0	0	0	0
Immigration	0	0	0	0
Injunction	0	0	0	0
Insolvency	0	0	0	0
Insurance	1	0	0	1
Judicial review	1	3	0	4
Land	0	2	0	2
Landlord and tenant	1	1	0	2
Limitation	0	1	0	1
Mortgage	0	0	0	0
Negligence	0	0	0	0
Passing off	0	0	0	0
Personal injury	2	0	0	2
Planning	0	0	0	0
Procedure	1	3	2	6
Property	1	0	0	1
Shipping	0	0	0	0
Social security	0	0	0	0

The table above follows the subject headings of Halsbury's Laws and Incorporated Council of Law Reporting.

Section three

Performance report: Jurisdiction and casework

TABLE 8 – JCPC appeals, disposed of by judgment, by subject matter:
1 April 2017 – 31 March 2018

	Allowed	Dismissed	Other	Total number of judgments
Taxation	0	0	0	0
Telecommunications	1	0	0	1
Tort	0	0	0	0
Trusts	0	1	0	1
Other (Hurnam) – set aside motion	0	1	0	1
Total	11	29	4	44

The table above follows the subject headings of Halsbury's Laws and Incorporated Council of Law Reporting.

Size of panels hearing cases

The JCPC usually sits as a Board of five, but sometimes in panels of three, seven or nine. When a panel decides to grant permission to appeal, a recommendation is made if the panel considers more (or less) than five judges should sit. The criteria for making such a recommendation are available on our website. During this year there have been no panels of more than five judges.

Cases and judgments

JCPC cases of particular legal interest over the year included:

Fishermen and Friends of the Sea v The Minister of Planning, Housing and the Environment (Trinidad and Tobago) [2017] UKPC 37

This case was the first to be heard by video link from the Privy Council court room in London. The appeal concerned the 'Polluter Pays Principle' established in international and domestic environmental laws: the principle that ensures that the costs of pollution control and remediation are born by those who cause the pollution and reflected in the costs of their goods and services. It arose in the context of the

National Environmental Policy (NEP) in Trinidad and Tobago which provided that money collected as charges for licences to generate pollutants would be used to correct environmental damage. The Board held that the regulations prescribing the fee for such a permit had taken no account of this principle and were in breach of the NEP. It declared them to be unlawful. Rather than quashing the regulations, it directed the minister to reconsider the fee for a permit on the proper basis and to make amended regulations as soon as practicable.

A v R [2018] UKPC 4

This was an unusual case from the Channel Island of Sark, which required the Board to determine the extent of the jurisdiction of the Seneschal of Sark and the scope for judicial development of the common law or customary law of Sark. The issue arose in an application for maintenance for a child by the mother (R) from the father (A).

The Board examined the history of the Court of the Seneschal from 1583 and confirmed that it has unlimited jurisdiction in civil matters. The statement of customary laws of the Bailiwick of Guernsey made by order in 1583 (L'Approbation) has not

prevented subsequent judicial development of the common law of Guernsey, which is also Sark's customary law. There has long existed an action in maintenance at common law which the parent caring for a child can raise when that child is not of an age to assert the right himself or herself.

The Board also gave guidance on the circumstances in which an applicant needs permission to appeal from the Court of Appeal of Guernsey to the Privy Council. The conditions for an appeal as of right set out in the Court of Appeal (Guernsey) Law 1961 still apply, and the Court of Appeal should grant leave where they are met, unless such an appeal would be an abuse of process.

Section four

Performance report: Communications and external relations



Throughout 2017–18 the UKSC has continued to find ways to make its proceedings as accessible as possible and to nurture effective relationships with a wide range of stakeholders across the UK and beyond.

Maintaining effective relationships with all jurisdictions in the United Kingdom

We have continued to build constructive relationships with legislatures across the UK. Regular breakfast meetings between the senior judiciary and the House of Lords have continued, with a number of peers visiting the UKSC on 7 December 2017. Lady Hale and Lord Mance made one of the President and Deputy President’s regular appearances before the House of Lords Constitution Committee on 21 March 2018 (a transcript of their appearance can be found on the Committee’s website see: www.parliament.uk/business/committees/committees-a-z/lords-select/constitution-committee/).

The context within which the Court operates, particularly in relation to the 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. Lord Lloyd-Jones has taken over the role formerly filled by Lord Hughes, of keeping in touch with developments in 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 Thomas, former Lord Chief Justice of England and Wales; Lord Carloway, Lord President of the Court of Session; Sir Bernard Rix, formerly Lord Justice of Appeal; and Sir Ronald Weatherup, judge of the High Court in Northern Ireland. We are grateful to all of them for the contribution they have made.

England

The Justices undertake a wide range of outreach work across the country, attending events and speaking to audiences about the law, Supreme Court jurisprudence and the work of the senior courts. The breadth of this engagement is impossible to list comprehensively, but illustrative examples include: Lord Sumption giving the Harris Society Annual Lecture on ‘The Supreme Court and the Interpretation of Contracts’ at Keble College, the University of Oxford, in May 2017; Lord Neuberger delivering an address at the International Insolvency Institute Annual Conference, in London, in June 2017; Lord Mance delivering the 40th Annual FA Mann Lecture on ‘Justiciability’ at Middle Temple Hall, London, in November 2017; Lord Hodge speaking about the use, abuse and boundaries of expert evidence at the Middle Temple Guest Lecture, in London, in November 2017; Lady Hale giving a lecture about dishonesty at the Bristol Alumni

Section four

Performance report: Communication and external relations

Association (Bristol), as well delivering the Annual Pankhurst Lecture at the University of Manchester, both in February 2018; Lord Hughes speaking to the Nottingham University Bar Society in February 2018;

and Lord Carnwath chairing a seminar on damages in investment treaty arbitration at Landmark Chambers, London, in March 2018.

Scotland

The visit to Edinburgh by the Court from 12 to 15 June 2017 enabled Lord Neuberger, Lady Hale, Lord Mance, Lord Kerr, Lord Clarke as well as Lord Reed and Lord Hodge, to meet and mix with many members of the Scottish judiciary, as well as members of the Faculty of Advocates, the Scottish Law Society and the Law School of the University of Edinburgh. These generously organised events during the Justices' time in the Scottish capital, included a live-streamed panel session on the final day with members of the solicitors' profession. In addition, the Chief Executive gave a talk on the Supreme Court building in London to members of the public after one of the Court sittings.

Regular 'keeping in touch' meetings have continued throughout the year: Lord Reed and Lord Hodge met the Lord Advocate on 22 May and 18 October 2017; and the Advocate General on 26 October 2017.

In December 2017, Lord Hodge attended the Edinburgh Tax Network Annual Lecture at Parliament House in Edinburgh. He spoke about the Rangers Football Club tax case that was heard by the UKSC in 2017, tax avoidance schemes and statutory interpretation.



Justices pictured with staff during the UKSC's sitting in Edinburgh, June 2017.

Lord Reed delivered a lecture on comparative law at the Centre for Private Law, University of Edinburgh, in October 2017.

On 19 February 2018 the Chief Executive visited Edinburgh to attend a meeting of the Judicial Appointments Board.

Northern Ireland

The Chief Executive was in Northern Ireland for the opening of the legal year in September 2017. As well as attending the ceremony and the Lord Chief Justice of Northern Ireland's address, Mark had meetings with the Lord Chief Justice, David Lavery of the Department of Justice and Alan Hunter, Chief Executive of the Law Society.

On 16 May 2017 Lord Kerr met Ian Huddleston, President of the Law Society of Northern Ireland and Alan Hunter, Chief Executive.

In May 2017 Lord Neuberger delivered a key note speech at the Northern Ireland Personal Injury Bar's Inaugural Conference

in County Down, discussing the implications of tort law decisions.

Lady Hale delivered a lecture at the Constitutional Law Summer School in Belfast, speaking about 'Judges, Power and Accountability' in August 2017.

In November 2017 the UKSC announced it would be sitting in the Inn of Court, off the Great Hall of the Royal Courts of Justice in Belfast between 30 April and 3 May 2018 – only the second time that the Court has heard appeals outside London. Mark Ormerod led two separate planning visits – on 26 July 2017 and 22 February 2018 – for discussions with those involved with the arrangements.

During the course of these visits he had meetings with David Mulholland, Chief Executive of the Bar Council and staff at the Royal Courts of Justice.

Wales

Lord Lloyd-Jones was invited to the Association of London Welsh Lawyers' annual dinner and gave an after-dinner address in November 2017. Addressing the Association again in February 2018, alongside Nicholas Paines QC and the Counsel General for Wales, Lord Lloyd-Jones spoke about the codification of Welsh law.

Lord Lloyd-Jones and the Chief Executive attended the Legal Wales Conference held at Swansea University on 15 September 2017.

Lord Lloyd-Jones met the Counsel General for Wales on 14 December 2017.

Judicial Committee of the Privy Council

Over the year the Justices and administration have continued to maintain and enhance the relationship with the jurisdictions which use the JCPC.

The Chief Executive, the Director of Corporate Services, and the Registrar have continued to offer to brief incoming Governors of the British Overseas Territories or senior diplomats serving in other JCPC countries upon appointment or at another convenient juncture. This year such meetings were held with the Governors of Anguilla and Montserrat and the High Commissioner to Jamaica as well as senior officials in the Foreign and Commonwealth Office including Head of the Caribbean, Central America and Mexico Department.

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.

Engaging with professional users

The User Group, covering both the UKSC and the JCPC, has continued to meet twice a year. Lord Kerr chairs the meetings, with the Chief Executive and the Registrar attending, alongside other Justices and staff as necessary.

Section four

Performance report: Communication and external relations

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 revisions of the Practice Directions and the forms, as well as providing a forum to update on information technology to support the work of the court.

Welcoming visitors

During the year we received 80,832 visitors from both the UK and overseas. This represents a decrease of 12% against 2016–2017, a trend reflected in many other central London visitor destinations following the recent terror attacks in London. We have pro-actively marketed the Court as a building of historical significance to potential domestic and international visitors, and will redouble and expand our efforts in the year ahead.

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.

We again participated in the 'Open House London' weekend in September 2017 (where over 3,750 people visited over three days), in addition to hosting four other dedicated 'open day' events throughout the year. We also held six evening tours that enabled those usually unable to visit during the day to see the building with the benefit of a staff guide, including a special evening tour in January that combined a tour of the Court with a walkthrough of the 'Law and Nationhood: India and Pakistan at 70' exhibition with curator Dr Charlotte de Mille.

Additionally, in September 2017 and January 2018, we offered a series of free lunchtime 'taster tours' targeting civil servants in and around Whitehall. The aim of these short tours is to engage wider stakeholders and inform them about the role of the Court.

Educating and inspiring

We welcomed 383 educational groups for visits to the court over the year – slightly less than the total in 2016–2017. The proportion of visits from UK schools and colleges increased from 85% 2016–2017 to 91%, and the proportion of school visits from the state sector has also risen from 75% to 82% over this period.

The percentage of educational visits from Wales, Scotland and Northern Ireland has remained the same as in 2016–2017 at 7% this year.

Over the reporting period we have welcomed groups from East Bank Academy in Scotland, Assumption Grammar in

Northern Ireland, the University of Swansea in Wales, George Heriot School in Scotland, Victoria College in Belfast, and Focus College which has sites in both Scotland and Northern Ireland. Additionally, student groups from the University of Ulster, University of Glasgow and University of Bangor visited over the course of the year and arrangements were made to enable them to meet with Justices during their trip.

In addition to regular tours, each month we have offered 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 successfully delivered Debate Days to a range of groups including BSix Sixth Form College (London), George Heriot's School (Edinburgh) – the first Scottish group to participate in the programme – Richard Hale School (Hertford), Warlingham School (Croydon, Surrey), Varndean College (East Sussex) and welcomed the first Northern Irish group in April 2018. The application window for the next round of Debate Days closed at the end of February 2018 and we received four times more applications than last year due to a more rigorous and targeted marketing and PR approach.

We offered 12 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. 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 on these occasions. The universities who attended during this reporting period included Ulster University Law Society, University of Winchester Mooting Society, SOAS Advocacy Society (SOAS University of London), University of Nottingham Law School, The University of Sheffield, Lancaster University Law Society, Keele University School of Law, Hilary Rodham Clinton School of Law, Swansea University, and The Law Society of Staffordshire University.

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.

In June 2017 we added a new dimension to our education and outreach and launched the 'UK Supreme Court Student Writing Competition'. The purpose of this competition was to encourage students to develop their knowledge of law, their interest in the work of the Supreme Court and to hone their research skills. The competition was open to Year 12 and 13 students from England and Wales, S5 and S6 students from Scotland and Year 13 and 14 students from Northern Ireland. Students chose one of three questions to answer and had 1,500 words within which to make their arguments. The competition

Section four

Performance report: Communication and external relations

closed in September and attracted more than 60 entries from all corners of the United Kingdom. The essays were marked by our Judicial Assistants, and the top three were then sent to Lady Hale who ranked them accordingly. All entrants were each given some feedback.

The top three entrants were: (1) Kit McCarthy from Fife, Scotland; (2) Ellen Murphy from Henley-on-Thames; and (3) James Smith from Grimsby. All three were awarded book tokens and Kit was also invited to spend a day at the Court in March 2018. Here he met both Lady Hale and Lord Hodge, spent time chatting to our Judicial Assistants who offered some valuable tips on how to pursue a career in law, and attended a building tour.

Feedback from the competition was generally excellent with all entrants who completed our feedback survey rating it as 'excellent' or 'good'. We plan to make the competition a part of the Court's annual education programme and will launch the next one in June 2018.

Using art to educate

During 2017–2018, the independent UKSC/JCPC Arts Trust met several times to develop plans for delivering its charitable aims of promoting 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 the summer, the Trust hosted an exhibition called STORYTIME, curated by the Koestler Trust in collaboration with the charity Victim Support. The exhibition was situated on the lower ground floor of the

court and showcased artwork produced by prisoners, exploring the creative ways in which stories can be told through art. Each piece on display was selected from the 2017 Koestler Awards and was made by an entrant aged under 18. A number of the exhibits were sold in aid of the two charities and the respective artists, and visitor feedback was very positive.

Between mid-December 2017 and late-January 2018 the Trust mounted an exhibition entitled 'Law and Nationhood: India and Pakistan at 70' exhibition. This free exhibition coincided with the 70th anniversary celebrations of independence of the Indian subcontinent as well as the UK-India Year of Culture. Commemorating 70 years of independence in South Asia, the Law and Nationhood exhibition highlighted the shared legal background of central figures, Ambedkar, Gandhi, Iqbal, Jinnah, Krishna Varma, and Nehru, drawing on little-known documents from their respective Inns of Court. It explored the conspicuous role that law and legality played in pre- and post-independent histories of India and Pakistan by focusing on six prominent barrister-politicians, each having studied law in England, and called to bar at different Inns of Courts in London through the late 19th and early 20th centuries. The exhibition also explored the complex colonial reaction towards its 'barristers' turning into opponents of their own 'teachers', and the contribution that these leaders made to the consolidation of democracy in their respective nations. It used photographs, facsimiles, archival documents and artefacts, many of which have never been publicly displayed or are little known to the outside world.

Serving the media

The communications team works pro-actively to support accurate coverage of the Court's decisions and wider work, primarily through communicating judgments in a timely and accessible manner. We continue to develop positive working relationships with journalists and bloggers interested in our work, in a continually 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. More video footage from UKSC proceedings has been used by media outlets this year than ever before, including on newspaper websites.

We have also 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.

A user-focused online presence

The number of visitors to our websites has grown significantly over the year to a monthly average of 89,470. Approximately 67% of total traffic over the year was from devices registered in the UK, and, in common with all other organisations, we are seeing continued growth in the proportion of traffic from tablets and mobile devices (from 34% in 2016–2017 to 37% this year).

Social media is an increasingly important part of the way in which we communicate

and engage with the public, and our social media channels are growing all the time. The UKSC Twitter account now has over 242,000 followers – an increase of 0.4% over the last year – 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.

The number of people watching the Court's proceedings – both cases and judgments – via live stream and 'video on demand' continues to grow. On supremecourt.uk more than 137,800 people watched live and 75,000 people watched on demand. On jcpc.uk almost 13,000 people watched live and more than 17,000 people watch on demand.

The Court joined Instagram in June 2017, coinciding with the first UKSC hearings in Edinburgh. Designed to serve as a window into the life of the Supreme Court beyond the courtroom, this channel now has over 2,330 followers.

Section four

Performance report: Communication and external relations



Students from across the UK participating in Debate Day sessions at the UK Supreme Court.



Winner of the Supreme Court's first Writing Competition, Kit McCarthy from Fife in Scotland, met Lady Hale as part of his visit to the Court in March 2018.



Students from SOAS University of London Moot at the UK Supreme Court, judged by Lord Carnwath.



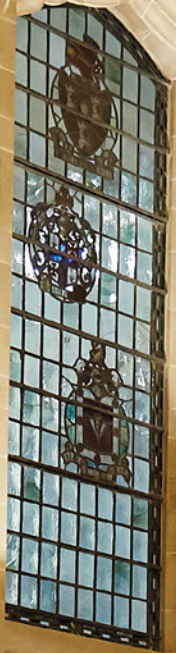
Students from the University of Ulster in Northern Ireland Moot at the UK Supreme Court, judged by Lord Kerr.

Curator of the Supreme Court Arts Trust introduces the "Law and Nationhood: India and Pakistan at 70" exhibition to visitors in January 2018.
© UK Supreme Court, Kevin Leighton



Visitors to the Supreme Court enjoy a tour of the building.
© UK Supreme Court, Kevin Leighton





WRITTEN LAWS CAN BE SO PLAIN SO PURE

BUT WIT MAY GLOSS AND MALICE MAY

Peace is not the absence of war
it is a virtue, a state of mind, a disposition to
benevolence, confidence, justice

Man
is perfect, is the best
of all when separated
from justice he is the
worst of all



Visitors explore the Law Library in the Supreme Court building. © UK Supreme Court, Kevin Leighton

Section
five

Performance report:
International Relations



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

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

- links with 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'État 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 with the legislature; and specifically, discussions with other European judges about the interpretation, implications and application 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 the Prosecutor General of the Brazil Supreme Court, the Chief Justice of Punjab and a delegation of Albanian judges.

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 a judicial exchange scheme run by the Network of Presidents of Supreme Courts of the European Union. Under this scheme we hosted Judge Dario Cavallari from the Supreme Court of Italy in May 2017 and Judge Sylvaine Peruzzetto from the Cour de cassation of France in November 2017.

Justices' international links

We have continued to develop our relations with China. The fourth UK-China Judicial Roundtable took place in May 2017, with Lord Neuberger, Lord Carnwath and Lord Hodge leading a UK delegation which included other senior judges from the Royal Courts of Justices of England and Wales and members from the Environment Agency. Discussions included an overview of environmental law framework and enforcement, environmental adjudication and EU and international cooperation. Lord Hodge continues to take a co-ordinating role for the UK judiciary in terms of relations with China.

Lord Reed and Lord Hughes attended (on behalf of the Supreme Court) a bilateral meeting between members of the UK judiciary and Judges of the European Court of Human Rights in Strasbourg, in June 2017.

In November 2017, Lady Hale, Lord Mance and Lord Reed were part of a delegation that attended a bilateral with the Court of Justice of the European Union in the UK.

Visits by individual Justices of the UKSC

In addition to the activities listed above, some Justices undertook further engagement with international counterparts.

Lord Neuberger opened the International Insolvency Institute's 17th Annual Conference with a keynote speech in June. He also delivered opening remarks at the Australian Bar Association International Conference, which took place in Dublin in July.

Lady Hale met Chief Justice Ma of Hong Kong and Mr Justice Andrew Cheung in May 2017.

That same month she also gave a masterclass at the CSCLeaders is a global leadership programme for exceptional senior leaders selected each year from government, business and NGOs across the 53 countries of the Commonwealth. In June she gave a speech at the World Congress on Family Law and Children's Rights in Dublin, Ireland. In July she participated in a panel discussion with Kate Eastman SC, Chair of the Australian Bar Association (ABA) Diversity and Equality Committee, as part of the ABA 2017 International Conference, and gave the Canadian Institute for Advanced Legal Studies' Cambridge Lecture. In August, she spoke about 'Judges, Power and Accountability' at the Constitutional Law Summer School in Belfast, and in January delivered the Opening Address at the Four Jurisdiction Conference in Dublin. She attended the Global Constitutional Seminar in Yale, America which was organised by Yale University in September 2017.

Lord Mance in September attended the Opening of the Legal Year in Gibraltar as guest of honour. In October he attended the Network of Presidents meeting in Tallinn and in January Lord Mance also attended the Opening of the Legal Year in Strasbourg.

Lord Kerr delivered the inaugural lecture on 'Some Recent Cases in the UK Supreme Court' at the Belfast Pride Law Lecture in July 2017.

Lord Sumption chaired a lecture at University College London for Professor Scott Shapiro of Yale Law School in June 2017.

In September **Lord Reed** spoke at the Conference of American Trial Lawyers in Montreal and received an Honorary Fellowship. In December Lord Reed spoke at the University of Milan.

In April **Lord Carnwath** attended the Environmental Adjudication Symposium in New Zealand. In May he attended the ACA-Europe General Assembly in The Hague. Lord Carnwath attended the Le Club des Jurists International Workshop on the Global Pact on the Environment in Paris in June. In September he attended Commonwealth Magistrates' and Justices' Association Regional Conference in Dar Es Salaam, Tanzania. In February he spoke on Climate, Justice and the Global Pact when he attended the 2018 Asia Pacific Colloquium in Lahore, and in March spoke at the meeting of the Interim Governing Committee of the Global Judicial Institute on the Environment (GJIE) in Brazil. While in Brazil he also spoke at the opening of the eighth World Water Forum Conference.

In March **Lord Hughes** attended a workshop on Exploiting the Legal Implications of Emerging Neuroforensics in Washington D.C. which was organised by the Royal Society, London.

In October 2017 **Lord Hodge** took part in a panel discussion with the Great Britain China Centre on China Rule of Law Issues. He gave the annual Caroline Weatherill

Memorial Lecture, in November at the Manx Museum on the Isle of Man in November, entitled 'Judicial Independence in the United Kingdom: The Lessons of the Brexit Litigation'.

In October **Lady Black** took part in The Hague Special Commission in The Hague.

Lord Briggs spoke at the Qatar Law Forum in November. In January he spoke at the Prime Finance Conference in The Hague and attended the opening of the legal year in Strasbourg along with Lord Mance.

Lord Lloyd-Jones met the Chief Justice of the Punjab and his delegation on their visit to the UK with Lord Carnwath in November 2017. He also attended and spoke at a Conseil d'État conference on General Principles of Law in Paris.

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 £8,000. We incurred costs in the region of £138 hosting three exchanges referred to earlier in this chapter.

Section
SIX

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 2018 there were 47 UKSC and JCPC employees (45 full-time equivalents). This figure represents 35 permanent staff, two secondees and 10 staff on fixed term contracts which includes the seven Judicial Assistants employed each year. Approximately 45 further staff are employed through services provided under contracts. These contracts cover broadcasting, security, building maintenance, catering and cleaning.

The complete range of HR services is provided by our small in-house team and this includes a contract for payroll services with Liberata UK. Employees are on UKSC terms and conditions of service with pension benefits provided through the Civil Service pension arrangements and administered by MyCSP Liverpool.

We monitor and manage sick absence for staff and act promptly to support individuals to try and avoid any long-term sickness. This year there was an average sickness absence rate of 3.76 days per member of staff. This is once again well below both the public and private sector average, though is higher than previous years for UKSC. We offered free flu jabs to all staff in October 2017 and intend to repeat this each autumn. Sick absence and turnover are monitored by the Head of HR and the

Chief Executive on a monthly basis and reported to Management Board as part of the regular dashboard information.

Staff turnover has also been higher in the last year than the Court is used to, both in terms of the retirement of three Justices and two members of Management Board securing new roles on promotion. We successfully recruited a new Finance Director and Head of Communications and appointed a new Building and Contracts Manager on secondment from the Foreign and Commonwealth Office. We also appointed a new personal assistant for the Justices and reviewed and amended the reporting structure of the Judicial Support Team. In our Registry we were able to appoint a new Case Manager and a replacement Registry Support Officer on a secondment basis with the view that we will advertise the permanent vacancy later in 2018.

Following concurrent recruitment campaigns there was a successful internal promotion for a new role as Media and Communications Manager in March 2018 and an external candidate joined in the new role of Education and Visitor Services Manager in early April 2018. We also appointed a new Information Officer on a fixed term contract and advertised the position in April 2018.

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.

We successfully recruited seven new Judicial Assistants who started in September 2017 and they quickly adapted to their new roles working alongside the Justices.

In addition to the new staff, we welcomed a new Non-Executive Director to the team and feel confident that all the new appointments are good additions to the team for the future of the court.

The annual Judicial Assistant recruitment campaign was launched in January 2018 to recruit seven qualified lawyers to work on fixed term contracts from September 2018 to July 2019. The Judicial Assistants support the Justices by carrying out research in connection with appeals and summarising applications for permission to appeal. We again encouraged a diverse range of applications from across the UK jurisdictions, and worked to promote the opportunity with the Scottish Young Lawyers Association (with another event held in Edinburgh), the Law Society of Northern Ireland and the Association of London Welsh Lawyers with support from Lord Lloyd-Jones. We also attended the Bar Council's annual pupillage fair at the University of Law to promote the opportunity with law students and the benefits of considering appointment as a Judicial Assistant as part of a future career path.

Creating a great place to work

As in previous years we used our annual staff survey to help measure staff engagement and this was completed in November 2017. We received a 95% response rate with the majority of staff completing the survey and this provided a good degree of credibility

to the overall scores. The results were very good, though did show a decline to our overall employee engagement score, down from last year's impressive 85% to 77%. With the changes in staff turnover in 2017 this was perhaps expected and gave an opportunity to look for new ways to engage staff in future changes. Pay and communication between teams were common themes that were highlighted by the survey as areas to improve. On the whole staff were very positive about working at the Court and recognised the unique environment, friendly people and interesting work.

The 'Results into Action' team has been considering the results of the 2017 staff survey and continue working on finding opportunities to bring different sections of the court together. There have been a number of initiatives that have established themselves as part of the culture of the court. Charity quiz nights in the café each term have proved to be very popular and previous members of staff will often return to participate. The 'Can't Sing Choir' continues to meet each week and in December performed a selection of Christmas carols at a local care home and combined with the Treasury Singers in our library for our annual charity carol service. We have also continued our popular weekly five-a-side football held at a local youth club, our book club, table tennis, film club at the British Film Institute, free physio sessions and our regular wellbeing walks around St James' Park.

We have maintained our commitment to the London Mayor's Healthy Workplace Achievement Award in recognition of

the support in place to help keep staff happy and healthy. The award recognises a number of different key areas including inclusion, policy and leadership.

Staff have again generously given of their time and talents to raise money for various charities including taking part in the London Legal Walk in May 2017 and the Great Legal Bake Off in February 2018 in aid of free legal advice centres in London and the South East. We have continued in our support of a local youth club and helped support the Abbey Centre with an initiative to support women back into work. Later this year we are considering applying for the Westminster Lion accreditation award to recognise the support given to corporate volunteering.

We have maintained and improved our intranet site to communicate key information to staff. The staff survey results were added to the intranet in November 2017 and the 'Results Into Action Plan' was discussed in February 2018 at our quarterly staff meeting.

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 2017-18 included a range of different training activities including the forthcoming General Data Protection Regulation (GDPR), The Neuroscience of Communication, Unconscious Bias in Recruitment, Emotional Intelligence in Management, Getting the Best from your

Team, Time Management, and a number of diversity related courses such as The Danger of Indifference, Managing Mental Health at Work with MIND, and Positive about Dyslexia. Staff have continued to use Civil Service Learning (run in conjunction with KPMG) and are supported in a variety of different development opportunities to help improve skills and knowledge.

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

Valuing equality and diversity

We have progressed 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

- support for initiatives such as Time to Change to help tackle the stigma attached to mental health issues
- compulsory training for all managers on Unconscious Bias
- 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 package



'Protecting Information' shortly after their appointment, with refresher assessments taking place annually. This year, refresher assessments were completed in April.

Team Supreme' prepare for the London Legal Walk, in aid of free legal advice centres in the South East, May 2017.

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 75 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. 95% of the FOI requests were handled within their respective statutory deadlines. The FOI requests generated four requests for internal review and no complaints to the Information Commissioner.

When considering IT security and the increasing level of cyber threats faced by all organisations, the Court follows the guidance of the National Cyber Security Centre (NCSC) and of the Government Digital Service (GDS). The Court's IT system and its security arrangements are independently assessed on an ongoing basis. We expect to achieve the Cyber Essentials accreditation in 2018. Cyber essentials is a government backed accreditation scheme which has been approved by the NCSC.

Using information technology to create a more efficient court

Since January 2014 the UKSC/JCPC has been using its own IT network. The IT arrangements include provision of good quality hardware and software provision based around Microsoft Office 365. This includes a case management system using Dynamics CRM. Data hosting is supported by a combination of on-site server and cloud storage. This arrangement has provided an IT system which meets the needs of the Court and over which the organisation has more direct control.

The IT provided supports both Justices and staff whether working within the building or remotely. Improved Wi-Fi provision has also enabled parties to make better use of IT during hearings.

Further development of the IT system is ongoing. The secure off-site back up facility established in March 2016 has proven to be effective and has enhanced the resilience of the system while reducing annual running costs. The in-house IT team have also developed a video link facility which can

be used in appropriate cases to reduce travel times and costs for parties to attend the building. This has been used increasingly throughout the year for JCPC cases.

A programme of works has been carried out to improve the resilience of the system, and to make greater use of the SharePoint facility. The use of SharePoint will enhance the way Justices and staff are able to work when away from the court. It will also support teams when working collaboratively on projects.

Work is underway to reconfigure the Dynamics CRM cases system. This work needs to be carried out before the websites are redeveloped and a portal included to allow applications to be filed, and fees paid, online.

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 and court staff with relevant publications and electronic databases, as well as current information on legal topics. The Library assisted with over 500 enquiries ranging from requests for case law reports, journal articles and legislation, to more detailed research including some with an international element.

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 4,000 books. Over 750 loans were recorded this year. 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. 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. Following on from a large donation in the previous year, the Government Legal Department Library transferred to us a significant collection of 17th, 18th and 19th century volumes.

Of increasing importance is the use of electronic resources. The Library has therefore continued to provide the Justices and Judicial Assistants with access to a number of online subscription databases, and organised training sessions and produced supplementary material to guide their effective use. We have continued to enhance the coverage of international and comparative law resources in particular this year. We have also taken out a subscription to a new database of electronic books and other legal commentary services to ensure that as much material as possible is available on demand wherever our users are working.

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, both across government

and the wider legal profession, and both nationally and internationally. The Library team was represented at the annual conference of the British & Irish Association of Law Librarians in Manchester; has participated in all meetings of the Government Law Librarians Forum; and, has facilitated study visits from librarians working at the House of Lords and House of Commons as well as from the British Library.

The Supreme Court 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 2016–17), and has adopted an annual cycle of monitoring including annual reviews of the risk assessments and biennial reviews of the Health and Safety Policy. An independent review of our Health and Safety arrangements will be carried out in the next year.

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 91:100 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. A programme of interior redecoration works has commenced, and this will carry on into the next year.

The facilities management services of security guarding, building maintenance

and cleaning are all outsourced, and the performance of each contractor has been satisfactory. Regular meetings are held with our account managers to deal with any issues and ensure service level agreements are met. The contracts for broadcasting and security guarding were successfully re-let in 2017.

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).

Section seven

Performance report: Management commentary



Financial Position and Results for the Year Ended 31 March 2018

Financial Position (Statement of Financial Position)

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

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 £4.7m (2016/17, £4.9m)
- justices & Staff costs of £6.1m (2016/17, £5.9m)

The Court employed an average 45 (Full Time Equivalent) staff during the year ended 31 March 2018 (2016/17, 43 FTE). There were also an average of 12 Justices (2016/17, an average of 12 Justices) who served during the same period. Accommodation costs and Finance Lease costs account for about 67% of non-pay costs (2016/17, 66%). Depreciation charges, IT Costs, Library, Repairs & Maintenance and Broadcasting costs were responsible for the majority of other non-pay costs.

The Court had operating income of £8.04m which was used to support the administration of justice. Out of this, £6.78m was received by way of contribution from the various jurisdictions i.e. £6.06m from HMCTS, £0.48m from the Scottish Government and £0.24m from Northern Ireland Court Service.

UKSC Court fees during the year were £0.85m whilst £0.31m 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. This takes account of

the prior year adjustment for depreciation that stemmed from the adjustment for the omission of Value Added Tax on the Building valuation from 2009/10 to 2016/17 in the year ended 31 March 2018.

With the exception of the prior year adjustment as stated on pages 80 and 89, Note 22 and the C & AG's report, in the year ended 31 March 2018, the UK Supreme Court met all of its control totals. At £4.72m the net resource outturn was £1.36m less than the 2017-18 Estimate of £6.08m. £1m of this reported variance was due to non-utilisation of £1m AME provision for diminution in the value of the building.

Reconciliation of resource expenditure between Estimates, Accounts and Budgets	2017-18
	£'000
Net Resource Outturn (Estimates)	1,883
Adjustments to additionally include:	
Non-voted expenditure in the OCS	2,834
Net Operating Cost (Accounts)	4,717
Adjustments to additionally include:	
Resource consumption of non-departmental public bodies	0
Resource Budget Outturn (Budget) Of which	4,717
Departmental Expenditure Limits (DEL)	4,717
Annually Managed Expenditure (AME)	0

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 £3.78m.

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 2017-18 was 3.76 days (2016-17, 1.4 days).

Data incidents

No recorded breaches concerning protected personal data were reported.

Principal risks and uncertainties

The key risks and uncertainties facing the Court are detailed in its Risk Register and on pages 79-80 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 departments to pay suppliers within 10 working days, the UK Supreme Court achieved 98% prompt payment of invoices within 10 working days. The average payment day of invoices from suppliers during the year was 5.1 days.

Auditors

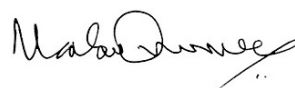
The financial statements are audited by the Comptroller and Auditor General (C&AG) in accordance with the Government Resource and Accounts Act 2000. He is head of the National Audit Office. He and his staff are wholly independent of the UK Supreme

Court, and he reports his findings to Parliament.

The audit of the financial statements for 2017-18, resulted in an audit fee of £35K. This fee is included in non-cash items costs, as disclosed in Note Three 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.



Mark Ormerod
Accounting Officer
29 May 2018

Section eight

Accountability report



Statement of Accounting Officer's Responsibilities	74
Governance Statement	74
Remuneration and Staff Report	81
Parliamentary Accountability and Audit Report	89
Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament	92

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 2017–18 accounts are to be prepared in the form and on the basis set out in the Accounts Direction given by the Treasury dated 19 December 2017.
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 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 (FReM) 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 FReM, 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.
6. 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.
7. I confirm that I consider the annual report and accounts as a whole is fair, balanced and understandable, and that I take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

Governance Statement

Introduction

The UKSC is an independent non-ministerial department 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 department, the UKSC's governance structure differs from that of a conventional Ministerial Government Department, although it still complies with all the requirements of the Code of Practice for Corporate Governance in Central Government Departments

Scope of responsibility

I was appointed Accounting Officer by HM Treasury with effect from 1 September 2015 in accordance with section 5, subsection (6) of the Government Resources and Accounts Act 2000.

As Accounting Officer, 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). 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.

In delivering this role I am supported by the Management Board and its sub-committees.

This Governance Statement, for which I, as Accounting Officer take responsibility, is designed to give a clear understanding of how the duties set out above have been carried out during 2017/18.

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.

The governance structure is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to deliver services, aims and objectives; it therefore provides reasonable and not

absolute assurance. The structures and controls provide clarity and accountability in managing the delivery of the UKSC's administrative objectives. They ensure the administration of the court has the capacity to make decisions, monitor performance and assess and manage resources and risk.

The key elements of the governance framework in place are:

Management Board

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

- The Management Board is chaired by me and comprises two Non-Executive Directors & all Heads of Division.
- The Board meets bi-monthly and 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	6	6
William Arnold Director of Corporate Services	6	6

Louise di Mambro Registrar	6	5
Olufemi Oguntunde (to 31 May 2017) Director of Finance	1	1
Joyti Mackintosh (from 01 June 2017) Director of Finance	5	5
Ben Wilson (to 31 August 2017) Head of Communications	2	2
Sophia Linehan Biggs (from 18 September 2017) Head of Communications	4	4
Chris Maile Head of Human Resources	6	6
Paul Brigland Head of Office and Building Services (and Departmental Records Officer to 30 September 2017)	6	6
Stephen Barrett Non-Executive Director to 31 October 2017	3	2
Kathryn Cearns Non-Executive Director from 01 October 2017	3	3
Kenneth Ludlam Non-Executive Director	6	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 departments and I am satisfied with the Board's effectiveness. Agendas for Board meetings comprise a mixture of standard items as listed above and specific issues, some of which are dealt with quarterly and others as the need arises. Individual members of the Board are held to

account for decisions and the Non-Executive 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 meets the objectives of the Board.

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

Strategic Advisory Board

The Strategic Advisory Board was set up in January 2016. This 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 takes 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 position

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 administration's policies, procedures, internal controls and governance are effective and appropriate to deliver statutory responsibilities and strategic objectives. It is also responsible for assuring the Management Board that all aspects of the 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 Kenneth 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 Supreme Court has experienced a year of change in respect of the judiciary, senior members of the management team, IT systems and the updating of reporting and communication systems. The Committee is of the opinion that all control systems performed to a satisfactory level and there are no significant issues to be drawn to the attention of the Accounting Officer.'

The attendance details of the committee members for 2017/18 are as detailed below:

Audit and Risk Assurance Committee		
	Maximum number of meetings possible to attend	Number of meetings attended
Kenneth Ludlam Chairman & Non-Executive Director	3	3
Stephen Barrett Non-Executive Director until 31 October 2017	2	2
Charles Winstanley Representative from Scotland	3	3
Peter Luney Representative from Northern Ireland from February 2017	3	3
Kathryn Cearns Non-Executive Director from 01 October 2017	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 2017/18.

Remuneration Committee

Remuneration Committee		
	Maximum number of meetings possible to attend	Number of meetings attended
Kathryn Cearns Chair (Non-Executive Director)	1	1
Stephen Barrett (Non-Executive Director)	2	2
Kenneth Ludlam (Non-Executive Director)	3	2
Mark Ormerod (or, in his absence, William Arnold)	3	3

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. They are 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 as and when required and the terms of reference cover all issues affecting pay and benefits for staff. Generally all policy decisions relating to pay and bonuses for each reporting year are agreed at the appropriate committee meeting each year 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.
- It meets three 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 One 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 Four (Engaging with professional 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 the 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 years' Business Plan is contained in the Annual Report for that year and quarterly reports are also provided to the jurisdictions, detailing performance during the reporting period.

Other elements of the Court administration'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 of business risk;
- delegated financial authority supported by a system of central budgetary control;
- 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. Members of the Management Board are responsible for owning, monitoring and managing risks and controls within their areas of direct responsibility. The Management team, under my leadership, incorporates risk management as a standing Management Board meeting agenda item. Risk owners formally review risks on a bi-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 administration of the Court. Management and review of the risks identified is conducted at Board level during the Management Board bi-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 business.
- 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 User Group.
- Information assurance training for all staff by means of the Civil Service Learning's online 'Responsible for 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 Departmental 'Whistle Blowing' policy for confidential reporting of staff concerns.

Review of the effectiveness of risk management and internal control

The system of internal controls reflects good practice. It is designed to identify and prioritise the risks to achieving our policies, aims and objectives; to evaluate the likelihood of those risks being crystallised and the impact should they be crystallised; and to manage them efficiently, effectively and economically. These controls have been in place throughout the year ended 31 March 2018 and up to the date of approval of the Annual Report and Accounts. This is in accordance with HM Treasury guidance.

The UKSC makes stringent efforts to maintain and review the effectiveness of the systems of internal control. Specific risk areas regularly reviewed and monitored include:

- Disruption from breach of physical security
- Decline / Loss in infrastructure performance
- Financial Challenge
- Disruption to relations with Executive, Parliament or Devolved Bodies
- Reputational damage

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 the Court's governance, risk management and internal control.

My review is informed by:

- the work of the internal auditors;
- annual statements on corporate governance by the managers within the Court who have responsibility for the development and maintenance of the internal control framework; and
- observations 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.

The Court's whistle-blowing policy has been in operation throughout the year; the policy sets out the steps staff should take to raise their concerns about behaviours and practices within the Court. This is supported by detailed guidance on the procedures to follow when raising these concerns and has been made available to all staff. No issues were raised under the whistle-blowing arrangements during 2017/18.

There is a modified regularity opinion on the accounts resulting from a technical breach of a Parliamentary Supply total due to the need to account for restated prior year depreciation costs (pages 92 to 95). The UKSC's accounting policy is to revalue the UKSC building each year using the Depreciated Replacement Cost (DRC) method. During the preparation of the UKSC 2017-18 Annual Report and Accounts, we identified an omission of VAT costs from the valuation of the building. These costs should have been included, as VAT is irrecoverable on UKSC's capital costs.

This is of a technical accounting nature. Under IAS 8 – Accounting Policies, Changes in Accounting Estimate and Errors, the prior year comparative figures must be restated. This restatement resulted in an increase of £3.4M in the carrying amount for the Building in 2016-17. This also resulted in an increase in historic depreciation charges from 2009-10, the inception date of the

UKSC, to 2016-17 of £665K. Further details are on page 89, under Non-Budget Outturn in the Statement of Parliament Supply and Note 22.

Under HM Treasury's Consolidated Budgeting Guidance, approval for these historic costs must be obtained from Parliament irrespective of having adequate Supply in the 2017-18 financial year. Due to the timing of discovering this technical error, approval could not be sought from Parliament in 2017-18, as the Supply Estimates round was closed. This has led to an Excess Vote and a modified regularity opinion from the Comptroller and Auditor General.

Given this is a technical error, it is not indicative of any financial mismanagement or an internal control weakness.

I am, therefore, content that a good system of internal control which was robust and fit for purpose, including the maintenance of an appropriate structure for managing risk was in place for the year ended 31 March 2018.

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 2017/18 has given the UKSC a Moderate rating which is an acceptable 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 the delivery of departmental services
- the funds available to departments as set out in the government's departmental expenditure limits
- the government's inflation targets

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

Further information about the work of the Review body can be found at www.ome.uk.com

Staff/Justices numbers and related costs

Staff/Justices Costs Comprise					2017-18	2016-17
	Permanent		Others			
	Justices	Front line staff	Administrative staff	Judicial assistants	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Wages & Salaries	2,490	1,008	512	207	4,217	4,071
Social security costs	331	99	58	23	511	507
Apprentice Levy	12	0	0	0	12	0
Supplementary Judges & Special Advisors	34	0	0	0	34	34
Other pension costs	958	187	96	21	1,262	1,263
Sub Total	3,825	1,294	666	251	6,036	5,875
Inward secondments	0	16	0	0	16	12
Agency Staff	0	0	0	0	0	1
Voluntary exit costs	0	0	0	0	0	31
Total Net Costs	3,825	1,310	666	251	6,052	5,919

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 81-88.

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

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.civilservicepensionscheme.org.uk/about-us/resource-accounts).

For 2017-18, employer's contributions totalling £303,678 were payable to the PCSPS, (2016-17, £309,594) at one of four rates in the range of 20% to 24.5% (2016-17, 20% to 24.5%) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the costs of the benefits accruing during 2017-18 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £6,804 (2016-17, £6,138) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2016-17, 8% to 14.75% of pensionable pay) of pensionable pay. Employers also match employee's contributions up to 3% of pensionable pay. In addition, employer contributions of £0, (2016-17, £0) of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £1,351 (2016-17, £881). Contributions prepaid at that date were NIL.

There were no early retirements on ill health grounds in 2017-18, (2016-17, None).

Average number of persons employed and Justices that served

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

The Supreme Court of the United Kingdom					2017-18	2016-17
	Permanent			Other		
	Justices*	Frontline Staff	Administrative Staff	Judicial Assistants	Total	Total
	12	29	10	6	57	55
Total	12	29	10	6	57	55

*There were 11 Justices in post in April to June and September 2017.

Staff Composition

The table below shows the split between male and female employees, employed by UK Supreme Court during 2017-18.

The Supreme Court of the United Kingdom					2017-18	2016-17
	Permanent			Other		
	Justices*	Frontline Staff	Administrative Staff	Judicial Assistants	Total	Total
Female	2	18	2	4	26	23
Male	10	11	8	2	31	32
Total	12	29	10	6	57	55

*There were 11 Justices in post in April to June and September 2017.

Employment Policy for Disabled Persons

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

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

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

Off-Payroll Engagements and Consultancy Costs

The UKSC did not enter into any off-payroll engagements neither did it use the service of any consultants in 2017-18 and 2016-17.

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)	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Mark Ormerod Chief Executive	95-100	95-100	-	-	38	37	130-135	130-135
William Arnold Director for Corporate Services	85-90	80-85	0-5	-	(3)	18	80-85	100-105
Louise di Mambro Registrar	70-75	70-75	0-5	0-5	(1)	15	70-75	85-90
Olufemi Oguntunde (until 31 May 2017) Director of Finance	10-15 (FTE 65-70)	65-70	-	0-5	6	23	15-20 (FTE 70-75)	90-95
Martin Thompson (until 30 September 2016) Building Manager	-	30-35 (FTE 60-65)	-	0-5	-	3	-	30-35 (FTE 60-65)
Ben Wilson (until 31 August 2017) Head of Communications	25-30 (FTE 60-65)	50-55	0-5	0-5	9	20	35-40 (FTE 70-75)	70-75
Paul Brigland Head of Office and Building Services	50-55	50-55	0-5	0-5	14	95	65-70	145-150
Chris Maile Head of Human Resources	50-55	50-55	0-5	0-5	16	66	65-70	115-120
Ken Ludlam Non-Executive Director	5-10	0-5	-	-	-	-	5-10	0-5
Kathryn Cearns (01 October 2017) Non-Executive Director	0-5	-	-	-	-	-	0-5	-
Sophia Linehan-Biggs (from 18 September 2017) Head of communications	30-35 (FTE 60-65)	-	0-5	-	12	-	40-45 (FTE 70-75)	-
Stephen Barrett (until 31 October 2017) Non-Executive Director	0-5	0-5	-	-	-	-	0-5	0-5
Joyti Mackintosh (from 05 June 17) Director of Finance	45-50 (FTE 60-65)	-	0-5	-	13	-	60-65 (FTE 70-75)	-

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.

Stephen Barrett, non-executive director, supplies his services under the terms of a contract, which ended on 31 October 2017. 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.

Kathryn Cearns, non-executive director, supplies her services under the terms of a contract, which commenced on 1 October 2017. She 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 in 2017-18 and 2016-17.

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 2017-18 relate to performance in 2016-17 and the comparative bonuses reported for 2016-17 relate to the performance in 2015-16.

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 the financial year 2017-18 was £95,000 to £100,000 (2016-17, £95,000 to £100,000). This was 3.25 times (2016-17, 3.06 times) the median remuneration of the workforce, which was £30,071 (2016-17, £31,827).

In 2017-18, 0 employees received remuneration in excess of the highest-paid director. Remuneration ranged from £20,863 to £85,982 (2016-17, £20,000 – £84,257).

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

Exit Packages

There were no payments for exit packages in 2017-18, but in 2016-17, £30,828.44 was paid to one member of staff.

b) Pension Benefits (Audited)

Name and Title	Accrued Pension at pension age as at 31 March 2018 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2018	CETV at 31 March 2017	Real Increase/ (Decrease) in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Mark Ormerod Chief Executive	5 – 10	0 – 2.5	87	51	27	–
William Arnold Director of Corporate Services	45 – 50 plus a lump sum of 140 – 145	0 – 2.5 plus a lump sum of 0 – 2.5	1021	1008	(3)	–
Louise di Mambro Registrar	35 – 40 plus a lump sum of 105 – 110	0 – 2.5 plus a lump sum of 0 – 2.5	769	757	(1)	–
*Olufemi Oguntunde Director of Finance	15 – 20	0 – 2.5	220	216	3	–
Ben Wilson Head of Communications	5 – 10	0 – 2.5	76	70	2	–
Martin Thompson Building Manager	–	–	–	705	–	–
Paul Brigland Head of Building and Building Services	15 – 20 plus a lump sum of 40 – 45	0 – 2.5 plus a lump sum of 0	315	290	5	–
Chris Maile Head of Human Resources	10 – 15 plus a lump sum of 25 – 30	0 – 2.5 plus a lump sum of 0	189	170	6	–
Sophia Linehan-Biggs Head of Communications	0 – 5	0 – 2.5	28	23	2	–
Joyti Mackintosh Director of Finance	0 – 5	0 – 2.5	9	0	5	–

*The pension figures disclosed covers the staff employment to 31 May 2017.

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: three 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 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% 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.

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 (FReM) 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 2017-18

		Estimate			Outturn			2017-18	2016-17
		Voted	Non-voted	Total	Voted	Non-voted	Total	Voted outturn compared with Estimate: saving/(excess)	Outturn Total
Request for Resources	SoPs Note	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Departmental Expenditure Limit									
- Resources	1.1	2,244	2,836	5,080	1,883	2,834	4,717	361	4,823
- Capital	1.2	450	-	450	432	-	432	18	364
Annually Managed Expenditure									
- Resource	1.1	1,000	-	1,000	-	-	-	1,000	
Total Budget		3,694	2,836	6,530	2,315	2,834	5,149	1,379	5,187
Non Budget		-	-	-	665	-	665	(665)	-
Total		3,694	2,836	6,530	2,980	2,834	5,814	714	5,187
Total Resource		3,244	2,836	6,080	2,548	2,834	5,382	696	4,823
Total Capital		450	-	450	432	-	432	18	364
Total		3,694	2,836	6,530	2,980	2,834	5,814	714	5,187

The Department has Prior Period Adjustments (PPAs) for additional depreciation from 2009/10 to 2016/2017 due to the omission of value added tax on the Building Depreciated Replacement Costs. It is proper for the Department to seek Parliamentary authority for the provision that should have been sought previously. In 2017-18 (further details are provided in Note 22), the following such PPAs have been made, which have been included within voted Supply as a Non-Budget outturn:

PPA Description	Resource/Capital	Del/AME	Amount/£000
Depreciation	Resource	Del	665

Net cash requirement 2017-18

		Estimate	Outturn	Outturn compared with Estimate: saving/(excess)	Outturn
	SoPs Note	£'000	£'000	£'000	£'000
Net cash requirement	2	1,504	1,493	11	2,036

Administration Costs 2017-18

		Estimate	Outturn	Outturn compared with Estimate: saving/(excess)	Outturn
	Note	£'000	£'000	£'000	£'000
		920	767	153	706

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 One and in the Management Commentary.

SoPs 1.1 Analysis of net resource outturn by section

	2017-18									2016-17	
	Administration						Programme			Outturn	
	Outturn			Estimate			Net total compared to Estimate:		Outturn		
	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	863	(96)	767	9,060	(7,944)	1,116	1,883	2,244	361	2,015	
Non Voted	0	0	0	2,834	0	2,834	2,834	2,836	2	2,808	
Annually Managed Expenditure											
Voted	0	0	0	0	0	0	0	1,000	1,000	0	
Total	863	(96)	767	11,894	(7,944)	3,950	4,717	6,080	1,363	4,823	

Futher details are provided in the Management Commentary on pages 69 and 71.

SoPs 1.2 Analysis of net capital outturn by section

	2017-18						2016-17
	Outturn			Estimate			Outturn
	Gross		Income	Net		Net Total	Net Total
	Net total compared to Estimate:						Net Total
							£'000
Spending in Departmental Expenditure Limit							£'000
Voted	432	0	432	450	18	364	

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

		2017-18		2016-17	
		Estimate	Outturn	Net total outturn compared with Estimate: Saving/(excess)	Outturn
	SoPs Note	£'000	£'000	£'000	£'000
Resource Outturn	1.1	6,080	4,717	1,363	4,823
Capital Outturn	1.2	450	432	18	364
Accruals to cash adjustments					
Adjustments to remove non-cash items:					
– Depreciation		(2,150)	(921)	(1,229)	(1,007)
– Other non-cash items		(40)	(35)	(5)	(35)
Adjustments to reflect movements in working balances:		–			
– Increase /(decrease) in inventories			(1)	1	(4)
– Increase /(decrease) in receivables			48	(48)	463
– Increase /(decrease) in payables			(91)	91	134
– Changes in payables falling due after more than one year		–	178	(178)	106
Removal of non-voted budget items:					
Non Voted Expenditure		(2,836)	(2,834)	(2)	(2,808)
Use of provision			–	–	–
Net cash requirement		1,504	1,493	11	2,036

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 (£0, 2016/17).

Fees and Charges

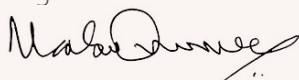
	2017-18			2016-17		
	Income	Full Cost	Surplus/ (Deficit)	Income	Full Cost	Surplus/ (Deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
Total Court Fees	(1,163)	12,661	(11,498)	(963)	12,418	(11,455)
Wider Market Initiatives	(96)	96	0	(118)	118	0
	(1,259)	12,757	(11,498)	(1,081)	12,536	(11,455)

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

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

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

Signed on behalf of the UKSC by



Mark Ormerod
Accounting Officer
29 May 2018

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

Opinion on financial statements

I certify that I have audited the financial statements of the United Kingdom Supreme Court for the year ended 31 March 2018 under the Government Resources and Accounts Act 2000. The financial statements comprise the Department's Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them.

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

In my opinion:

- the financial statements give a true and fair view of the state of the Department's affairs as at 31 March 2018 and of the Department's net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Qualified opinion on regularity

In my opinion, except for the excess described in the basis for qualified opinion paragraph, in all material respects:

- the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2018 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements

conform to the authorities which govern them.

Basis for qualified opinion on regularity

Parliament did not authorise a Non-Budget provision for the United Kingdom Supreme Court. Against this limit, the United Kingdom Supreme Court incurred actual expenditure of £665,000 breaching the authorised limit by the full amount of £665,000 as shown in the Statement of Parliamentary Supply.

Basis of opinions

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

Responsibilities of the Accounting Officer for the financial statements

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

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

My responsibility is to audit, certify and report on the financial statements in

accordance with the Government Resources and Accounts Act 2000.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the United Kingdom Supreme Court's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Information

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

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- in the light of the knowledge and understanding of the United Kingdom Supreme Court and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

- I have nothing to report in respect of the following matters which I report

to you if, in my opinion:

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

Sir Amyas C E Morse
Comptroller and Auditor General
31 May 2018

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

The Report of the Comptroller and Auditor General to the Houses of Parliament

Introduction

The United Kingdom Supreme Court (UKSC) is a non-Ministerial government department which is the final court of appeal in the UK for civil cases and for criminal cases from England, Wales and Northern Ireland. The United Kingdom Supreme Court was established by the Constitutional Reform Act 2005 and came into being on 1 October 2009.

The net expenditure of government departments is authorised by Acts of Parliament. These Acts set a series of annual limits on the net expenditure which departments may not exceed and on the total cash they can use. Any expenditure outside these limits will result in an 'Excess Vote'. Such expenditure potentially undermines parliamentary control over public spending. Where these limits are

breached, I qualify my regularity opinion on the financial statements.

Parliament did not authorise a Non-Budget provision for UKSC in 2017-18. Outturn against this limit was £665,000. This means that the authorised limit was breached by the full amount of £665,000 and so I have qualified my opinion on UKSC's financial statements in this respect.

The circumstances which gave rise to this Excess are disclosed in the Governance Statement on pages 80-81.

Sir Amyas C E Morse
Comptroller and Auditor General
31 May 2018

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

Section nine

Financial statements



Statement of Comprehensive Net Expenditure	98
Statement of Financial Position	99
Statement of Cash Flows	100
Statement of Changes in Taxpayers' Equity	101
Notes to the Accounts	102

Statement of Comprehensive Net Expenditure

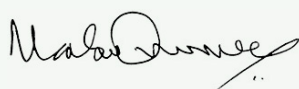
	Note	As Restated	
		2017-18	2016-17
		£'000	£'000
Income from sale of goods and services	4	(7,944)	(7,595)
Other operating income	4	(96)	(118)
Total operating income		(8,040)	(7,713)
Staff costs	2	6,052	5,919
Purchases of goods and services	3	5,784	5,610
Depreciation and impairment charges	5 & 6	921	1,121
Provision expense		-	-
Operating expenditure		-	-
Total Expenditure		12,757	12,650
Net Operating Cost for the year ended 31 March		4,717	4,937
Other comprehensive net expenditure		-	-
Net (gain)/loss on revaluation of property, plant and equipment		1,507	(773)
Total Comprehensive expenditure for the year ended 31 March		6,224	4,164

The notes on pages 102 to 114 form part of these accounts.

Statement of Financial Position

	Note	As at 31 March 2018 £'000	As at 31 March 2018 £'000	As restated 31 March 2017 £'000	As restated 31 March 2017 £'000	As restated 1 April 2016 £'000	As restated 1 April 2016 £'000
Non-current assets							
Property, Plant & Equipment	5	44,628		46,599		46,554	
Intangible assets	6	39		64		93	
Total non-current assets			44,667		46,663		46,647
Current assets:							
Inventories	9	5		6		10	
Trade and other receivables	10	1,467		1,419		956	
Cash and cash equivalents	11	11		9		2	
Total current assets			1,483		1,434		968
Total assets			46,150		48,097		47,615
Current liabilities							
Trade and other payables	12	(437)		(406)		(594)	
Finance Lease	12	(2,534)		(2,472)		(2,411)	
Total current liabilities			(2,971)		(2,878)		(3,005)
Total assets less current liabilities			43,179		45,219		44,610
Non current liabilities:							
Other Payables	12	(33,955)		(34,133)		(34,239)	
Total non-current liabilities			(33,955)		(34,133)		(34,239)
Total assets less liabilities			9,224		11,086		10,371
Taxpayers' equity and other reserves							
General fund			(16,265)		(15,910)		(15,852)
Revaluation reserve			25,489		26,996		26,223
Total Equity			9,224		11,086		10,371

The notes on pages 102 to 114 form part of these accounts.



Mark Ormerod
Accounting Officer
29 May 2018

Statement of Cash Flows

	Note	As Restated	
		2017-18 £'000	2016-17 £'000
Cash flows from operating activities			
Net operating cost		(4,717)	(4,937)
Adjustment for non-cash transactions	3	956	1,156
(Increase)/Decrease in trade and other receivables		(48)	(463)
(Increase)/Decrease in Inventories		1	4
Increase/(Decrease) in current trade payables		31	(188)
less movements in payables relating to items not passing through the SCNE		(2)	(7)
Net Cash outflow from operating activities		(3,779)	(4,435)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(432)	(364)
Purchase of intangible assets	6	(0)	(0)
Net Cash outflow from investing activities		(432)	(364)
Cash flows from financing activities			
From the Consolidated Fund (Supply) – current year		1,495	2,043
From the Consolidated Fund (non-Supply)		2,834	2,808
Increase/(Decrease) in respect of finance leases		(116)	(45)
Net Financing		4,213	4,806
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		2	7
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		2	7
Cash and cash equivalents at the beginning of the period	11	9	2
Cash and cash equivalents at the end of the period	11	11	9

The notes on pages 102 to 114 form part of these accounts.

Statement of Changes in Taxpayers' Equity

		General Fund	Revaluation Reserve	Total Reserves
	Note	£'000	£'000	£'000
Balance as at 31 March 2016		(15,301)	22,037	6,736
Prior period Adjustment	22	(551)	4,186	3,635
Restated balance at 1 April 2016		(15,852)	26,223	10,371
Net Parliamentary Funding – drawn down		2,043		2,043
Net Parliamentary Funding – deemed		2		2
Consolidated Fund Standing Services		2,808		2,808
Supply (payable)/receivable adjustment		(9)		(9)
Excess Vote – Prior Year		–		–
CFERs payable to the Consolidated Fund		–		–
Comprehensive Expenditure for the Year		(4,937)	–	(4,937)
Non-Cash Adjustments				
Non-cash charges – auditors' remuneration		35		35
Movement in Reserves				
Movement in Revaluation Reserve	5	–	773	773
Recognised in Statement of Comprehensive Expenditure		–	–	–
Transfer between reserves	5	–	–	–
Restated balance at 31 March 2017		(15,910)	26,996	11,086
Net Parliamentary Funding – drawn down		1,495		1,495
Net Parliamentary Funding – deemed		9		9
Consolidated Fund Standing Services		2,834		2,834
Supply (payable)/receivable adjustment		(11)		(11)
Excess Vote – Prior Year		–		–
CFERs payable to the Consolidated Fund		–		–
Comprehensive Expenditure for the Year		(4,717)		(4,717)
Non-cash charges – auditors' remuneration	3	35		35
Movement in Revaluation Reserve	5		(1,507)	(1,507)
Transfer between reserves		–	–	–
Balance at 31 March 2018		(16,265)	25,489	9,224

The notes on pages 102 to 114 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 2017-18 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the 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 FReM also requires the Department to prepare two additional primary statements. The Statement of Parliamentary Supply and supporting notes showing outturn against Estimate in terms of the net resource requirement and the net cash requirement.

The UKSC restated 2016-17 and 2015-16 accounts in line with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors to account for the omission of Value Added Tax on the Building valuation. Further details are provided in Note 22.

1.2 Accounting Convention

Prior Period Adjustment

The UKSC restated 2016-17 and 2015-16 accounts in line with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors to account for the omission of Value Added Tax on the Building valuation. Further details are provided in Note 22.

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

1.3 Property Plant and Equipment

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

i. Land & Building

The UKSC Land & Building were deemed to be specialised operational properties and Current 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, Current Value under IAS is identical to Existing Use Value under UK GAAP. The year end valuation was carried out by the Croydon Valuation Office (VOA), using professionally qualified valuers, who are also members of the Royal Institution of Chartered Surveyor; using 31 March 2018 and 31 March 2017 as valuation dates. The VOA and its staff are independent of the UK Supreme Court. The Revaluation Surplus balance at yearend was £25.49M; with a decrease of £4.2M in the Land value and an increase of £2.7M in the building value during 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. Intangible Assets are not revalued because its fair value cannot be reliably measured.

1.5 Depreciated or Amortised

Freehold land and assets in the course of construction are not depreciated. All other assets are depreciated from the month following the date of acquisition. Depreciation and amortisation is at the

rates calculated to write-off the valuation of the assets by applying the straight-line method over the following estimated useful lives.

Property, Plant & Equipment:

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

Intangible assets:

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

1.6 Inventory

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

1.7 Operating Income

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 the point of filing a case.

1.8 Administration and Programme Expenditure

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

1.9 Pensions

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

accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, the department recognises the contributions payable for the year.

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

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 6.72%.

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:

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

There are no provisions recognised in the accounts.

Contingencies are disclosed in the notes to the accounts unless the possibility of transfer in settlement is remote.

1.14 Contingent Liabilities

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

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

1.15 Significant Accounting Estimates and Assumption

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

1.16 Changes in Accounting Policies

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

We have assessed the impact of IFRS 16 – Leases, which will come into effect on 1 January 2019 and will become effective from the 2019-20 financial year. The results

indicate that it will not affect any material balances in the UKSC financial statements. The only lease held is classified as a finance lease and its treatment will not change under IFRS 16; no further disclosures will be required.

We have also considered the impact of IFRS 15 – Income from Contracts with Customers and IFRS 9 – Financial Instruments, which both became effective on 1 January 2018 and will become effective from the 2018-19 financial year. The results have also indicated that these new standards will not affect any material balances in the UKSC financial statements.

2. Staff/Justices related costs

A – Staff/Justices costs comprise	2017-18	2016-17
	Total	Total
	£'000	£'000
Wages & Salaries	4,217	4,071
Social security costs	511	507
Apprentice Levy	12	0
Supplementary Judges & Special Advisors	34	34
Other pension costs	1,262	1,263
Sub Total	6,036	5,875
Inward secondments	16	12
Agency Staff	0	1
Voluntary exit costs	0	31
Total Net Costs	6,052	5,919

No salary costs have been capitalised. Judicial Salaries and Social Security costs are paid directly from the Consolidated Fund while The Pension costs are paid for by the UKSC. Further details are provided in the Remuneration and Staff Report on pages 79-89.

3. Purchases of Goods and Services

	Note	As Restated			
		2017-18		2016-17	
		£'000	£'000	£'000	£'000
Accommodation Costs		2,004		1,927	
Finance Costs		2,522		2,528	
Library Costs		312		222	
IT Costs		170		130	
Publicity & Communications		103		96	
Broadcasting Costs		169		163	
Repairs & Maintenance		180		230	
Recruitment & Judicial Appointment Costs		58		31	
Transportation Costs		62		60	
Other Staff Costs		47		38	
Hospitality & Events		17		39	
Printing, Postage, Stationery & Publications		64		48	
Internal Audit & Governance Expenses		17		17	
Other Costs		16		17	
International Judicial Travel		8		29	
			5,749		5,575
Non-cash items:					
Depreciation	5	896		1,092	
Amortisation	6	25		29	
Realised gain from building		-		-	
Impairment		-		-	
Auditors' Remuneration		35		35	
Total Non Cash			956		1,156
Total Costs			6,705		6,731

4. Income

Operating income, analysed by classification and activity, is as follows:	2017-18		2016-17	
	£'000	£'000	£'000	£'000
Contribution from HMCTS	(6,064)		(5,915)	
Contribution from Scottish Government	(478)		(478)	
Contribution from Northern Ireland Court and Tribunal Service	(239)		(239)	
Total Contributions		(6,781)		(6,632)
Court Fees – UKSC		(850)		(761)
Court Fees – JCPC		(313)		(202)
Wider Market Initiatives		(96)		(118)
Total Income		(8,040)		(7,713)

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 2017	25,000	24,238	1,787	2,492	155	53,672
Additions	-	-	199	233	(0)	432
Revaluations	(4,200)	2,693	-	-	-	(1,507)
At 31 March 2018	20,800	26,931	1,986	2,725	155	52,597
Depreciation						
At 1 April 2017	-	(3,836)	(1,194)	(2,020)	(23)	(7,073)
Charged in year	-	(658)	(124)	(111)	(3)	(896)
At 31 March 2018	-	(4,494)	(1,318)	(2,131)	(26)	(7,969)
Carrying amount at 31 March 2018	20,800	22,437	668	594	129	44,628
Asset Financing						
Owned	1,391					
Finance Leased	43,237					
On-balance sheet	44,628					

	Land	Building	Office Equipment	Furniture and Fittings	Robes	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
Restated at 1 April 2016	23,500	24,965	1,560	2,355	155	52,535
Additions	-	-	227	137	-	364
Revaluations	1,500	(727)	-	-	-	773
At 31 March 2017	25,000	24,238	1,787	2,492	155	53,672
Depreciation						
At 1 April 2016	-	(3,154)	(1,015)	(1,792)	(20)	(5,981)
Charged in year	-	(682)	(179)	(228)	(3)	(1,092)
At 31 March 2017	-	(3,836)	(1,194)	(2,020)	(23)	(7,073)
Restated carrying value at 31 March 2017	25,000	20,402	593	472	132	46,599
Asset Financing						
Owned	1,197					
Finance Leased	45,402					
On-balance sheet	46,599					

6. Intangible non-current assets

Intangible fixed assets comprise software licences	Purchased software licences
£'000	
Cost or valuation	
At 1 April 2017	210
Additions	0
Impairment	-
Donations	-
At 31 March 2018	210
Amortisation	
At 1 April 2017	(146)
Charged in year	(25)
Impairment	-
At 31 March 2018	(171)
Net book value at 31 March 2018	39

Intangible fixed assets comprise software licences	Purchased software licences
£'000	
Cost or valuation	
At 1 April 2016	210
Additions	-
Revaluations	-
Impairment	-
Donations	-
At 31 March 2017	210
Amortisation	
At 1 April 2016	(117)
Charged in year	(29)
Revaluations	-
Impairment	-
At 31 March 2017	(146)
Net book value at 31 March 2017	64

7. Financial Instruments

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

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

8. Impairments

The total impairment charge for the year is analysed below:

As Restated

		2017-18	2016-17
	Note	£'000	£'000
Amount charged direct to Operating Cost Statement	4	-	-
Amount taken through the revaluation reserve	5	4,200	727
Total		4,200	727

9. Inventories

		2017-18	2016-17
		£'000	£'000
Opening Balances		6	10
In Year Movement		(1)	(4)
Total		5	6

10. Trade Receivables and other current assets

A. Analysis by type		2017-18	2016-17
		£'000	£'000
Amounts falling due within one year:			
Trade Receivables		10	17
VAT Recoverable		116	96
Staff Receivables		11	14
Prepayment & Accrued Income		1,330	1,292
Total		1,467	1,419
B. Intra-Government Balances			
		2017-18	2016-17
		£'000	£'000
Balances with other central government bodies		116	96
Balances with local authorities		-	-
Subtotal: intra-government balances		116	96
Balances with bodies external to government		1,351	1,323
Total Receivables at 31 March		1,467	1,419

11. Cash and Cash Equivalents

		2017-18	2016-17
		£'000	£'000
Balance at 1 April		9	2
Net changes in cash and cash equivalent balances		2	7
Balance at 31 March		11	9
The following balances at 31 March were held at:			
Government Banking Service (RBS)		11	9
Balance at 31 March		11	9

12. Trade Payables and other current liabilities

A. Analysis by type	2017-18	2016-17
	£'000	£'000
Amounts falling due within one year		
Other taxation and social security	(78)	(81)
Trade payables	(208)	(167)
Amounts issued from the Consolidated Fund for supply but not spent at year end.	(11)	(9)
Accruals and Deferred Income	(140)	(149)
Finance leases	(2,534)	(2,472)
	(2,971)	(2,878)
Amounts falling due after more than one year		
Finance leases	(33,955)	(34,133)
	(36,926)	(37,011)
B. Intra-Government Balances		
	2017-18	2016-17
	£'000	£'000
Balances with other central government bodies	(89)	(90)
Subtotal: intra-government balances	(89)	(90)
Balances with bodies external to government	(36,837)	(36,921)
Total payables at 31 March	(36,926)	(37,011)

13. Provisions for Liabilities and Charges

There were no provisions or claims during 2017-18 and in 2016-17.

14. Capital Commitments

There were no capital commitments.

15. Commitments under leases

15.1 – Finance Leases	2017-18	2016-17
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	1,301	1,571
Later than 1 year and not later than 5 years	5,537	6,683
Later than 5 years	28,300	36,792
Sub-total	35,138	45,046
Less: Interest Element	(17,584)	(23,258)
Net Total	17,554	21,788
Building		
Not later than 1 year	1,403	1,068
Later than 1 year and not later than 5 years	5,972	4,545
Later than 5 years	30,528	25,021
Sub-total	37,903	30,634
Less: Interest Element	(18,968)	(15,817)
Net Total	18,935	14,817
Grand Total	36,489	36,605
	2017-18	2016-17
Present Value of Obligations under finance lease for the following periods comprise:		
	£'000	£'000
Land		
Not later than 1 year	1,219	1,471
Later than 1 year and not later than 5 years	4,413	5,324
Later than 5 years	11,922	14,993
Sub-total	17,554	21,788
Building		
Not later than 1 year	1,315	1,001
Later than 1 year and not later than 5 years	4,760	3,620
Later than 5 years	12,860	10,196
Sub-total	18,935	14,817
Grand Total	36,489	36,605

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

There were no contingent liabilities within the meaning of IAS 37.

19. Related-Party Transactions

None of the Non-Executive Board Members, President, Key managerial staff or related parties have undertaken any material transactions with UKSC during the year.

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

20. Third Party Assets

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

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

	2017-18	2016-17
	£'000	£'000
Balance as at 1 April	334	365
Add; receipts – Lodgements by Appellants	160	59
Less: Repayments to Appellants/Respondents	(59)	(90)
Balance as at 31 March	435	334

21. Revenue Recognition

The UKSC does not issue contracts to its customers that would warrant a performance measure to enable recognition of revenue. Therefore, the new IFRS 15 will not affect any material balances in the financial statements.

22. Prior Period Adjustment – Building Revaluation

The accounts have been restated to incorporate the impact of the omission of Value Added Tax on the Building valuation from 2009/10 to 2016/17. The Statements of Financial Position were restated for this effect in both 2016-17 and 2015-16. The Statement of Comprehensive Net Expenditure and related notes were restated for this effect in 2016/17. The Statement of Parliamentary Supply for 2016-17 was not restated; the effect has been accounted for in 2017-18.

Statement of Parliamentary Supply	2017-18	2016-17
	£'000	£'000
Net Resource Outturn (Statement of Parliamentary Supply)	4,823	4,540
Revaluation of Building Adjustment	-	-
Adjusted Net Resource Outturn	4,823	4,540

The tables below show the impact of the Depreciated Replacement Cost (DRC) revaluation of UKSC Building on the Statement of Financial Position for the following periods:

Restated Statement of Comprehensive Net Expenditure	As reported	DRC Valuation	As restated
	31 March 2017	Adjustment	31 March 2017
Depreciation and impairment charges	1,007	114	1,121
Net (gain)/loss on revaluation of property, plant and equipment	(894)	121	(773)
Total Comprehensive Expenditure for the year	3,929	235	4,164

Restated Statement of Financial Position	As reported	DRC Valuation	As restated
	31 March 2016	Adjustment	1 April 2016
Property, Plant & Equipment	42,919	3,635	46,554
Total Assets less Total Liabilities	6,736	3,635	10,371
General Fund	(15,301)	(551)	(15,852)
Revaluation Reserve	22,037	4,186	26,223
Total Taxpayers' Equity	6,736	3,635	10,371

	As reported	DRC Valuation	As restated
	31 March 2017	Adjustment	31 March 2017
Property, Plant & Equipment	43,199	3,400	46,599
Total Assets less Total Liabilities	7,686	3,400	11,086
General Fund	(15,245)	(665)	(15,910)
Revaluation Reserve	22,931	4,065	26,996
Total Taxpayers' Equity	7,686	3,400	11,086

23. Events after the reporting period date

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

Annex

Jurisdictions where the JCPC is the final Court of Appeal

Anguilla

Antigua and Barbuda

Ascension

Bahamas

Bermuda

British Antarctic Territory

British Indian Ocean Territory

British Virgin Islands

Cayman Islands

Cook Islands and Niue

Falkland Islands

Gibraltar

Grenada

Guernsey

Isle of Man

Jamaica

Jersey

Kiribati

Mauritius

Montserrat

Pitcairn Islands

Saint Christopher and Nevis

St Helena

St Lucia*

St Vincent and the Grenadines

Sovereign Base of Akrotiri and Dhekelia

Trinidad and Tobago

Tristan da Cunha

Turks and Caicos Islands

Tuvalu

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

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

