

The Supreme Court
Annual Report and Accounts
2009–2010



The Supreme Court Annual Report and Accounts 2009–2010

Presented to Parliament pursuant to section 54(1)
of the Constitutional Reform Act 2005

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foreword

BY THE PRESIDENT
OF THE SUPREME COURT
LORD PHILLIPS



I am pleased to write a foreword to this first Annual Report on the Supreme Court of the United Kingdom.

This report covers a momentous period for those of us who were Lords of Appeal in Ordinary. The creation of the Supreme Court marked the end of hundreds of years of judicial work conducted by the House of Lords. We are proud of that heritage and, in approaching the way we work in the Supreme Court, have sought to maintain elements of continuity with practice in the House of Lords.

But we have also recognised that the creation of the Supreme Court presented an opportunity for the Justices – as we now are – to look again at the way we carry out our work. The report refers to some of the changes which have been introduced, including the way in which we deliver our judgments.

As a result of the move we, and importantly all court users and visitors, enjoy greatly enhanced facilities over those which were available to us within the constraints of the House of Lords. As Justices, we are clear that more people have been sitting in on our cases and, through their visits to the Court, learning more about our legal system.

introduction

BY THE CHIEF EXECUTIVE
JENNY ROWE

J. Rowe



I have great pleasure in presenting my first Annual Report as Chief Executive of the Supreme Court. This report covers the period from 1 October 2009 to 31 March 2010 and fulfils the statutory requirement on me in Section 54(1) of the Constitutional Reform Act 2005.

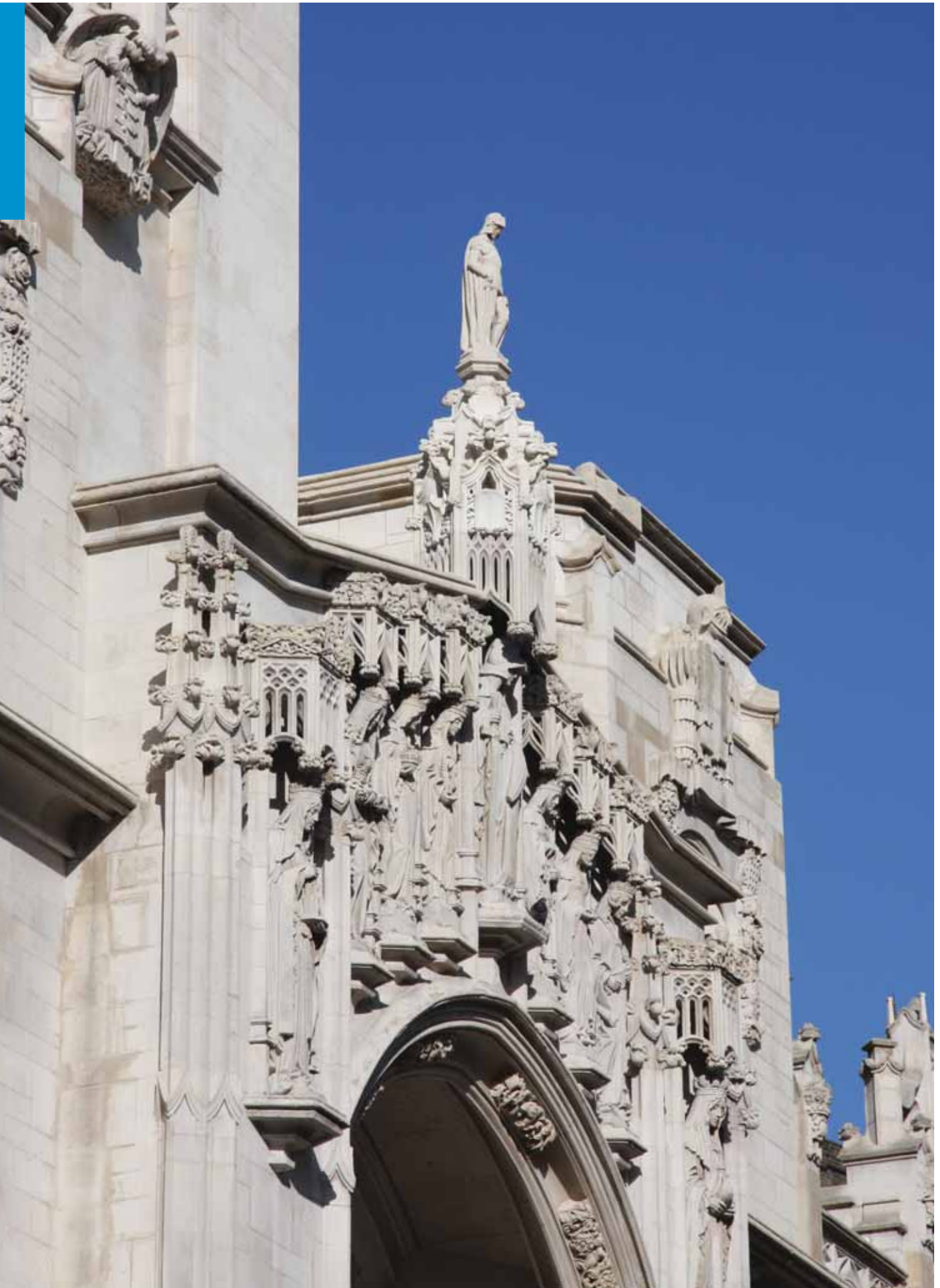
This report covers an exciting and challenging six months. It includes statistics on casework and highlights some of the most interesting and high profile cases and judgments. It also describes the nature and extent of our engagement with the wider public; as well as providing information on administrative and financial matters, including our resource accounts.

I would like to pay tribute to the very hard work undertaken by the implementation team in the Ministry of Justice who created a strong foundation on which I and my team have been able to build. I pay equal tribute to all the staff of the Supreme Court, whether they came from the House of Lords, the Ministry of Justice or were recruited from elsewhere. Their unstinting efforts have enabled us to deliver an effective and robust administration to support the highest Judges

in the United Kingdom in their important work at the heart of our constitutional arrangements. In so doing we have worked closely with staff who support the Judicial Committee of the Privy Council, who are now co-located with the Supreme Court.

The creation of the Court marked a significant constitutional development. There is greater visibility of Judges and staff; but also significant opportunities for engagement with lawyers, students and the wider public to enhance knowledge and understanding of the United Kingdom's judicial and legal systems. This report identifies the level of interest we have so far received. We are committed to building on that as much as resources allow.

A particularly important part of my role is to build and maintain appropriate relationships with all parts of the United Kingdom. In the set up period prior to 1 October 2009 I visited, and had discussions with, Judges, officials and interested bodies in Scotland, Wales and Northern Ireland. I intend to maintain this pattern of visits for the future, and visited Scotland again on 25 and 26 March.





section one

establishment of the court

Background

In June 2003, as part of a wider range of constitutional reform which the then Labour Government announced in order to make clearer the constitutional separation of powers between the Executive, the Legislature and the Judiciary, it decided to separate out the judicial and legislative roles of the House of Lords, by creating a fully separate Supreme Court of the United Kingdom (UKSC). This was to replace the Appellate Committee of the House of Lords, which was composed of the Lords of Appeal in Ordinary and which since 1876 had heard appeals in the name of the whole House from all the three separate jurisdictions of the United Kingdom (England and Wales, Scotland and Northern Ireland).

The creation of the Supreme Court was given effect in the Constitutional Reform Act 2005. There followed a search for a suitable central London location for the new court (a number of sites were considered), which resulted in the selection of the Middlesex Guildhall, not least because of its ideal location opposite the Houses of Parliament. This building was opened in 1912 to be the County Hall for Middlesex; and it functioned as such until the abolition of the County of Middlesex in the 1960s and the creation of Greater London. Partly because the building had always had a court sitting there in the shape of the Quarter Sessions for Middlesex, it was handed over to the then Lord Chancellor's Department and became a Crown Court centre, hearing criminal jury trials etc., for the next forty years.

Once the decision was taken to house the Supreme Court in the Middlesex Guildhall, the Crown Court centre was relocated by transferring its work to Isleworth Crown Court centre in West London. A major programme of

refurbishment and renovation of the Middlesex Guildhall began, lasting until March 2009. The main architects were the firm of Feilden & Mawson and the main building contractors were Kier Wallis. There was considerable involvement from English Heritage and Westminster City Council to ensure the historic character of the building was preserved, as well as the link with Middlesex (for example, the Middlesex Art collection has been re-housed in the building. See page 13). The building was handed back by Kier Wallis to the Ministry of Justice in March 2009 and fitted out for occupation by the staff in early August 2009.

Legal creation of the Supreme Court

The Supreme Court legally replaced the House of Lords on 1 October 2009 as the UK's final court of appeal, when the relevant provisions of the Constitutional Reform Act 2005 (CRA) were brought into force. At a ceremony in the Court on the same day, the former Lords of Appeal in Ordinary were sworn in as Justices of the new court.

The Court consists of 12 Justices appointed by Her Majesty The Queen. Eleven of the twelve former Lords of Appeal in Ordinary became Justices of the Supreme Court of the United Kingdom on 1 October 2009. Lord Phillips, the Senior Lord of Appeal, became President of the Supreme Court and Lord Hope, the second senior Lord of Appeal became the Deputy President. The 12th Lord of Appeal, Lord Neuberger, was appointed as the Master of the Rolls (President of the Civil Division of the Court of Appeal) of England and Wales on the same date. Sir John Dyson was appointed as the 12th Justice to replace Lord Neuberger just before Easter 2010 and was sworn in on 19 April 2010. (See section four for more information on the process for appointing Justices.)

Robes

The swearing in ceremony on 1 October 2009 was the first time the Justices wore new ceremonial robes. These are worn for ceremonial occasions, such as the Opening of the Legal Year and the State Opening of Parliament. They also wear these robes whenever a new Justice is sworn in; and they wore them for the Royal Opening (see below) of the Court by HM The Queen on 16 October 2009. The Justices do not wear robes for ordinary court sittings. This continues the tradition of the Appellate Committee in the House of Lords.

The Justices' robes are a simpler version of the traditional gown worn by Privy Counsellors. They are made from black brocade with gold lace and some gold ornamentation on the sleeves with the Supreme Court emblem embroidered on the back. The design is from the Tudor period. Brocade is the name given to a material that has a 'figured' or raised design woven into the fabric. The black brocade material composition is 60 per cotton and 40 per cent viscose. The fabric is sourced from the UK (other than the gold lace) and the workmanship was carried out in the UK.

Royal Opening

On 16 October 2009 HM The Queen and HRH The Duke of Edinburgh visited the UKSC and HM The Queen formally opened the Court. This was an event attended by senior judges from around the world, leading politicians and other dignitaries.

Around 290 guests were invited (including Justices and staff) and 255 accepted the invitation, with 30 countries represented on the day.

The Royal Party was met on arrival by the Lord Lieutenant for Greater London, the Archbishop of Canterbury, the then Prime Minister, the former Lord Chancellor and the former Parliamentary Under-Secretary of State for Justice.

They were then introduced to Lord Phillips, Lord Hope, Jenny Rowe, Chief Executive, William Arnold, Director of Corporate Services, and Louise di Mambro, Registrar. Lord Phillips and Lord Hope took the Royal Party on a tour of the main areas of the building, while the Archbishop of Canterbury, the then Prime Minister and Lord Chancellor had a separate tour.

The Royal Party moved from the entrance hall into the Library and down to the lower ground floor where they met artists and designers, before moving to the café where they met members of staff and contractors. In the Exhibition area, pupils from William Edward's School, Grays, Essex showed The Queen and The Duke interactive displays and talked about the work they had been doing on developing a computer-based game to show how the legal system works.

In Court 1, the Royal Party saw Justices of the Court presiding over a moot by students from Strode's College, Egham, Surrey. This is a sixth form college and one of the schools with whom the Court has been piloting its educational materials. Strode's College runs a mooting competition each year for AS level students studying law; and for the past two years this has been set in the Supreme Court. The moot

continued briefly when the Royal Party arrived, in order to enable The Queen and The Duke to see the students in action. The Queen and The Duke met the students, Justices of the Court and other guests there. These included foreign Chief Justices, the French and German Ministers of Justice, the then Leader of the Opposition and the Leader of the Liberal Democrats.

In Court 3, where the JPC sits, the Royal Party met the Chief Justices from JPC jurisdictions (or in some cases where the Chief Justice was unable to attend, the relevant High Commissioner) and the staff of the Judicial Committee.

The Royal Party then returned to the main lobby area. There were speeches by Lord Phillips, the former Prime Minister and the then Lord Chancellor. Sir Andrew Motion, the former Poet Laureate, recited a poem he had written for the UKSC. The Queen was invited to unveil a bas-relief of Herself in Garter Robes, sculpted by Ian Rank-Broadley, to mark the Opening and the Archbishop of Canterbury gave a Blessing. The Queen and The Duke of Edinburgh signed the Visitors Book before departing.



HM The Queen unveils a bas-relief to mark the Court's Opening

Emblem

The Supreme Court's official emblem was designed by Yvonne Holton, Herald Painter at the Court of Lord Lyon in Scotland. It uses traditional symbolism, but with a modern touch. The official emblem of the Supreme Court was formally granted by the College of Arms in October 2008. It was approved by Garter King of Arms and Her Majesty The Queen.

The emblem combines four heraldic elements, equally represented in the design, reflecting the jurisdictions within the United Kingdom:

- **England:** a symmetrical five-petalled wild rose, with stalk and leaves, an English symbol since the Tudor dynasty.
- **Wales:** the green leaves of a leek, deriving from the medieval legend that St David ordered his Welsh soldiers to wear leeks on their helmets during a battle against the Saxons.
- **Scotland:** a purple thistle, associated with the tradition that an early Scottish army was saved when barefooted Viking invaders stepped on prickly thistles in the dark, crying out in pain and waking the defenders.
- **Northern Ireland:** a light blue five-petalled flax flower, representing the linen-weaving industry which was so valuable that nineteenth century Belfast was known as 'Linenopolis'.

These four national elements are embraced by an almost-circular frame representing both Libra, the scales of justice, and Omega, symbolising the final source of justice for the United Kingdom.

At its most formal level, the Royal Crown surmounts the emblem, as the Monarch is the source of the Supreme Court's authority.

The Supreme Court uses two other versions of its official emblem. One features the words 'The Supreme Court' and the letter Omega in black (in the official badge granted by the College of Arms, the interior of the Latin and Greek letters are gold and white, respectively), and displays a simplified version of the crown (also in black) and larger, stylised versions of the floral emblems.

Carpets

Another version of the emblem, designed by Sir Peter Blake is formed from a more abstract set of depictions of the four floral emblems and is used in the carpets of the Court.



The Court's carpet, designed by Sir Peter Blake

Flags

As the Supreme Court of the United Kingdom, we routinely fly the Union Flag each day.

During the run-up to the opening of the Supreme Court, the British Flag Institute recommended that a flag specifically for the Supreme Court be created. This flag, which embodies the emblem with the Royal Crown in the top quarter, is flown below the Union Flag on every day on which the Supreme Court is either sitting or delivering a judgment. It was designed by Graham Bartram, Chief Vexillologist at The Flag Institute.

The following flags are flown in addition to the Union Flag, taking precedence over the Supreme Court flag:

- 1 March – The Red Dragon
- 23 April – St George's Flag
- 16 May (Middlesex Day) – The Middlesex Flag
- The Saturday before Remembrance Sunday in November – The Middlesex Regiment Flag
- 30 November – The Saltire

Middlesex

The Justices and staff of the Supreme Court value the historical relationship with Middlesex which is evident throughout the Court building – from the position of the Middlesex Regiment Memorial to the left of the Entrance Hall, to the Middlesex County Emblem which can be found on light fittings and carvings and the Middlesex memorabilia in the Exhibition area. The latter includes information about the use of the Court building during the Second World War.

We aim to keep this relationship alive in a number of ways. The building houses the bulk of the Middlesex Guildhall Art Collection. This is managed by a set of Trustees entirely separate from the Court, but, at our invitation, the Trustees have resumed the practice of holding their quarterly meetings in the Supreme Court building.

We maintain close links with the successors to the Middlesex Regiment, who have also resumed holding their annual Service of Remembrance in the building on the Saturday before Remembrance Sunday. The Service was held on 7 November 2009 when wreaths were laid by Colonel

Rex Cain, the President of the Middlesex Regimental Association and Jenny Rowe, the Chief Executive of the Supreme Court. The ceremony was also attended by Lord Kerr representing the Justices. After the ceremony refreshments were provided for those attending, who were also given a tour of the building.

Former Judges who sat at the Crown Court in the Middlesex Guildhall and former members of staff have been invited back to the building to see the refurbishment. And we were delighted when, in March 2010, a group of former Judges led by His Honour Judge Blacksell QC, presented the Court with what is now known as the ‘Middlesex Guildhall Lectern’.

This lectern and stand were created from wood used in the old Council Chamber (now Court 1), and were designed and built by David Stanton. They are exhibited outside Court 1 and used regularly at events held in the UKSC.

The Middlesex Law Society has visited the Court and plans to make this a regular annual event in its diary.





section two

mission and strategic objectives

Mission

The mission of the Supreme Court of the United Kingdom (UKSC) is to ensure that the President, Deputy President and Justices of the Court 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.

Strategic Objectives for the Administration of the UKSC

- 1 The UKSC will create an environment, which effectively maintains the independence of the Justices, in which they can carry out their work protected from external pressures and which empowers them to develop the Rule of Law.
- 2 The UKSC will maintain and increase confidence in the administration 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 The UKSC will run an efficient and effective administration, which enables the Court to secure the effective determination of justice, while demonstrating the best possible value for the resources with which it is provided. In particular it will operate a case management system, which provides appropriate measurable monitoring of the throughput of applications and cases, thereby enabling the most effective support of the Justices in their work.
- 4 The UKSC will promote good relations with all the individual jurisdictions, legislatures and governments in the different parts of the United Kingdom.
- 5 The UKSC will similarly develop appropriate relationships with courts in Europe, throughout the Commonwealth and in other countries, especially those which share its common law heritage.
- 6 The UKSC will 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 The UKSC, as the statutory custodian of its own records, will provide the most appropriate environment it can for the organisation, preservation and future inspection of those records.
- 8 The UKSC, as occupant of the former Middlesex Guildhall, will 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 have informed the interim business plan for 2009–10 and the business plan for 2010–11.

Relationship with Judges throughout the UK and with devolved authorities

Through our strategic objectives the UKSC has undertaken to maintain and increase confidence in the administration of justice throughout the United Kingdom; and to promote good relations with all the individual jurisdictions, legislatures and governments in the different parts of the United Kingdom.

We take these responsibilities seriously. In addition to regular meetings with relevant officials in the Ministry of Justice, we have also established positive working relationships with officials in Scotland, Northern Ireland and Wales. Prior to the establishment of the Court the Chief Executive undertook two visits to Scotland, one to Northern Ireland and one to Wales. These visits involved meetings with Judges, practitioners, political representatives and officials.

During the period covered by this report another visit to Scotland was undertaken in which meetings were held with the Lord President of the Court of Session, officials from the Scottish government, the Scottish Judicial Appointments Board and the Scottish Legal Aid Board. A talk was also given to members of the Government Legal Service in Scotland. Plans are in hand for further visits to Northern Ireland and Wales during the 2010–11 financial year.

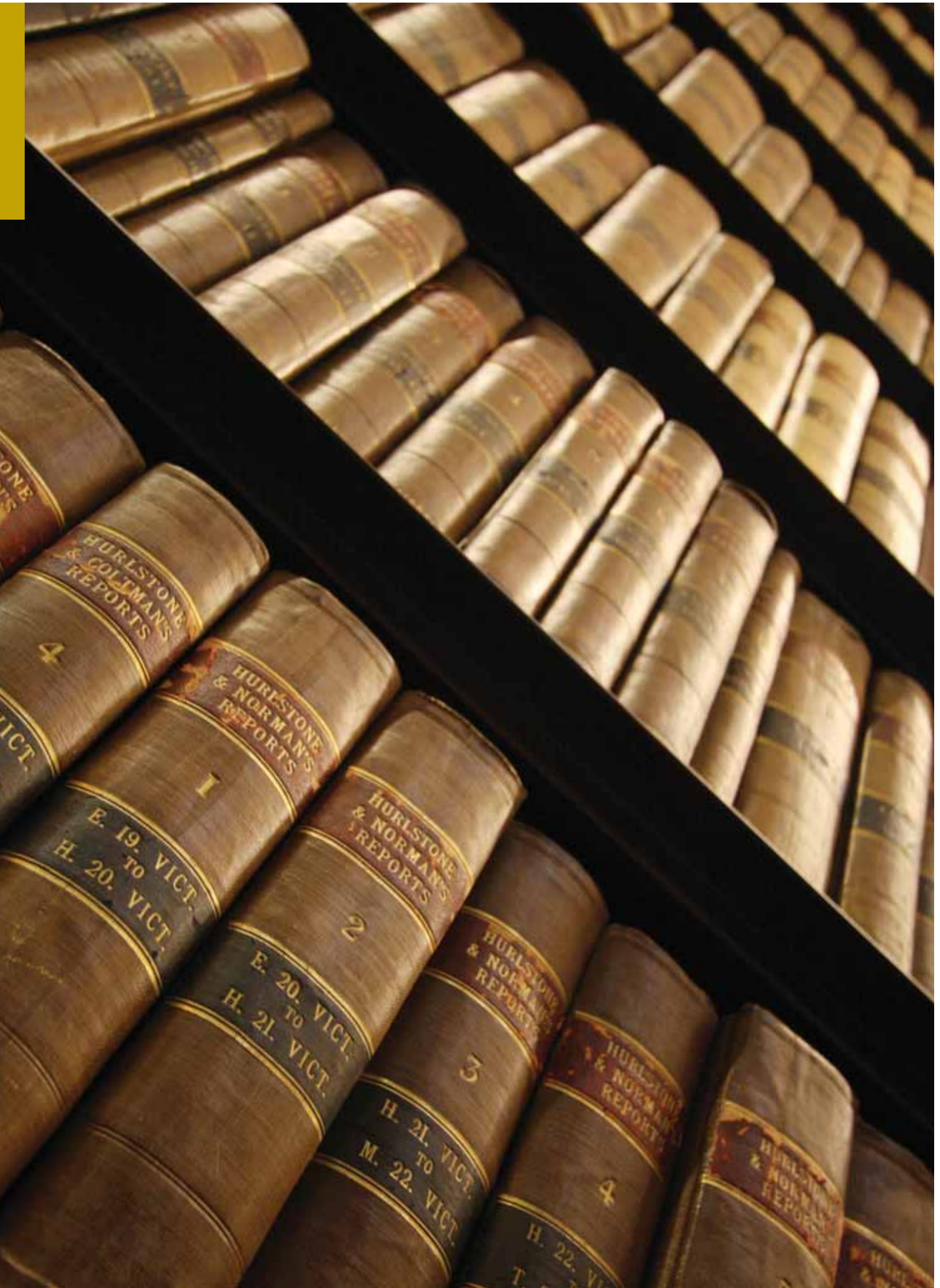
The UKSC provides a quarterly report on performance, casework and expenditure to representatives of the jurisdictions around the United Kingdom. Reports contain information on key areas of activity – operational, customer service, finances and learning and growth. They include statistics on cases with details of devolution cases from Scotland and Northern Ireland, non-devolution appeals, and performance against a number of targets.

Invitations have been extended to senior Judges in England and Wales, Scotland and Northern Ireland to visit the UKSC and a number have done so.

Individual Supreme Court Justices also maintain close contacts with all parts of the United Kingdom. Lord Hope and Lord Rodger keep in regular touch with the judiciary and the professions in Scotland; and Lord Kerr does the same for Northern Ireland. Lord Hope and Lord Rodger gave a joint presentation to a meeting by the Scottish Public Law Group in October 2009; Lord Rodger delivered a talk to the Scottish Judicial Services Committee; and Lord Hope gave a speech at the Edinburgh Centre for Commercial Law in March 2010. Lady Hale delivered the MacDermott Lecture at Queen's University, Belfast, in March 2010.



The Supreme Court emblem etched on glass





section three

jurisdiction and casework

The Supreme Court (UKSC) is now 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 Supreme Court is the final court of appeal for all United Kingdom civil cases, and criminal cases from England, Wales and Northern Ireland.

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

The Judicial Committee of the Privy Council, (JCPC) continues to act as the final court of appeal in criminal and civil cases for some independent Commonwealth countries (mainly the Bahamas, Trinidad and Tobago, Jamaica and Mauritius); Crown Dependencies (Jersey, Guernsey and the Isle of Man) and remaining UK overseas territories (Bermuda, Gibraltar and the Falkland Islands).

The Supreme Court 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

Northern Ireland

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

The devolution jurisdiction of the JCPC transferred to the Supreme Court on its establishment. The Supreme Court 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 Supreme Court can also be asked to scrutinise Bills of the Scottish Parliament (under section 33 of the Scotland Act), Bills of the Northern Ireland Assembly (under section 11 of the Northern Ireland Act) and proposed Orders in Council and proposed Assembly Measures and Bills under sections 96, 99 and 112 of the Government of Wales Act.

Devolution cases can reach the Supreme Court 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 Supreme Court 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 Court is in many respects the same as that of the Appellate Committee of the House of Lords but section 45 of the Constitutional Reform Act 2005 imposes upon the President a specific duty in relation to the rule-making power bestowed upon him under section 45(3).

A number of provisions in the Rules arise because the Court is a court and not a Committee of Parliament. Documents which are filed with the Court are sealed and orders are drawn to record the Court's decision instead of being minuted as proceedings of the House of Lords. The Court's judgments are delivered in open court (or promulgated by the Registrar). The Justices no longer vote on the report to be made to the House. Counsel do not even have to attend when judgment is delivered in open court. In family cases Counsel have appeared without wigs and gowns and the practice whereby Queen's Counsel would attend for judgment wearing full bottomed wigs has been abandoned.

As was the case in the House of Lords, most of the Court's practice and procedure is set out in the Practice Directions made by the President. In this respect, the Court's procedure follows that of the Court of Appeal, the High Court and the county courts in England and Wales whereby the Civil Procedure Rules 1998 are supplemented by detailed Practice Directions which are made by the Head of Civil Justice, currently Lord Neuberger of Abbotsbury, the Master of the Rolls.

The Rules, Practice Directions and forms for the Supreme Court are new. These can be accessed on the Court's website:

www.supremecourt.gov.uk

The Constitutional Reform Act 2005 requires that the Rules are 'simple and simply expressed' and that the Court is 'accessible, fair and efficient'. Rule 2 provides that the overriding objective of the Rules is to secure that the Court is accessible, fair and efficient. The Court must interpret and apply the Rules with a view to securing that the Court is 'accessible, fair and efficient and that unnecessary disputes over procedural matters are discouraged'. Rule 9(6) provides that, if any procedural question is not dealt with by the Rules, the Court or the Registrar 'may adopt any procedure that is consistent with the overriding objective, the Act and these Rules'. These words are very important in underpinning the approach adopted by the Court. The attitude of the Registry staff is to be of assistance to practitioners.

Many of the rigid detailed requirements in the House of Lords Practice Directions have been dispensed with.

As mentioned earlier, there have been no major changes in procedure, (although the provision of security in the sum of £25,000 is no longer an automatic requirement), but the following provisions do represent changes in practice:

- There are three Court forms which closely resemble the appeal forms used in the Court of Appeal, the High Court and the county courts in England and Wales.
- Rule 9 enables a single Justice and the Registrar to make procedural decisions on paper without a hearing.
- Rule 15 is completely new and provides for interventions to be made in applications for permission to appeal.

Where an intervention is taken into account by an Appeal Panel (of three Justices), and permission to appeal is granted, a formal application has then to be made under Rule 26 if the person making submissions wishes to intervene in the appeal.

- Rule 18 requires that, where the Supreme Court grants permission to appeal, the form of application for permission to appeal (Form 1) is re-sealed and stands as the notice of appeal and the appellant is required to give notice that he wishes to proceed with his appeal.
- The Rules allow for a lengthy period (119 days) to pass before parties are required to notify the Registrar that the appeal is ready to list. But the practice of the Court is to list to Counsel's convenience wherever possible so the Listing Officer will contact Counsel's clerks as soon as permission to appeal has been granted to ask them to supply agreed dates. If necessary the timetable for filing papers is adjusted to accommodate the hearing date.
- Security is no longer automatic. A Respondent who wishes to seek security for the costs of the appeal has to make a formal application under Rule 36.
- The Rules on costs are very much the same but the parties are able to ask for a provisional assessment on paper instead of a detailed assessment or taxation which takes place at an oral hearing.
- The Rules and the Practice Directions provide for judgments to be delivered in a different way. Under the Rules judgments may be delivered in open Court or issued in writing.

The Rules are kept under review and feedback from users is welcomed – both formally through our User Group or informally in other ways.

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

In nearly all cases (except for Scotland) an appellant requires permission to appeal before he or she can appeal to the UKSC. The court appealed from may grant permission, but where that court refuses permission, the appellant can then apply to the UKSC which has to rule on whether the permission should be granted. Such applications are generally decided on paper without an oral hearing. There were no PTA oral hearings in the first term and only two in the second term.

Once the required papers have been filed, an application for permission will normally be determined within eight sitting weeks. In urgent cases, a request for expedition may be made and an expedited application can be determined within 14 days or even less (See *Re W (Children)* page 27).

On 1 October 2009 the UKSC inherited 63 outstanding applications for leave not yet dealt with, of which 17 were lodged in the House of Lords before 31 July 2009, when the Judicial Office there closed.

The PTA figures for the UKSC during its first six months of operation from 1 October 2009 to 31 March 2010 are:

Applications Received	135
Applications Granted	44
Applications Refused	50

Some applications were determined after 31 March.

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. Appeals are normally heard in open court before five Justices, although in some cases seven or even nine Justices will sit. Hearings usually last for two days.

On 1 October 2009 the UKSC inherited:

- 41 appeal cases waiting to be heard
- 14 cases, which had been heard by the House of Lords but where judgment had not yet been given
- 44 cases where costs issues were still outstanding, and
- 7 further cases had been referred to or were the subject of proceedings before the European Court of Justice.

In the UKSC from 1 October 2009 to 31 March 2010:

- 43 appeals were heard, and
- 42 judgments were given.

Sitting Days

In the Michaelmas term the UKSC sat for 33 days out of a theoretical maximum of 45 possible sitting days (the Court does not sit on Fridays, which are reserved for case preparation and judgment writing). Approximately 30 per cent of the Justices' work, however, broadly speaking, currently arises in the Judicial Committee of the Privy Council, which gives a notional allocated maximum of 31.5 sitting days in the UKSC for the Michaelmas term. So the Justices sat that term in the UKSC for slightly more than every notionally allocated UKSC sitting day.

The equivalent figures for the Hilary term are 32 actual days sat out of 32.9 possible notional UKSC sitting days, so slightly less than every notionally allocated UKSC sitting day (47 possible sitting days in total, including those available for JCPC work).

In addition to sittings in open court, to hear substantive appeals, the Justices sit in panels of three to decide on applications for permission to appeal.

In the light of these statistics for its performance over its first six months the Court's target remains for all appeals to be heard within nine months of the grant of permission. The Court, however, seeks to arrange hearings according to the availability of parties' legal representatives. In practice it is this factor alone which can prolong the 'life' of an appeal. The Court can and has arranged hearings within weeks of the grant of permission in a number of urgent cases (for example, family cases).

The Court would not, however, fulfil its duty to be accessible if it insisted on parties instructing new Counsel if their Counsel of choice was not available within the target period. The Court currently has 11 cases in progress where listing has been delayed to suit the convenience of the parties.

The Court deliberately allows some gaps in its listing to enable urgent cases, usually family cases, to be heard. In the Michaelmas term there were two such urgent cases and one in the Hilary term, all involving children.

TABLE 2 – Urgent appeal cases

	PTA filed	PTA granted	Hearing	Judgment
I (a Child)	1 Oct 09	1 Oct 09	12/13 Oct	1 Dec 09
S-B(Children)	19 Oct 09	5 Nov 09	25/26 Nov	16 Dec 09
W (Children)	12 Feb 10	17 Feb 10	1/2 March	3 March 10

In S-B (Children) the parties were informed of the Court's decision at the end of the hearing and did not have to wait for the reasons (contained in the subsequent judgment), in order to progress their case. Judgment in W (Children) was given the day after the hearing, in order to enable care proceedings to continue the following week.

TABLE 3 – UKSC Statistics: 1 October 2009 – 31 March 2010

	OCT	NOV	DEC	JAN	FEB	MAR	Total
Permission to Appeal applications received	31	20	20	14	17	33	135
Permission to Appeal applications granted	16	6	8	5	4	5	44
Permission to Appeal applications refused	11	11	9	8	7	4	50
Permission to Appeal applications other result	0	0	0	0	0	0	0
Permission to Appeal fee remissions	0	2	2	0	0	1	5
Permission to Appeal fee deferred	1	0	1	3	1	0	6
Number of Appeals Heard	10	10	6	3	6	8	43
Number of Appeals Allowed	2	3	8	2	0	4	19
Number of Appeals Dismissed	2	2	5	0	5	3	17
Number of Appeals other result	0	0	1	0	0	1	2
Number of Appeals referred to ECJ	0	1	0	0	0	1	2
Number of sitting days	14	11	8	6	11	15	65
Number of Judgments given	4	5	14	5	6	8	42

Applications filed August (13) and September (6) = 19 (included in October's figure).

TABLE 4 – PTAs from Scotland (including devolution cases) and Northern Ireland: 1 October 2009 – 31 March 2010

	OCT	NOV	DEC	JAN	FEB	MAR	Total
Permission to Appeal applications received							
Scotland	1	2	9	2	6	2	22
Northern Ireland	2	1	2	0	1	3	9
Permission to Appeal applications granted							
Scotland	0	0	0	0	0	0	0
Northern Ireland	0	0	0	0	0	2	2
Permission to Appeal applications refused							
Scotland	0	0	7	2	4	0	13
Northern Ireland	1	0	2	0	1	0	4
Permission to Appeal applications other result							
Scotland	0	0	0	0	0	0	0
Northern Ireland	0	0	0	0	0	0	0

Size of panels hearing cases

The UKSC Justices usually sit in panels of five, but sometimes in panels of seven or nine. When a panel decides to grant a permission to appeal, a recommendation is made if the panel considers more than five Justices should sit.

In the first term:

i) Seven Justices sat on the following cases:

- Her Majesty's Treasury (Respondents) v A (FC) and others (FC) (Appellants) & Others
- Her Majesty's Treasury (Respondents) v A and others and Another (FC) (Appellant)
- R (on the application of Hay) (Respondent) v Her Majesty's Treasury (Appellant)
(*Heard 5 – 8 October 2009 and 22 October 2009*)
- S-B (Children)
(*Heard 25 – 26 November 2009*)

ii) Nine Justices sat on the following linked cases:

- R (on the application of E) (Respondent) v Governing Body of JFS and the Admissions Appeal Panel of JFS (Appellants) and others
- R (on the application of E) (Respondent) v Governing Body of JFS and the Admissions Appeal Panel of JFS and others (United Synagogue) (Appellants)
(*Heard 27–29 October 2009*)
And:
- Norris (Appellant) v Government of the United States of America and Another (Respondents)
(*Heard 30 November – 1 December 2009*)

In the second term:

i) Seven Justices sat on the following case:

- R (on the application of Sainsbury's Supermarkets Ltd) (Appellant) v Wolverhampton City Council & another (Respondents)
(*Heard 1 February – 2 February 2010*)

ii) **Nine Justices sat on the following cases:**

- R (on the application of Smith) (FC) (Respondent) v Secretary of State for Defence (Appellant and another) (Heard 15 March – 17 March 2010)
- Radmacher (formerly) Granatino) (Respondent) v Granatino (Appellant) (Heard 22 March 2010 – 23 March 2010)

Cases and judgments

The Court has heard numerous high profile cases since its establishment. These have included:

Her Majesty's Treasury v Mohammed Jabar Ahmed and others [2010] UKSC 2

In response to incidents of international terrorism, including the 9/11 attacks in New York, the United Nations Security Council passed various resolutions requiring member states to take steps to freeze the assets of Usama Bin-Laden, the Taliban, their associates and those involved in international terrorism.

In the first substantive case to be heard by the Supreme Court, its Justices heard challenges to the legality of the Terrorism (United Nations Measures) Order 2006 and the Al-Qaida and Taliban (United Nations Measures) Order 2006.

The appeals to the Supreme Court were started by persons whose assets had been frozen as a result of two Orders made by Her Majesty's Treasury, either because their names were included in a United Nations list of associates of Usama Bin-Laden or as involved in international terrorism, or because they were reasonably suspected of involvement with international terrorism. The appellants complained that the

measures gravely interfered with their fundamental rights, including the right of access to a court and that HM Treasury did not have the power to make the Orders.

The Supreme Court quashed the Terrorism Order and part of the Al-Qaida Order which had been made without any Parliamentary scrutiny. It ruled that the United Nations Act 1946 used by the Treasury to make the Orders was not intended to be used to introduce coercive measures which interfered with UK citizens' fundamental rights. The Supreme Court emphasised that in quashing the Orders it was not interfering with the will of Parliament. Its judgment was based on the fundamental principle that it was for Parliament to approve these measures if necessary.

An application by the media to lift the anonymity granted to the appellants in the lower courts was successful. See Application by Guardian News and Media Ltd and others in Her Majesty's Treasury v Mohammed Jabar Ahmed and others [2009] UKSC 1. The Court agreed that identification would stimulate informed debate about the use of asset freezing orders.

R (on the application of E) v The Governing Body of JFS & Others [2009] UKSC 15

An appeal heard at the end of the Supreme Court's first month attracted considerable media attention. A procedural hearing in this case took place on 1 October 2009, making it the first hearing of the UKSC. E challenged the refusal of a Jewish faith school, JFS, to admit his son, M, as a result of an oversubscription policy that gave preference to children recognised as Jewish by the Office of the Chief Rabbi. Such children

were either descended in the matrilineal line from a Jewish woman or had undertaken a course of Orthodox conversion. M's mother was neither Jewish by birth or by Orthodox conversion. E and M were however practising Jews and M's mother had undertaken a non-Orthodox conversion to Judaism.

E claimed that the admissions policy of JFS discriminated against M directly or indirectly on the grounds of his ethnic origins contrary to section 1 of the Race Relations Act 1976.

Sitting as a nine judge court, the Supreme Court (by a majority of five to four) agreed with the Court of Appeal that JFS had directly discriminated against M. It held that if, as here, a person's ethnic origins were the reason for the decision made, then the motive for the discrimination was irrelevant. The fact that the rule adopted by the school was of a religious character could not obscure or alter the fact that the son had been discriminated against on ethnic grounds. The option of undergoing conversion itself constituted a significant and onerous burden not required of those born with the requisite ethnic origins.

In Re B (A Child) [2009] UKSC 5

This appeal concerned a three year old boy whose parents had separated before his birth. He had lived throughout his life with his maternal grandmother. The boy's father sought an order that the child live with him and his new wife. Justices in the Family Proceedings Court had taken a decision not to disrupt the continuity of care which the boy had received and ruled that he should remain with his grandmother. This decision was overturned in the High Court

and Court of Appeal, relying on the words of Lord Nicholls in *Re G (Children) (Residence: Same Sex Partner)* [2006] 1 WLR 2305 that ordinarily the rearing of a child by his biological parent could be expected to be in his best interests.

The Supreme Court restored the decision in the grandmother's favour, holding that *Re G* had been misinterpreted. The paramount consideration in the determination of a child's residence was his welfare. Lord Nicholls' words merely reflected the common experience that in general children tend to thrive when brought up by the parents to whom they had been born. Discussion of a child's right to be brought up by his natural parents was misplaced and detracted from the only consideration for the Court, namely his welfare.

R v Horncastle and others [2009] UKSC 14

On 9 December 2009, the Supreme Court dismissed an appeal relating to the admission of hearsay evidence in criminal trials. In so doing it did not follow a recent decision of the European Court of Human Rights (ECHR) in Strasbourg, which had held that convictions based solely or to a decisive extent on the evidence of witnesses that were not available for cross-examination in court breached the right to a fair trial guaranteed by Article 6 of the European Convention on Human Rights.

The Supreme Court unanimously held that courts take into account any judgment of the Strasbourg court in relation to the evidence of witnesses unavailable for cross-examination. However on rare occasions, such as *R v Horncastle and others* this did not mean a breach of Article 6.

The Court expressed concerns that the decision of the Strasbourg court had not sufficiently appreciated or accommodated particular aspects of the UK trial process and the safeguards in the statutory scheme. The ECHR decision had not fully considered whether it was justified to impose the rule equally on common law and continental jurisdictions and it would create severe practical difficulties if applied to English criminal procedure.

Martin v Her Majesty's Advocate (Scotland); Miller v Her Majesty's Advocate (Scotland) [2010] UKSC 10

Towards the end of 2009 the Supreme Court heard the first case in which it considered the validity of Scottish legislation. The appellants in these cases challenged the imposition of sentences of imprisonment under section 45 of the Criminal Proceedings etc (Reform) (Scotland) Act 2007 for the offence of driving while disqualified. These sentences were higher than those they would have received on summary conviction under the formerly applicable Road Traffic Offenders Act 1988. The appellants argued that section 45 of the 2007 Act went outside the legislative competence of the Scottish Parliament.

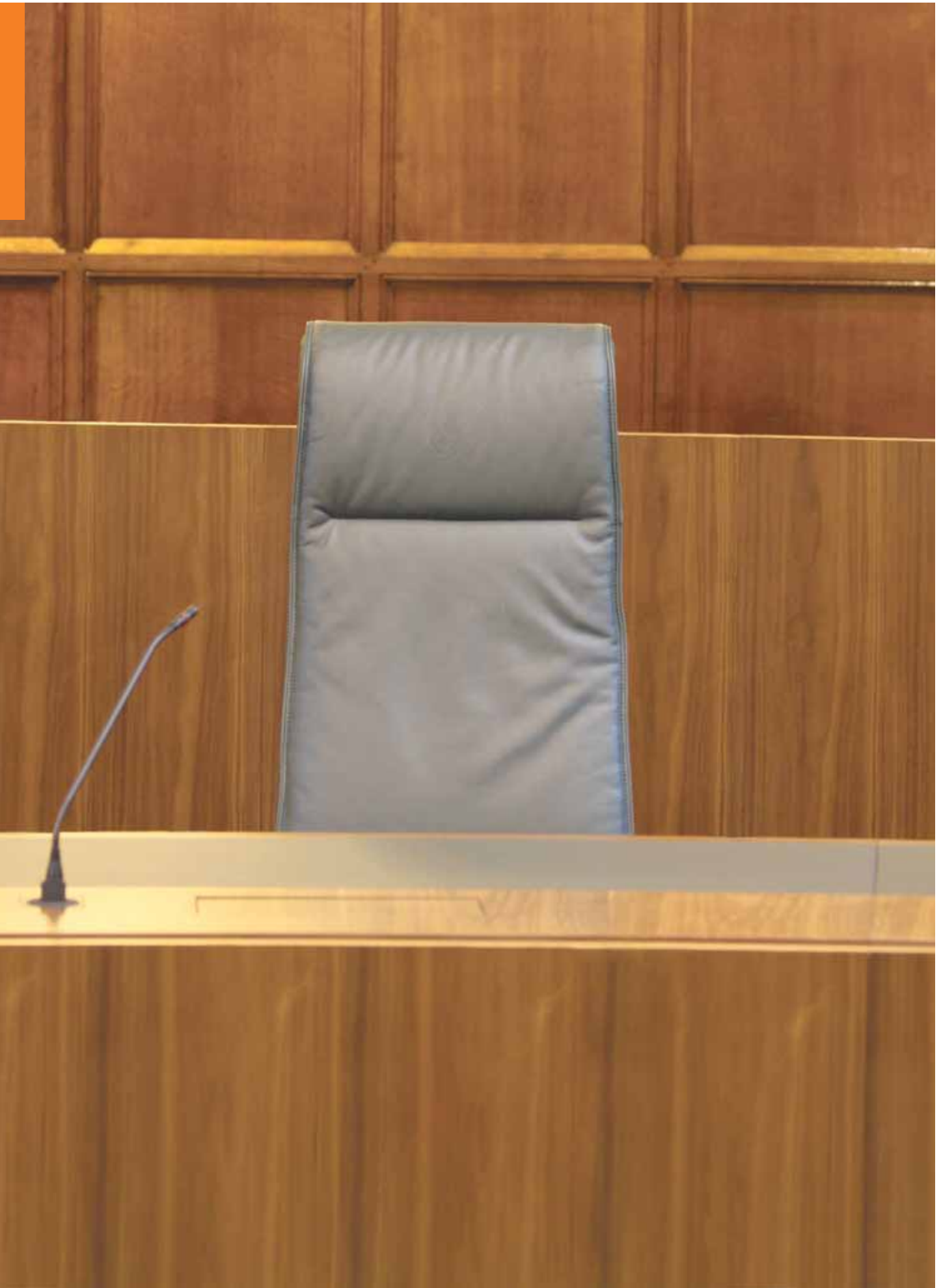
Justices at the Supreme Court by a majority of three to two held that section 45 of the 2007 Act was directed to a rule of Scots criminal law and within the legislative power of the Scottish Parliament. The change in the law only related to the procedure which determined whether the sentence could be imposed summarily by the Sheriff and did not affect the overall maximum sentence special to the 1988 Act. The increase in sentences for specific road offences was not

reserved to Westminster (within the meaning of section 29 of the Scotland Act 1998).

Re W (Children) [2010] UKSC 12

On 3 March 2010, the Supreme Court handed down judgment in an urgent appeal, relating to the evidence of children in court proceedings. Judgment was given one day after the case was heard at the Supreme Court and in time for a fact-finding hearing for care proceedings concerning a family of five children. At issue was the decision of the trial judge to refuse the father's application to have live evidence called (by video link) from his 14 year-old step-daughter, whose allegation of sexual abuse against him had led to the children being taken into care.

The Supreme Court found that the current law erected a presumption against a child giving live evidence in family proceedings. This could not be reconciled with the approach of the European Court of Human Rights, which sought to strike a balance between the right to a fair trial and the right to respect for private and family life. The essential test was whether justice could be done to all the parties without further questioning of the child. As the judge in this case had started from the wrong point, the question was remitted to her to decide at the start of the fact finding hearing the following week.





section four

appointment of Justices

There are 12 Justices of the Supreme Court, including the President and the Deputy President. Two of the Justices are from Scotland and one from Northern Ireland. As well as sitting in the Supreme Court, the Justices sit in the Judicial Committee of the Privy Council. During the period covered by this report a selection commission sat to recommend a successor to Lord Neuberger, who became Master of the Rolls on 1 October 2009.

The procedure for appointing a Justice of the Supreme Court of the United Kingdom is governed by Sections 25 to 31 and Schedule 8, of the Constitutional Reform Act 2005.

Section 25 of the Act sets out the statutory qualifications for appointment. But Section 25 has been amended by Sections 50–52 of the Tribunals and Enforcement Act 2007 so that the qualifications are now:

Applicants must have held high judicial office for at least two years. ('High judicial office' is defined to include High Court Judges of England and Wales, and of Northern Ireland; Court of Appeal Judges of England and Wales, and of Northern Ireland; and Judges of the Court of Session.)

Alternatively, applicants must satisfy the judicial-appointment eligibility condition on a 15-year basis, or have been a qualifying practitioner for at least 15 years.

A person satisfies the judicial-appointment eligibility condition on a 15-year basis if he has been a solicitor of the senior courts of England and Wales, or barrister in England and Wales, for at least 15 years; and has been gaining experience in law during the post-qualification period.

A person is a qualifying practitioner if he is an advocate in Scotland or a solicitor entitled to appear in the Court of Session and the High Court of Justiciary; or he is a member of the Bar of Northern Ireland or a solicitor of the Court of Judicature of Northern Ireland.

The meaning of 'gaining experience in law' is set out in section 52(2) to (5) of the Tribunals and Enforcement Act 2007 and relates to a period engaged in law related activities.

In July 2009 the then Lord Chancellor, invited Lord Phillips, the President of the Court to establish a selection commission. The other members of the commission were: Lord Hope, the Deputy President; Lady Smith representing the Judicial Appointments Board in Scotland; Baroness Prashar representing the Judicial Appointments Commission for England and Wales, and Mrs Ruth Laird representing the Judicial Appointments Commission in Northern Ireland. The statute requires at least one member of a commission to be a lay member – in this instance there were two. The representatives from England and Wales, Scotland and Northern Ireland are nominated by the Judicial Appointments bodies in the individual jurisdictions.

The legislation does not prescribe a process that a selection commission has to follow, although under Section 27(9) the commission must have regard to any guidance given by the Lord Chancellor as to matters to be taken into account (subject to any other provision in the Act) in making a selection. In practice each selection commission determines its own process.

But the Act does prescribe a set of people who must be consulted by the selection commission. These are:

‘The senior judges’. The senior judges are defined at paragraph 60 (1) of the Act as:

- (1) In this Part–
 “part of the United Kingdom” means England and Wales, Scotland or Northern Ireland;
 “the senior judges” means–
 (a) the judges of the Supreme Court;
 (b) the Lord Chief Justice of England and Wales;
 (c) the Master of the Rolls;
 (d) the Lord President of the Court of Session;
 (e) the Lord Chief Justice of Northern Ireland;
 (f) the Lord Justice Clerk;
 (g) the President of the Queen’s Bench Division;
 (h) the President of the Family Division;
 (i) the Chancellor of the High Court;
 ‘the Supreme Court’ means the Supreme Court of the United Kingdom.

In addition the selection commission has to consult: the Lord Chancellor, the First Minister in Scotland, the First Minister in Wales and the Secretary of State for Northern Ireland.

Paragraph 27 of the Act sets out a number of requirements:

- (i) Selection must be on merit.
 (ii) A person may only be selected if he meets the qualifications set out at Section 25.

- (iii) A person may not be selected if he is a member of the commission.
 (iv) Any selection must be of one person only; and
 (v) In making selections the commission must ensure “that between them the Judges will have knowledge of, and experience of practice in, the law of each part of the United Kingdom.”

Process

The selection commission took the decision that the vacancy should be advertised and interested people invited to apply. An Information Pack was drawn up for potential applicants which was made available on our website or by request. The process is a lengthy one, and in this instance proved to be more lengthy than usual for a variety of reasons, including adverse weather conditions disrupting planned interviews.

The successful candidate, Sir John Dyson, was approved by Her Majesty The Queen in March 2010. His appointment was announced by 10 Downing Street on 23 March 2010.

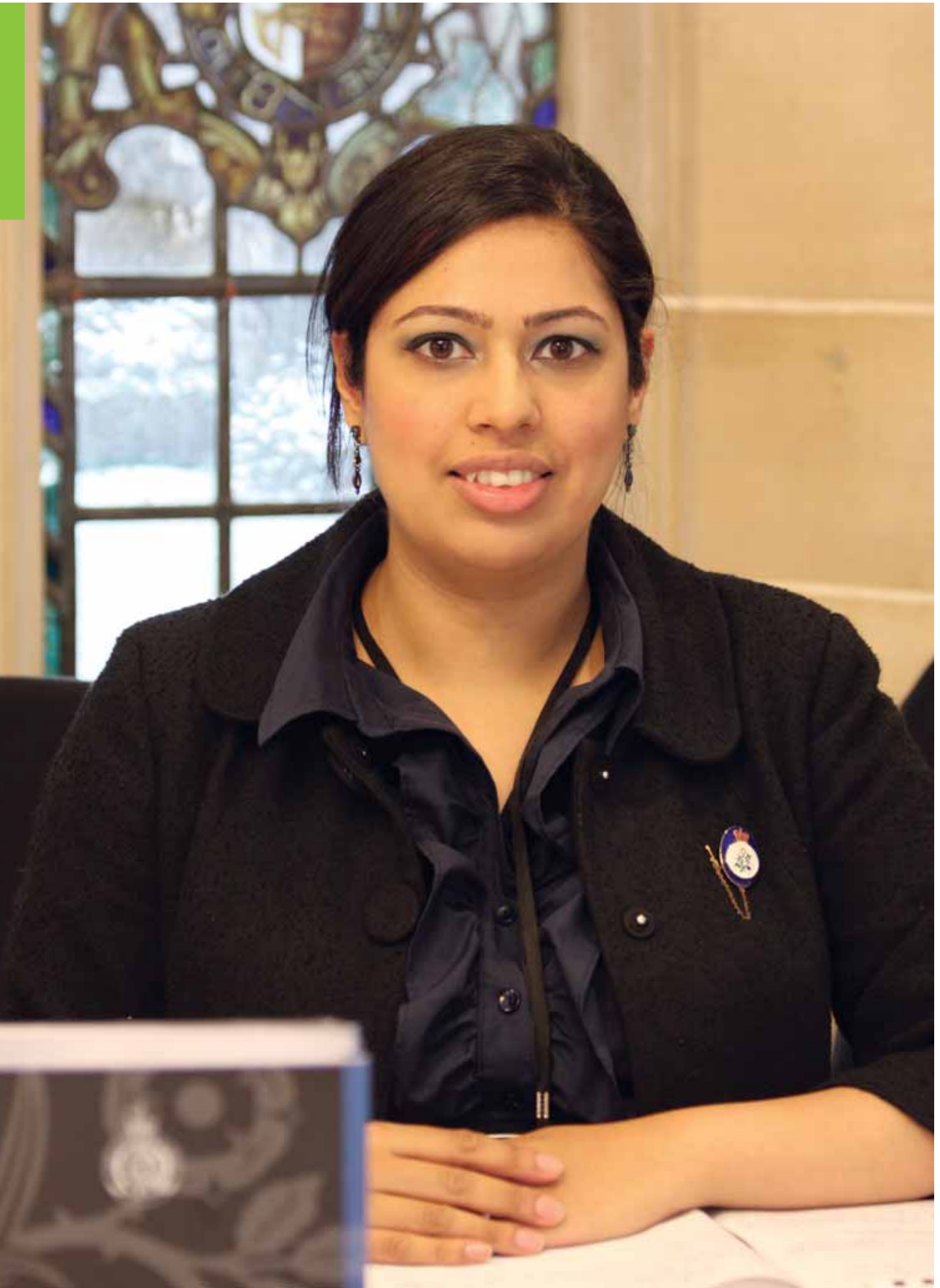
Review of the selection commission process

This was the first time a statutory selection process was used since the provisions of the Constitutional Reform Act had come into effect. (The previous occasion on which the provisions were used was on a voluntary basis in 2008–09.) During the next financial year a review of the selection process will be carried out by the Chief Executive, reporting to the President of the Court. This review will take into account the relevant recommendations of the panel on Judicial Diversity, chaired by Baroness Neuberger.

Justices of the Supreme Court



Back (left to right): Sir John Dyson, Lord Kerr, Lord Mance, Lady Hale, Lord Brown, Lord Collins, Lord Clarke
Front (left to right): Lord Rodger, Lord Hope (Deputy President), Lord Phillips (President), Lord Saville, Lord Walker





section five

transparency and openness

Justice at the highest level should be transparent. The Supreme Court has facilities which are truly accessible and create opportunities for people to gain a better understanding of the UK's highest court and the UK's legal systems in general. Significant progress has been made ensuring the Court fulfils this educational role.

Senior judiciary at the Supreme Court are more visible than they ever were at the House of Lords and the UK's highest court is more open and transparent in its workings than was ever possible for the Appellate Committee of the House.

Promoting the transparency and openness of the Court is an ongoing key objective and we have worked hard to ensure the Court is welcoming and friendly.

Feedback from visitors:

"We all felt that you looked after us tremendously well... you couldn't have been more helpful"

(Sixth form college)

"On behalf of my students, we found this visit both enjoyable and instructive – your efforts were much appreciated"

(London school)

"Our participants were highly appreciative of your kindness and came away hugely impressed by the Supreme Court's facilities and style of working"

(Overseas judiciary)

"I simply came in off the street and I didn't say who I was or that I had any connection with the law. Without exception each member of the staff was charming"

(A judge)

"Thoroughly impressed by the new building and the very clear and comprehensive exhibition"

(Overseas university)

"The entire tour was highly valuable and informative"

(Baroness)

"Facilities are outstanding, far and above any court I have visited to date"

(University Law society)

"Everyone was welcoming, informative, polite and friendly"

(Member of the public)

Visits

The court building is open to the public from 10.00 am to 4.30 pm Monday to Friday and visitor numbers have remained consistently high since the Court's establishment. We provide free of charge a number of leaflets explaining the work of the Court, the history of the building and its connection with Middlesex. The main visitor leaflets are now available in seven languages (French, German, Italian, Spanish, Japanese, English and Welsh).

We are pleased to report that in the first six months of our existence we received over 20,000 visitors. We also provided tours for nearly 100 groups from a wide variety of different organisations including Rotary Clubs, magistrates' groups and other groups associated with the law (see Table 5 below).

TABLE 5 – Monthly breakdown of visitors by groups and members of the public

	OCT 09	NOV 09	DEC 09	JAN 10	FEB 10	MAR 10
Public	4000	3358	3404	2324	2940	4315
Case Lawyers	545	400	150	145	200	490
Total:	4545	3758	3554	2469	3140	4805
Organised Groups	8	10	8	11	12	20
Organised Schools/Students	5	12	10	11	19	45
Blue Badge Groups	0	1	4	2	3	4
Ad Hoc Groups	20	30	20	10	12	8
Total:	33	53	42	34	46	77
Average visitors per day	206	179	169	143	157	208

Education

As an organisation the Court seeks to educate as well as adjudicate. We are an educational facility in our own right with a purpose built exhibition space (see below).

More than 100 schools and student groups have visited us. For them we have: provided organised tours of the building; arranged talks by Justices, senior officials and Judicial Assistants and facilitated observation of cases being heard in the court. We also organised for two Justices, Lord Kerr and Lord Clarke, to meet a group of law students from Southampton University as they finished a sponsored 76 mile walk from Southampton. Justices and senior members of staff regularly give talks to groups away from the building.

The potential for engagement with the next generation of lawyers, students, teachers, and members of the public is huge. We will build on our successes in this area so far, within available resources, in the coming months and years.

The exhibition area

A dedicated exhibition area provides opportunities for people to find out in an engaging way about the UK's legal systems, the role of the Supreme Court and the Judicial Committee of the Privy Council (JCPC).

Displays describe the story of the Court's establishment and track important constitutional and political events, as well as significant judgments to that point through an interactive timeline.

Other displays allow visitors to follow previous high profile judgments, explore the issues involved and take on the role of a Justice, seeing if they reach the same decisions.

The huge project undertaken to refurbish the Middlesex Guildhall as a home for the new Supreme Court is described in detail, with before and after photography.

Visitors can learn about the Justices and their biographies, with information on important cases they have been involved in, career paths and their specialist areas of legal expertise.

An area of the exhibition is dedicated to the role of the JCPC, its history and current jurisdiction.

The establishment of the Supreme Court, the improvements and modernisation this has brought, has created exciting new opportunities to show the wider public how justice is done at the highest level.

Enhanced media engagement

The creation of the new Court created opportunities for media engagement which were not possible at the House of Lords.

A media briefing is sent out to key media contacts prior to the start of each term, highlighting forthcoming cases and detailing the issue(s) the Justices have been asked to decide on and outlining the main facts.

Press summaries are an innovation and were introduced for the Court's establishment.

A press summary is produced for each judgment delivered and is intended to increase understanding of the Court's decisions and to make them more accessible for a wider audience. As well as being distributed to media contacts as soon as possible after a judgment is given these are also available on the Court's website www.supremecourt.gov.uk. In Court it is the practice of the Justices delivering the judgment to give a brief summary of the issues and the decision.

To assist the main press agencies and broadcast media meet their deadlines for bulletins the Court has in its Practice Directions the provision to allow journalists from these organisations sight of judgments/press summaries in advance of the Court's decision being formally given. This arrangement is under strict conditions that the journalists do not communicate the decisions prior to judgments being handed down.

In the six months ended 31 March 2010, the Court's communications staff have facilitated early sight for a number of high profile judgments. This 'lock down' arrangement

has worked well with media organisations including the BBC, Reuters and Press Association, contributing to the range of media coverage obtained for the Court.

The Court has been working with Karen Hamilton Productions on a documentary about the creation of the Court, its Justices and work. Behind the scenes access has been given and the documentary will follow a number of cases. This is due for broadcast later in 2010.

Facilities for journalists at the Court include a dedicated media room near to Court 1 which has its own monitor for journalists to view live footage of proceedings. The room also has a wireless internet connection and drinks making facilities.

Our website

The Court is a modern institution on an international stage. Our website www.supremecourt.gov.uk continues to be a success with a wide audience and contains a considerable amount of information for people interested in the Court, its Justices and judgments. This material includes: current cases coming before the court with brief details of the points of law to be considered: full judgments handed down and their press summaries. The website also has information about how to appeal, the history of the building and the art within it; corporate information about the administration of the court, and biographical details of the Justices and officials.

We received nearly 160,000 distinct visitors to the website during the first six months of our existence from virtually every country in the world.

Filming of proceedings

The UKSC has been exempted from the prohibitions on photography and filming which applies to other courts in England and Wales and Northern Ireland (there is no statutory ban in Scotland). Prior to the Court opening we worked with representatives of the main broadcasters on our policy and rules of engagement.

All the proceedings of the Court are filmed and conserved as part of our archive. We make this available to broadcasters and educational establishments on request. A number of our judgments have been broadcast live and/or used for news bulletins, for example in *Her Majesty's Treasury v Mohammed Jabar Ahmed and others* and the judgment for the *Office of Fair Trading v Abbey National plc & others*. Limited use has been made of footage of proceedings. See page 25 for *Her Majesty's Treasury v Mohammed Jabar Ahmed and others* case details. The hearing for *Office of Fair Trading v Abbey National plc & others* was in the House of Lords.

We also transmit the film of proceedings to two screens in our exhibition area for those members of the public who may wish to watch what is happening without having to go into the court room. An additional large plasma screen is available for use in Court 2 if space is limited in the court where proceedings are taking place.

User Group

The Supreme Court has set up its own user group chaired by Lady Hale and consisting of a number of representatives from Counsel and solicitors throughout the UK. As well as keeping in touch with the wider group by email, a smaller number attended a meeting in January and discussed a range of issues including the building, casework, electronic presentation of material and court dress. The minutes of the meeting are available on our website.

A working group was established to discuss further the practicalities associated with electronic presentation. It is likely that the user group will meet two or three times a year.



Left: The Supreme Court website
Right: The Court's broadcasting gallery







section six

a court on an international stage

International relationships

One of our strategic objectives requires us to develop appropriate relationships with courts in Europe, throughout the Commonwealth and in other countries, especially those which share common law heritage with the Supreme Court.

Over the six months covered by this report, a number of steps have been taken to fulfil that objective. We have welcomed a number of international visitors to the Court, aside from those who attended the Official Opening.

The Chief Executive and staff were pleased to have discussions with Mrs Indira Francis, the Registrar of the Court of Appeal in the Bahamas and Andrew Phelan, the Chief Executive and Registrar of the High Court of Australia. Andrew spent two days with us as part of a study visit, taking an interest in both casework and administrative issues. The Official Opening also provided opportunities to have discussions with Jeff Minear, Counselor to the Chief Justice of the United States.

The creation of the Supreme Court of the United Kingdom has generated a great deal of international interest and we have received visits from the following:

Judicial Delegations

Turkey
Afghanistan
Libya
Iraqi High Tribunal
Korea

Individual Judges and retired Judges

Minister Cezar Peluso
(President, Federal Supreme Court of Brazil)
Justice Albie Sachs (South Africa)
Justice Gummow (High Court of Australia)
Justice Hayne (High Court of Australia)
Justice Crennan (High Court of Australia)
Justice Ginsburg (US Supreme Court)
Justice Denise Bellamy
(Supreme Court of Ontario)
Justice Margaret Beazley
(New South Wales Court)
Justice Shireen Fisher
(Justice of the Special Court for Sierra Leone)
Justice Gideon Ginat (District Court of Haifa)
Registrars from Singapore
(Crystal Tan Huiling and Peh Aik Hin)

Overseas Parliamentarians

The Hon. Robert McLelland MP
(Attorney General of Australia)
Delegation from the Congo
Delegation from Argentina
Dr Wolfgang Goetzer MP (Germany)
Commonwealth Parliamentary Association

Lawyers and Law Students

Boston Law School (USA)
Oxford exchange students
Italian secondary school students
University of Passau (Bavaria)
A.C.D.E (French students' association)
Law students from the University of Leiden
Chevening scholars (USA)
Temple Bar scholars (USA)

Other

Inspecteur Generale des Service Judiciares (Paris)
Dr G Narayana Raju, Parliamentary Draftsman (India)
His Excellency The Israeli Ambassador
Representatives from the International Criminal Court (The Hague)
Court Administrators from Norway

Visits Overseas

William Arnold, Director of Corporate Services represented the Supreme Court of the United Kingdom at the Meeting of Registrars of Final/Appellate, Regional and International Courts and Tribunals, Ottawa, Canada, from 13–16 April 2010.

Areas the meeting looked at included the essential building blocks for the efficient administration of courts and tribunals, support and protection for court users, access to legal aid, the root causes of backlogs and effective delay reduction strategies, as well as ways to share best practice.

The Commonwealth Secretariat, through its Legal and Constitutional Affairs Division, was encouraged to produce a Handbook of Best Practices to assist registrars in the day-to-day performance of their duties, contributing to improved efficiency of courts and tribunals.

International Relationships and the Justices

A number of the Justices have participated in international meetings and associations dealing with judicial and legal issues. They include the following:

Lord Phillips, President of the Court, has continued the practice of permitting up to two Justices to sit for up to one month in the Final Court of Appeal in Hong Kong. These sittings play a vital role in upholding the rule of law within that jurisdiction. Lord Walker sat as a Judge of the Final Court of Appeal in Hong Kong in November 2009.

Lord Phillips continued his involvement with the Network of Presidents of the Supreme Court of the European Union. In October 2009, the meeting of the Board of the Network was hosted by Lord Phillips at the Supreme Court. This was attended by senior



William Arnold, Director of Corporate Services (centre, back row) at the Meeting of Registrars in Canada

judiciary from Austria, Denmark, Finland, France, Germany, Ireland, Italy, Slovenia and Poland.

Lady Hale, as President-Elect of the International Association of Women Judges, has maintained links with judges from all around the world who are interested in equality and other issues affecting women. In March 2010 she attended the conference of the National Association of Women Judges in Washington DC for a 'conversation' with Justices Ruth Bader Ginsburg and Sonia Sotomayor of the United States Supreme Court, moderated by Professor Judith Resnik of Yale University. In September 2009, she took part in the Global Constitutionalism seminar at Yale. In January 2010, she took part in the Four Jurisdictions' Family Law Conference in the Republic of Ireland.

Lord Mance attended the conference on the Common Frame of Reference in Contract organised during the Swedish presidency of the Council of Ministers of the European Union in October 2009. He attended the plenary session of the Council of Europe's Consultative Council of European Judges in Slovenia as UK representative in November 2009, and gave the Sultan Azlan Shah lecture on The Changing Role of an Independent Judiciary in Kuala Lumpur in December 2009. As a member of the Judicial Integrity Group, he took part in the preparation of Guidelines for the Implementation and Promulgation of the Bangalore Principles of Judicial Conduct in Lusaka in January 2010. In November 2009 he was elected chair of the Executive Council of the International Law Association. In February 2010 the Council of Ministers of the European Union appointed him to sit, and he has since sat, on the seven person

panel created by the Treaty of Lisbon under article 255 of the Treaty on the Functioning of the European Union, to give opinions on individual candidates' suitability for judicial appointment to the European Court of Justice.

Lord Collins attended the bi-annual meeting of the Institute de Droit International in 2009; and taught at New York University and Columbia University in spring 2010. He presented a paper to a judicial conference of European Supreme Court Judges held in Rome in March 2010. He has also continued to contribute to international law through, for example, articles in the New York University Journal of International Law and Politics, and in his role as editor of Dicey, Morris and Collins on the Conflict of Laws.

Lord Clarke attended a meeting of the Venice Commission from 11–14 December 2009.

Lord Kerr delivered the John M. Kelly Memorial Lecture in Dublin in November 2009.





section seven

corporate services

Organisation and Governance of the Administration of the Court

The administration of the Supreme Court is a non-ministerial Department, established by the Constitutional Reform Act 2005 (CRA).

Organisation

The Court is supported by a Chief Executive, Jenny Rowe. She holds a statutory office created by s48 of the CRA; and she must carry out her functions in accordance with any directions given to her by the President of the Court, to whom she reports, although she may not act inconsistently with the standards of behaviour required of a civil servant, or with her responsibilities as Accounting Officer. The Chief Executive was appointed by the Lord Chancellor after consultation with the then Senior Law Lord (Lord Bingham). 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 present President, Lord Phillips, has indeed chosen so to delegate them.

The Chief Executive, officers and staff of the Court are all civil servants. They have their pay, terms and conditions determined as such, although the CRA provides that the Chief Executive may determine the number of officers and staff of the Court and the terms on which they are appointed, with the agreement of the Lord Chancellor. Some staff transferred from the House of Lords to become civil servants at the same time as the Law Lords became the Justices of the new Court. Some staff moved with the Judicial Committee of the Privy Council from 9 Downing Street; others came from the Ministry of Justice and some from other Government Departments.

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 as a non-ministerial Department. It is not part of the Ministry of Justice and does not report to the Lord Chancellor.

The Justices regarded achieving tangible independence from both the Legislature and the Executive (in the shape of the Ministry of Justice) as a key constitutional objective. This was 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 her 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), who is also the deputy Accounting Officer, responsible for the institutional and organisational side of the Court; and the Registrar (Louise di Mambro), who is the Court's senior lawyer and 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; and
- records, IT and library services.

The Registry functions cover:

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

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

Governance

Fuller details of the governance arrangements can be found in the Chief Executive's Statement on Internal Control.

The Constitutional Reform Act 2005 sections 48 to 56 sets out the statutory framework of the Chief Executive's responsibilities, along with those of the Lord Chancellor and the President of the Court. A Memorandum of Understanding with the Lord Chancellor has been drawn up. This covers a range of issues and sets out the respective statutory responsibilities of the Lord Chancellor, the President and the Chief Executive.

Membership of Management Board and Committees

To support the Chief Executive both in her statutory responsibilities, and her responsibilities as an Accounting Officer, an internal governance structure has been established which comprises a Management Board, an Audit Committee, and a Health and Safety Committee.

The Management Board meets monthly, and the Audit Committee and the Health and Safety Committee meet quarterly. Minutes of the Management Board meetings are posted on the website and summaries made available to staff on our intranet.

Two Non-Executive Directors have been appointed to the Management Board, one of whom chairs the Audit Committee. The Audit Committee also includes representatives from Scotland and Northern Ireland.



Back (left to right): Caroline Smith, Martin Thompson, William Arnold, Alex Jablonowski

Front (left to right): Olufemi Oguntunde, Ann Achow, Jenny Rowe, Louise di Mambro, Sian Lewis

Membership of Management Board and Committees
Management Board
Jenny Rowe – Chief Executive
William Arnold – Director for Corporate Services
Louise di Mambro – Registrar
Olufemi Oguntunde – Finance Director
Martin Thompson – Building/Health and Safety Manager
Caroline Smith – Head of Human Resources
Sian Lewis – Head of Communications
Ann Achow – Records Manager
Alex Jablonowski – Non-Executive Director
Philip Robinson – Non-Executive Director
Audit Committee
Philip Robinson – Chairman
Alex Jablonowski
Philip Robinson
Elaine Noad – Representative from Scotland
Laurene McAlpine – Representative from Northern Ireland
Health and Safety Committee
William Arnold
Martin Thompson
Caroline Smith
Trade Union H&S representative
James Noone – Security Manager
Clive Brown – Building Engineer
Ayo Onatade – Head of Judicial Support
Jackie Lindsay – JCPC Chief Clerk
Ann Achow

Meetings are open to staff to attend and raise issues or observe.

Staff and Recruitment

OUR STAFF

The creation of the Supreme Court and the provision of an efficient administration which enables the Court to secure the effective determination of justice is only made possible by the expertise and commitment of our staff. Although we employ a relatively small number of staff they have a broad spectrum of professional skills and experience. Each person has an important contribution to make to the smooth running of the Court, whether working directly with Justices, professional court users and members of the public or in maintaining our corporate support facilities.

Staff of the Supreme Court are civil servants who report to the Chief Executive. To ensure that terms and conditions for staff were in place by 1 October 2009, the Chief Executive decided that Supreme Court staff would initially adopt the pay and other conditions of service of the Ministry of Justice. This arrangement will be reviewed to see if it is the correct solution for the longer term. Pension benefits are provided through the Civil Service pension arrangements.

The Supreme Court has 39 permanent employees (38.4 full-time equivalents). This figure includes seven Judicial Assistants who are employed on fixed-term contracts from September to July. Judicial Assistants support the Justices by carrying out research in connection with appeals and summarising applications for permission to appeal. In addition to our permanent staff we have also used a small number of temporary staff while we review our start-up staffing structure to determine whether it continues to meet our needs.

The provision of services such as HR, payroll, finance, security, IT, cleaning and catering are provided via service level agreements and detailed memoranda of understanding with the Ministry of Justice. In the coming year we will review these arrangements to see if they offer value for money.

GETTING THE RIGHT PEOPLE

An early challenge was getting the right staff in post by 1 October 2009 to ensure that the Court was fully functional from the date it came into existence and that the Justices were effectively supported in their work. For some staff (who had been providing direct support to the Law Lords in the House of Lords) this involved a significant change to their terms and conditions and new ways of working.

Other appointments to the Court are made in accordance with the Civil Service Commissioners' Recruitment Code. The code requires appointments to be made on merit, on the basis of fair and open competition, but also includes the circumstances where appointments may otherwise be made. Since October 2009 we have held recruitment campaigns to appoint two Customer Service and Education Assistants, a Senior Personal Secretary and an Assistant Librarian. As of 31 March we are also in the process of selecting our next intake of Judicial Assistants to support the Supreme Court Justices from September 2010. Judicial Assistants are employed on ten month fixed-term contracts. These opportunities are advertised across all three UK jurisdictions to ensure that potential applicants from Scotland, Northern Ireland and Wales have the opportunity to

apply. Just as the Justices comprise judges from all three jurisdictions, we shall seek over time to achieve experience among the staff from all the jurisdictions of the United Kingdom.

A PLACE WHERE PEOPLE WANT TO WORK

The Court wants to be an organisation that provides an environment where people positively enjoy working and where staff morale is high. We expect to provide strong organisational values where staff know the behaviour that is expected of them, but also feel they can contribute to decision making and that their work is valued and recognised.

In 2009–2010, several HR policies and procedures have been put in place for staff and promoted on the staff intranet. We also hold staff meetings each quarter, providing an open forum for all staff to convey their comments and suggestions to senior management on any aspect of the work of Court.

For the period October 2009 – March 2010, the average number of sick days per member of staff was 0.47.

In response to initial operational requirements, some members of staff have received training appropriate to their roles. We have also invested in bespoke training and development courses. However, training and development activities need to be reviewed regularly and embedded into the office routine. In 2010–2011 our training strategy will be formalised and published as a detailed learning and development plan for the organisation.

Much work has been undertaken in establishing Supreme Court HR policy, process and procedure. This is a continuing area of work. We have started work in building the foundations of a comprehensive human resources strategy, underpinned by policy and guidance that takes account of the particular needs of staff and Justices. This work will continue in 2010–11. An important focus will be on strengthening the independent identity of the Court and the development of a set of shared values and behaviours for Justices and staff.

DIVERSITY AND EQUALITY

As an organisation the Supreme Court is committed to creating an inclusive workplace and values diversity. We recognise the contribution employees from a diverse range of backgrounds can make to our work and future success.

We are committed to providing fair and open access to justice for everyone. We want to ensure that we do not discriminate against anyone using our services and address any real or perceived disadvantage experienced by the public and/or professional court users. For example, on 25 January 2010 representatives of the Lawyers with Disabilities Division visited the Court to confirm that the assurances they were given at the design stage had been fulfilled.

The Court is committed to equal opportunities for all. Over the past few months the Court's Equality and Diversity Strategy for 2010–11 has been drawn up and approved by the Management Board. Progress with the action points set out in the strategy will be reviewed by the Court's Management Board at regular intervals.

Information Assurance, Freedom of Information and Data Protection

A variety of information is held by the Court, including case papers, financial and administrative records. Information assurance policies and procedures were put in place so that the information entrusted to the Court, or generated by it, is 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. They have completed the National School of Government's e-learning package 'Protecting information'. Guidance on aspects of information security was drawn up and is located as a permanent resource on the intranet.

Work on an Information Security Policy, information asset register and risk assessments was completed at the turn of the year with Information Asset Owners identified and specific guidance issued.

The Annual Assessment of Information Risk Management identified no significant weaknesses in the way we handle our information. There were no recorded breaches concerning protected personal data reported either to the Information Commissioner or recorded centrally in the Court.

The Court's Freedom of Information Publication Scheme was drafted and available in time for the opening of the Court. The Data Protection notification was lodged with the Information Commissioner on time. A total of 38 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. All FOI requests were handled within the statutory deadline of 20 days. These generated three requests for internal review. There have been no requests for information received under Data Protection legislation since the Court opened.

Information Technology

As with most new IT installations, the first six months of operation has been a period of settling in and ironing out of the inevitable teething problems. The new case management system has been in use since the Court opened for business. A gradual approach to the introduction of the new electronic document records system has taken place to ensure that staff are trained and familiar with the system. This is ready for a staged roll out in early 2010–11.

Library Services

The planning and transfer of library stock from the House of Lords, Royal Courts of Justice and the Judicial Committee of the Privy Council to the Supreme Court Law Library, along with the ordering of new stock and setting up of online subscriptions to enhance the collection, was successfully completed in time for the Court's opening. This meant that the Justices and the Court's legal staff had a fully functioning library at the Court from 1 October 2009.

Agreement was reached in early 2010 with the library of the Faculty of Advocates in Edinburgh concerning ownership and future management of a range of Scottish material. This is available for use if Scottish advocates

are appearing before the Court. The Court's library staff now have responsibility for the collection and have included it in its enhancement plans for the library's stock.

From January 2010, the library has produced a monthly internal newsletter for Justices and the Court's legal staff. This incorporates a current awareness service which highlights articles and cases relating to the Court, as well as judgments from a selection of other common law Supreme Courts.

Health and Safety

We are committed to providing staff and Justices with safe conditions of work, and ensuring the safety of everyone who visits us.

Robust management procedures have been put in place to make sure any risks to people's health and safety are recorded and addressed.

As an organisation, the Supreme Court 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 aim to set and maintain exemplary standards of health and safety performance.

This means that the Court will comply with all health and safety legislation and have in place effective management arrangements that protect the well being of Justices, staff and others. Above that, we will search out, adopt and update best practice that is relevant and proportionate to health and safety risks at the Court, and ensure Court guidance is followed.

We want to deliver strong leadership which champions the importance of, and

a common-sense approach to, health and safety in the workplace.

In addition to our health and safety policy, Justices and staff are given upon appointment a set of health and safety notes. These present key health and safety issues to be aware of in what is a relatively low-risk workplace. Contractors at the Court have to sign up to an induction booklet of safety procedures before commencing any work. The intention 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.

A Health and Safety Committee created by the Management Board sets objectives for the coming year and meets quarterly. It will report annually to the Board on health and safety activity during the preceding year.

The Committee's membership includes both staff and representatives from contractors providing security, catering and facilities management services. The cleaning contractor is also approached in the run up to each meeting in case there are any matters which need raising. In this way, the Committee is able to promote good practice in health and safety at the Court, and to enhance communication between Justices, staff, Trades Unions and management.

In the period covered by this report, there were two 'slips and trips' incidents – of which one resulted in more than three days absence from work so a RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences) report was made.

Sustainability

We are committed to achieving continual improvement in our environmental performance. For the first year of operation we are monitoring usage and establishing baselines against which targets for future improvements can be set. Staff are asked to contribute to reducing the Court's impact on the environment by:

- disposing of waste in the correct recycling bins provided around the building
- not wasting water
- using energy efficiently and turning off idle equipment
- limiting the amount of printing they do to essential items, and
- thinking about the environmental impact of travel.

Our building inevitably consumes some resources. Despite the constraints imposed by a historic building, the refurbished Court has achieved an environmental assessment rating of 'very good' (BRE Environmental Assessment Method). We regularly monitor our energy usage to identify ways to improve our energy efficiency and environmental performance wherever possible.

Building and Accommodation

The Court is Grade II* listed. Only 5.5% of listed buildings are given this protection and it is also quite rare for post-1900 buildings to be listed. Grade II* listing embraces 'particularly important buildings of more than special interest'.

The Listed status means the architectural and historic interest of the building is protected and alterations, either outside or inside, are carefully scrutinised. The Court takes seriously its responsibility not to damage any aspect of the building's character.

Regular meetings with English Heritage and Westminster City Council are held to discuss any necessary work on the building.

The Court's new facilities are far improved over those previously in the House of Lords for Justices, lawyers, other court users and the public. As a result of the move from the House of Lords, the UK's highest court is more accessible and transparent in its workings than was ever possible for the Appellate Committee of the House. Key benefits of the new accommodation for the Supreme Court and the JCPC include:

- an additional courtroom to the Supreme Court and the JCPC. The largest courtroom allows for nine Justices to sit in one court, when required, whereas the space available in the House of Lords did not easily permit this
- an enlarged and easier to use Law Library for Justices and staff
- double the office space for Judicial Assistants

- significantly increased number of dedicated meeting rooms available for advocates and parties in cases
- a comfortable lawyers' suite with WiFi access for legal teams
- improved ease of access for the public to come to the Court and see justice being done at the highest level. The home of the Supreme Court has been refurbished and designed with this in mind. The Court is easily located and visitors can see it at work without notice. Access is also now fully compliant with the requirements of the Disability Discrimination Act.

The 12 months defects period on the fabric of the building expired on 17 March 2010, as opposed to the defects period on the mechanical and electrical services which extends to 17 September 2010. Responsibility for maintenance of the building's fabric has now passed entirely to the Court. Routine works of alteration and maintenance have been undertaken by the Facilities Management contractor under the supervision of the Managing Agent to ensure value for money. The arrangements have worked well and tasks have been completed satisfactorily in a timely fashion.



Top: Court 1
Above: Entrance Hall
Right: Lightwell





section eight management commentary

Financial Position (Statement of Financial Position)

The Supreme Court's activities are financed mainly by Supply voted by Parliament and financing from the Consolidated Fund.

The Court's Statement of Financial Position consists primarily of assets transferred from the Ministry of Justice (MoJ) at the inception of the UK Supreme Court on 1 October 2009. These were property, plant & equipment and intangible assets totalling £28m. Of this, £24m represents land and buildings with the remainder being office equipment, furniture and fittings, robes and software licences.

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

Results for the Year (Operating Cost Statement)

The Operating Cost Statement represents the net total programme resources consumed during the year by Request for Resources. All Court expenditure, including staffing and administrative costs, is regarded as programme costs for the purpose of resource accounting. The results for the year are set out in the Operating Cost Statement. These consist of:

- Net operating costs amounting to £11.4m
- Justices and staff costs of £2.7m
- Other programme costs of £12.1m, and
- Operating income of £3.4m.

The Court employed an average 44 (full time equivalent and temporary contract) during the period to 31 March 2010. There were also 11 Justices in post during that period. Loss on transfer of assets from the MoJ of £8m (which is the net of total assets £28m and the minimum value of lease rental payments of £36m) accounted for about 66% of the programme costs. Accommodation costs, finance costs, and depreciation charges were responsible for the majority of other programme costs.

The Court had operating income of £3.4m which was used to support administration for its work. Out of this, £2.9m was received by way of contribution from the various jurisdictions (£2.63m from HMCS, £0.24m from the Scottish Government and £0.12m from Northern Ireland Court Service).

Fees from civil court work are included in these financial statements as appropriations in aid (A-in-A).

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 on which it is monitored. This information is supplemented by Note 3, which represents Resource Outturn in the same format as the Supply Estimate.

In the six months period ended 31 March 2010, the Court met all of its control totals. At £10.1m the net resource outturn was £3.0m less than the 2009–10 estimate of £13m. The main reasons for this variance was principally due to the difference between the £11m estimate cover for the loss on transfer of assets from MoJ and the final outturn of £8m. There were also larger than expected accruals due to the late receipt of invoices. For more information, see Note 5 of the accounts.

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

Statement of Cash Flows

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

The Statement of Cash Flows shows a net cash outflow from operating activities of £2.2m.

Statement of Operating Costs by Departmental Aim and Objectives

This statement reports expenditure by the Court's objectives. The basis of allocation and apportionment of Programme Costs and Capital Employed is set out in Note 22 of the accounts.

Pensions Costs

Details about the Court'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

For the period October 2009 – March 2010, the average number of sick days per member of staff was 0.47.

	2008–2009
	£'000
Net Resource Outturn (Estimates)	10,088
Adjustments to additionally include:	
Non-voted expenditure in the OCS	1,304
Net Operating Cost (Accounts)	11,392
Adjustments to additionally include:	
Resource consumption of non departmental public bodies	0
Resource Budget Outturn (Budget) Of which	11,392
Departmental Expenditure Limits (DEL)	11,392
Annually Managed Expenditure (AME)	0

Data Incidents

No recorded breaches concerning protected personal data were reported (see page 47).

Principal risks and uncertainties

The key risk facing the organisation is that the current funding arrangement could be perceived as compromising the independence and effectiveness of the Court.

Payment within 10 working days

The Court 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 by Sir Gus O'Donnell on 17 November 2008 for Government Departments to pay suppliers within 10 working days, the Court achieved 97% prompt payment of invoices within 10 working 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 Court, and he reports his findings to Parliament.

The audit of the financial statements for 2009–10 resulted in an audit fee of £41,000. This fee is included in non-staff programme costs, as disclosed in Note 11 to these accounts. The C&AG did not provide any non-audit services during the year.

Other elements of the Management Commentary

Information on the Management Board and committees, information assurance, data protection and sustainability is contained in the Corporate Services section of this report.

Disclosure to Auditor

As far as I am aware, there is no relevant audit information of which the Court'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.



Jenny Rowe
Accounting Officer
Date: 5 July 2010





section nine

accounts

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Remuneration Report

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 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

Civil Service Commissioners

Civil service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code. The Code requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

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

Staffs are appraised annually against a set of competencies and individually targeted objectives. Bonuses, which form only a small percentage of total salaries, are the only form of remuneration subject to performance conditions.

Further information about the work of the Civil Service Commissioners can be found at:
www.civilservicecommissioners.gov.uk

Salary and Pension entitlements

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

A – Remuneration

Name and Title	2009–2010		
	Total Remuneration £'000	Salary (as defined below)	Benefits in kind (rounded to nearest £100)
	£'000	£'000	£'000
Jenny Rowe Chief Executive	50–55 (FYE: 105–110)	–	–
William Arnold Director for Corporate Services	40–45 (FYE: 80–85)	–	–
Louise di Mambro Registrar	30–35 (FYE: 60–70)	–	–
Olufemi Oguntunde Finance Director	30–35 (FYE: 60–65)	–	–
Sian Lewis Head of Communications	35–40 (FYE: 65–70)	–	–
Martin Thompson Building Manager	25–30 (FYE: 55–60)	–	–
Ann Achow Records Manager	25–30 (FYE: 50–55)	–	–
Caroline Smith Head of Human Resources	20–25 (FYE: 45–50)	–	–
Alex Jablonowski Non Executive Director	0–5	–	–
Philip Robinson Non Executive Director	0–5	–	–

* FYE – Full Year Equivalent

* All individuals started UKSC on 1st October 2009

Remuneration

'Remuneration' includes gross salary; performance pay or bonuses; 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.

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

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

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the department and treated by HM Revenue and Customs as a taxable emolument.

B - Pension Benefits

Name and Title	Real Increase in Pension at age 60	Total Accrued Pension at age 60 31 March 2010	Real Increase in Lump sum at age 60	Total Accrued Lump Sum at age 60 31 March 2010	CETV at 31 March 2010	CETV at 31 March 2009	Real Increase in CETV
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Jenny Rowe Chief Executive	0 - 2.5	40-45	2.5 - 5	125-130	864	828	18
William Arnold Director for Corporate Services	0 - 2.5	35 - 40	0 - 2.5	110- 115	826	818	16
Louise di Mambro Registrar	0 - 2.5	25 - 30	0 - 2.5	75-80	574	569	11
Olufemi Oguntunde Finance Director	0 - 2.5	5 - 10	0 - 2.5	0-5	69	60	7
Sian Lewis Head of Communications	0 - 2.5	25 - 30	0 - 2.5	0-5	462	459	8
Martin Thompson Building Manager	0 - 2.5	20 - 25	0 - 2.5	65-70	481	471	14
Ann Achow Records Manager	0 - 2.5	20 - 25	2.5 - 5	60-65	405	392	13
Caroline Smith Head of Human Resources	0 - 2.5	10 - 15	0 - 2.5	0-5	131	120	12

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefits schemes; either a final salary scheme (classic, premium or classic plus); or a whole career scheme (nuvos). 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 and nuvos are increased annually in line with changes in the Retail Prices Index (RPI). Members joining from October 2002 may opt for either the appropriate defined benefits arrangements or a good quality 'money purchase' stakeholder pension with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. 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' 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 in respect of service from 01 October 2002 calculated broadly as per classic and benefits for service from October 2002 calculated 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, immediately after the scheme year end, the accrued pension is updated in line with RPI. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three 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 employers basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus and 65 for members of nuvos.

Further details about Civil Service pension arrangements can be found at the website: www.civilservice-pensions.gov.uk

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Values (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 individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are calculated in accordance with The Occupational Pension Scheme

(Transfer Value) (Amendment) Regulations and do not take account of any actual potential reduction of 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 effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contribution 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.

Signed on behalf of the UKSC by



Jenny Rowe
Chief Executive Officer
5 July 2010

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. This is to conform with a Treasury direction detailing the resources acquired, held, or disposed of during the year and the use of resources by the Department during the year.
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, the net resource outturn, resources applied to objectives, recognised gains and losses, and cash flows for the financial year.
3. HM Treasury has appointed the Chief Executive as Principal 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 Principal Accounting Officer is required to comply with the Financial Reporting Manual (FReM) prepared by HM Treasury, and in particular to:
 - a. observe the 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 keeping proper records and for safeguarding the Department's assets) are set out in the Accounting Officer's Memorandum issued by HM Treasury and published in *Managing Public Money*.

Statement on Internal Control

1. Scope of responsibility

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

The UKSC is a non-ministerial Department established by the Constitutional Reform Act 2005 and came into existence on 1st October 2009. The Court consists of 12 Justices, of whom one is the President and one the Deputy President.

The UKSC was created to mark the visible separation of the judiciary from the legislature. It was designed both to increase the transparency of the judicial process and to clarify the relationship between the Judiciary, Government and Parliament. The role of the Court and the Justices is to act as the final Court of Appeal for arguable points of law of general public importance arising from civil cases throughout the United Kingdom; and from criminal cases in England, Wales and Northern Ireland. The Court also hears cases to determine issues relating to the legal competence of the devolved administrations, Parliaments and Assemblies.

I was appointed Accounting Officer by HM Treasury with effect from 1 October 2009 in accordance with section 5; subsection 6 of the Government Resources and Accounts Act (GRAA) 2000. I am responsible for the non-judicial functions of the Court.

2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives: it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to:

- identify and prioritise the risks to the achievement of the Departments policies, aims and objectives;
- evaluate the likelihood of those risks being realised and the impact should they be realised; and
- manage them efficiently, effectively and economically.

The system of internal control has been in place in the Department for the period ended 31 March 2010 and up to the date of approval of the annual report and accounts, and accords with HM Treasury guidance.

3. Capacity to handle risk

As Accounting Officer, I acknowledge my overall responsibility for the effective management of risk throughout the Department.

The UKSC has taken important steps to formulate and establish many key elements of an effective system of internal controls; I acknowledge that some of these processes are still being developed and refined and subject to further improvement. Some of these key elements in place are:

- a Management Board, chaired by me and comprising two Non Executive Directors and all Heads of Division, which normally meets monthly;
- regular reports by internal audit, to standards defined in the Government 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 improvement;
- an Audit Committee, constituted in line with HM Treasury's Audit Committee Handbook, to advise me as Accounting Officer. The committee meets four times a year with one of the Non-Executive Directors as the Chairman;

- a business plan which sets out the mission, strategic objectives and plans of the court for the next year. A Strategic Plan covering the next three years is currently in preparation;
- business and financial planning processes which explicitly take into consideration business risk;
- financial performance reports are discussed at the Management Board monthly meetings;
- formal letters of delegated financial authority supported by a system of central budgetary control;
- signed annual reports from divisional Heads on how they manage budgets within their delegated authority, to meet their objectives and their compliance with corporate governance responsibilities;
- relevant Corporate Governance pages on the UKSC intranet linked to all available guidance and instructions. These are being reviewed and updated regularly.

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 other key staff have held a number of workshops to identify key risks. Leadership is given to the risk management process in UKSC and the Management Board has created an environment whereby risk management operates effectively. The Audit Committee advises me and the Management Board on the strategic process for risk, control and governance. The UKSC Management team, under my leadership has incorporated risk management as a monthly management board meeting agenda item. Members of the Management Board are responsible for owning, monitoring and managing risks and controls within their areas of direct responsibilities. Risk owners formally review risks on a monthly basis and report back to the Management Board.

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

4. The risk and control framework

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.
- The Departmental 'Whistle Blowing' policy for confidential reporting of staff concerns.
- Business Continuity Plans (BCP) to manage the risk of disruption to business have been developed and tested.
- Maintenance of the Risk Register whereby new or emerging risks are identified 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.
- The Court's IT infrastructure and application services are provided by Atos Origin and Logica CMG under MoJ contract. This minimises the risk of IT failure as Atos and Logica have robust infrastructures.
- Regular engagement with key stakeholders, particularly through the Users' group. The Users' Committee 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 with a view to making the Court more accessible and/or efficient and/or to improving the service which it provides. The first meeting took place on 22 January 2010 and the minutes of that meeting are on the Court's website. Members of the Users' Group made a valuable contribution to the revision of the Court's Practice Directions earlier this year.
- The UKSC also provides quarterly reports to the contributing jurisdictions detailing performance over the reporting period.
- The building has been constructed to comply with a physical security brief drawn up at the design stage. Since opening, a review of that brief has been undertaken by specialists in the field. Most of the recommended enhancements are being addressed by a programme of works.
- Establishment of the role of Senior Information Risk Owner (SIRO). This is one of the several requirements to strengthen controls around information security set out in the report of the Data Handling Review, which was carried out in 2008 for the Cabinet Office. A range of information assurance policies and procedures have been put in place either in advance of or since the Court opened in October 2009. An Information Security policy, information asset register and risk assessment is in place alongside guidance on protective marking and handling documents. Information Asset Owners' roles have been delegated with appropriate guidance rolled out.

All staff have had information assurance training by means of the National School for Government's on-line e-learning 'protecting information' package.

There is a risk that the current funding arrangements could be perceived as compromising the independence and effectiveness of the Court. This issue will be discussed in due course with the new Lord Chancellor.

5. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by the work of the internal auditors and the managers within the Department who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the effectiveness of the system of internal control by the Board, the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system in place.

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

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

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

6. Significant Control Issues

Apart from the relative immaturity of our control environment, given the fact that the Court is just over six months old, and the risk surrounding our funding arrangement (as set out in Section 4), I would like to highlight the budgetary challenge of accommodating a significant diminution in value of our building as we experienced in 2009–10. I am currently discussing this with both the MoJ and the Treasury officials. Internal Audit have confirmed that they are not aware of any other significant internal control issues, based on the evidence of their work, to be included in this statement.



Jenny Rowe
5 July 2010

Audit Certificate

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

I certify that I have audited the financial statements of the UK Supreme Court for the period ended 31 March 2010 under the Government Resources and Accounts Act 2000. These comprise the Statement of Parliamentary Supply, the Operating Cost Statement and the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayer's Equity, the Statement of Net Operating Costs by Departmental Strategic Objectives and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Department's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Department; and the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on Financial Statements

In my opinion:

- the financial statements give a true and fair view of the state of the Department's affairs as at 31 March 2010 and of its net cash requirement, net resource outturn, net operating cost, net operating costs applied to departmental strategic objectives, changes in taxpayers' equity and cash flows for the period then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in the Management Commentary 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
- the financial statements are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Amyas C E Morse

Comptroller and Auditor General
National Audit Office

157-197 Buckingham Palace Road
Victoria, London, SW1W 9SP
Date: 7 July 2010

Statement of Parliamentary Supply

SUMMARY OF OUTTURN 2009–2010

	Note	Estimate			Outturn 2009–2010			Net total outturn compared with Estimate: saving/(excess)
		Gross Expenditure	A-in-A	Net Total	Gross Expenditure	A-in-A	Net Total	
Request for Resources		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Request for Resources 1	3	16,550	(3,510)	13,040	13,521	(3,433)	10,088	2,952
Total Resources	4	16,550	(3,510)	13,040	13,521	(3,433)	10,088	2,952
Non-operating A-in-A		-	-	-	-	-	-	-

NET CASH REQUIREMENT

	Note	£'000	£'000	£'000
				2009–2010
				Net total outturn compared with Estimate: saving/(excess)
				Outturn
				£'000
Net cash requirement	5	2,350	757	1,593

Summary of income payable to the Consolidated Fund

There was no income payable to the Consolidated Fund during the year. (Note 6)

Explanations of variances between Estimate and Outturn

Explanations of variances between Estimates and outturn are given in Note 3 and in the Management Commentary.

The notes on pages 72 to 83 form part of these accounts.

Operating Cost Statement (OCS)

FOR THE 6 MONTHS PERIOD ENDED 31 MARCH 2010

	Note	2009–2010		
		Staff Costs	Other Costs	Income
		£'000	£'000	£'000
Programme Costs				
Request for Resources				
Staff costs	10	2,721	-	-
Programme costs	11	-	12,104	-
Income	12	-	-	(3,433)
Totals		2,721	12,104	(3,433)
Net operating cost	4			11,392

All income and expenditure are derived from continuing operations.

UKSC's expenditure is outside HM Treasury's administration cost control regime and are thereby all classified as programme.

The notes on pages 72 to 83 form part of these accounts.

Statement of Financial Position

AS AT 31 MARCH 2010

	Note	As at 31 March 2010		As at 1 October 2009	
		£'000	£'000	£'000	£'000
Non-current assets:					
Property, Plant & Equipment	13	26,739	-	-	-
Intangible assets	14	987	-	-	-
Total non-current assets:			27,726		-
Receivables falling due after more than one year	18		-		-
Current assets:					
Inventories	17	7		-	
Trade and other receivables	18	736		-	
Other current assets					
Financial assets		-		-	
Cash and cash equivalents	19	629		-	
Total current assets			1,372		-
Total assets			29,098		-
Current liabilities:					
Trade and other payables	20	(1,576)		-	
Other liabilities		-		-	
Total current liabilities			(1,576)		-
Non current assets and net current assets			27,522		-
Non current liabilities:					
Provisions	21	-		-	
Other payables	20	(35,760)		-	
Financial liabilities	15	-		-	
Total non current liabilities			(35,760)		-
Assets less liabilities			(8,238)		-
Taxpayers' equity					
General fund			(9,418)		-
Revaluation reserve			1,180		-
Total taxpayers' equity			(8,238)		-

Jenny Rowe
 Chief Executive and Accounting Officer
 5 July 2010

The notes on pages 72 to 83 form part of these accounts.

Statement of Cash Flows

FOR THE 6 MONTHS ENDED 31 MARCH 2010

		2009–2010
	Note	£'000
Cash flows from operating activities		
Net operating cost		(11,392)
Adjustment for non-cash transactions	11	8,975
(Increase)/Decrease in trade and other receivables		(736)
less movements in receivables relating to items not passing through the OCS		(629)
(Increase)/Decrease in inventories	17	(7)
(Increase)/Decrease in trade payables		1,576
less movements in payables relating to items not passing through the OCS		-
Use of provisions	21	-
Net cash outflow from operating activities		(2,212)
Cash flows from investing activities		
Purchase of property, plant and equipment	13	-
Purchase of intangible assets	14	-
Proceeds of disposal of property, plant and equipment		-
Proceeds of disposal of intangibles		-
Loans to other bodies		-
(Repayments) from other bodies		-
Net cash outflow from investing activities		-
Cash flows from financing activities		
From the Consolidated Fund (Supply) – current year		1,387
From the Consolidated Fund (Supply) – prior year		-
From the Consolidated Fund (non-Supply)		1,304
Capital element of payments in respect of finance leases and on-balance sheet PFI contracts		151
Net financing		2,841
Net increase / (decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		629
Receipts due from the Consolidated Fund		-
Payments of amounts due to the Consolidated Fund		-
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		629
Cash and cash equivalents at the beginning of the period	19	-
Cash and cash equivalents at the end of the period	19	629

The notes on pages 72 to 83 form part of these accounts.

Statement of Changes in Taxpayers' Equity

FOR THE 6 MONTHS PERIOD ENDED 31 MARCH 2010		2009–2010		
		General Fund	Revaluation Reserve	Total Reserves
	Note	£'000	£'000	£'000
Balance as at 01 Oct 2009		-	-	-
Changes in taxpayers' equity for 2009–2010				
Net gain/(loss) on revaluation of property, plant and equipment		-	1,098	1,098
Net gain/(loss) on revaluation of intangible assets		-	96	96
Net gain/(loss) on revaluation of investments		-	-	-
Release of reserves to the operating cost statement		-	-	-
Non-cash charges - cost of capital	11	(142)	-	(142)
Non-cash charges - auditors remuneration	11	41	-	41
Transfer between reserves		14	(14)	-
Net operating cost for the year		(11,392)	-	(11,392)
Total recognised income and expense for 2009–2010		(11,479)	1,180	(10,299)
Net Parliamentary Funding – drawn down		1,387	-	1,387
Net Parliamentary Funding – deemed		-	-	-
Consolidated Fund Standing Services		1,304	-	1,304
Supply (payable)/receivable adjustment		(630)	-	(630)
Excess Vote - Prior Year		-	-	-
CFERs payable to the Consolidated Fund	6	-	-	-
Balance at 31 March 2010		(9,418)	1,180	(8,238)

The notes on pages 72 to 83 form part of these accounts.

Statement of Operating Costs by Departmental Strategic Objectives

FOR THE 6 MONTHS PERIOD ENDED 31 MARCH 2010		2009–2010				
		Request for Resources 1				
		Strategic Objective 1	Strategic Objective 2	Strategic Objective 3	Strategic Objective 4	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Gross expenditure	4,829	2,920	3,392	3,683	14,825	
Income	(1,186)	(746)	(754)	(746)	(3,433)	
Net expenditure	3,643	2,174	2,638	2,937	11,392	
Total assets	8,867	5,292	6,420	7,147	27,726	

Departmental Strategic Objective 1* – To maintain the independence of the UKSC as the apex of the judicial branch of the state.

Departmental Strategic Objective 2 – To run an efficient and effective UK Supreme Court

Departmental Strategic Objective 3 – To promote and communicate the work of the court to the wider public, other jurisdictions and internationally.

Departmental Strategic Objective 4 – To promote a sustainable and diverse environment, making the best use of the court's heritage assets.

Both costs & assets have been apportioned to individual aims on a divisional basis which best reflects the resources consumed.

Costs include staff costs as explained in note 10 to the accounts.

* Strategic Objective 1 includes the Justices' salaries and other expenditure.

The notes on pages 72 to 83 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 2009-10 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 Department 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 show Outturn against Estimate in terms of the net resource requirement and the net cash requirement. The Statement of Operating Cost by Departmental Strategic Objectives and supporting notes analyse the Department's income and expenditure by the objectives agreed with Ministers.

1.2 Accounting Convention

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

1.3 Property Plant and Equipment

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

I. LAND & BUILDING

The UKSC Land & Building were deemed to be specialised operational properties and fair value was arrived at using depreciated replacement cost methodology. This was based on the assumption that the property could be sold as part of the continuing enterprise in occupation. On the basis of the above assumption, Fair Value under IFRS is identical to Existing Use Value under UK GAAP. The year end valuation was carried out by the Westminster Valuation Office using 31 March 2010 and 1 October 2009 as valuation dates.

II. OTHER PLANT & EQUIPMENTS

These were included at cost as transferred from Ministry of Justice on 1st October 2010. They are restated at the end of the year using Price Index Numbers for Current Cost accounting.

Any upward revaluation at the end of the year was credited to the revaluation reserve while downward revaluation was charged to the OCS.

1.4 Intangible Fixed Assets

Computer software licences with a purchased cost in excess of £5,000 (including irrecoverable VAT and delivery) are capitalised at cost.

1.5 Depreciation and Amortisation

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

Software licences: 7 years

1.6 Inventory

Closing stocks of gift items for re-sale are included at cost. 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 receipts, sale of gift items and contributions from the Jurisdictions (Her Majesty's Courts Service, Northern Ireland Court Service and Scottish Parliament). It includes operating income appropriated-in-aid of the Estimate.

The Judicial receipts are payable at different stages that fairly reflect status of cases. UKSC recognises all fees received in each reporting period as income as this closely matches the activity on the cases.

1.8 Administration and Programme Expenditure

The Operating Cost Statement is analysed between administration and programme costs. All UKSC expenditure, including staffing and administrative costs, is regarded as programme costs for the purposes of resource accounting.

1.9 Cost of Capital

A charge (or credit) reflecting the cost of capital used by UKSC is included in operating costs. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average carrying amount of all assets less liabilities except cash balances held with the Office of HM Paymaster General (OPG) or Government Banking Service (GBS), where the charge is nil.

1.10 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 dependents' 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 note 10.

1.11 Leases

Where substantially all risks & rewards of ownership are borne by the UKSC, the asset is recorded as a tangible asset and the debt is recorded to the lessor over the minimum lease payment discounted by the interest rate implicit in the lease. The finance cost of the finance lease is charged to the operating cost statement over the lease period at a constant rate in relation to the balance outstanding and a liability is recognised equal to the minimum lease payments discounted by an annual rate of 6.88%. Other leases are charged to the operating cost statement as a straight-line item over the terms of the lease.

1.12 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 cash charge is made for this service but a non cash charge representing the cost of the audit is included in the accounts.

1.13 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.

1.14 Provisions

The Department provides for legal or constructive

obligations which are of uncertain timing or amount on the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

Provisions are recognised in the accounts where:

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

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

1.15 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.

1.16 Accounting for the establishment of the Supreme Court

Upon the inception of the UK Supreme Court on 1 October 2009, the MoJ transferred assets over to the UKSC including Land & Buildings totalling £23.78m. This transfer of assets was deemed not to be a Machinery of Government (MoG) transfer as it included only the responsibility for managing the assets rather than any significant operational functions. As a result, the assets were transferred using the Fair Value rules set out in IFRS 3 along with the liability relating to the Private Developer Scheme for the Middlesex Guildhall. This was done in accordance with FReM guidelines.

In addition to the transfer of assets to the UKSC, the MoJ also transferred the Kier finance lease liability of £35.6 Fair Value. Due to the nature of the transfer, i.e. not an MoG transfer, as well as the fact that these are 6 month accounts, the UKSC recognised the net liability as an expense through the OCS rather than through reserves.

2 Adoption of IFRS

The financial statements have been prepared in accordance with the 2009–10 Government Financial Reporting Manual (FReM) issued by HM Treasury which follows the requirements of IFRS 1.

3. Analysis of net resource outturn by section

	2009–2010						
					Outturn		Estimate
	Administration Cost	Other Current	Gross Resource Expenditure	A in A	Net Total	Net Total Estimate	Net total outturn compared with Estimate: Saving/ (deficit)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Request for Resources							
Request for Resources 1*	-	13,521	13,521	(3,433)	10,088	13,040	2,952
Total		13,521	13,521	(3,433)	10,088	13,040	2,952

* Support the efficient and effective administration of the UK Supreme Court and providing appropriate support to the Judicial Committee of the Privy Council

Explanations of variances between estimate and outturn

The under spend was principally due to the difference between the non cash cover of £11million (for Loss on transfer of assets from MoJ) and the final outturn of £8million. The forecast was based on the initial estimates of the Loss on transfer of assets.

4. Reconciliation of outturn to net operating cost

	Note	2009–2010		
		Outturn	Supply Estimate	Outturn compared with Estimate:
		£'000	£'000	£'000
Net Resource Outturn	3	10,088	13,040	2,952
Non-supply income (CFERs)	6	-	-	-
Non-voted expenditure		1,304	1,320	16
Net operating cost		11,392	14,360	2,968

5. Reconciliation of resources to net cash requirement

	Note	2009–2010		
		Estimate	Outturn	Net total outturn compared with Estimate: Saving (excess)
		£'000	£'000	£'000
Net Resource Outturn	3	13,040	10,088	2,952
Capital: Acquisition of property, plant and equipment		-	-	-
Non-operating A-in-A: Proceeds of fixed assets disposals	11	-	-	-
Accruals adjustments:				
Non-cash items	11	(11,653)	(8,975)	(2,678)
Changes in working capital other than cash		963	(204)	1,167
Changes in payables falling due after more than one year		-	(152)	152
Use of provision	21	-	-	-
Net cash requirement		2,350	757	1,593

Explanations of variances between estimate and outturn

The £1.6m underspend is partly due to the contributions from Devolved Jurisdictions, which were made before the end of the financial year.

In addition, there were larger than expected accruals due to the late receipt of invoices.

6. Analysis of income payable to the Consolidated Fund

There was no surrender of excess appropriations-in-aid or Consolidated Fund Extra Receipts payable to the Consolidated fund.

7. Reconciliation of income recorded within the Operating Cost Statement to operating income payable to the Consolidated Fund

FOR THE 6 MONTHS ENDED 31 MARCH 2010

	2009–2010
	£'000
Operating income	(3,433)
Income authorised to be appropriated-in-aid	3,433
Operating income payable to the consolidation fund	-

8. Non-operating income - Excess A in A

There was no non-operating income Excess A in A during the year.

9. Non-operating income not classified as A in A

There was no non-operating income not classified as A in A during the year.

10. Justices and staff numbers and related costs

A – JUSTICES AND STAFF COSTS COMPRISE

2009–2010

	Request for Resources 1			Total
	Justices	Staff	Judicial Assistants/ Agency	Total
	£'000	£'000	£'000	£'000
Wages & salaries	1,160	620	132	1,912
Social security costs	144	64	-	208
Other pension costs	372	121	-	493
Sub-total	1,676	805	132	2,613
Inward secondments	-	-	-	-
Agency staff	-	-	108	108
Total	1,676	805	240	2,721
Less recoveries in respect of outward secondments	-	-	-	-
Total net costs	1,676	805	240	2,721

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.

B. PRINCIPAL CIVIL SERVICE PENSION SCHEME

The Principal Civil Service Pension Schemes (PCSPS) is an unfunded multi-employer defined benefit scheme but 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 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation and at www.civilservice.gov.uk/pensions.

For 2009–10, employer's contributions £118,315 were payable to the PCSPS at one of four rates in the range of 16.7 to 24.3 per cent of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The salary bands and contribution rates were revised in 2008–09 and will remain unchanged until 2010–11.

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

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £2,361 were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3 to 12.5 per cent of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employer contributions of £NIL, 0.08 per cent 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 £Nil

There were no early retirements on ill health grounds in 2009–10.

C. AVERAGE NUMBER OF PERSONS EMPLOYED

The average number of whole-time equivalent persons employed during the year 2009–10 is shown in the table below. These figures include those working in the UKSC (including senior management as well as Justices) as included within the departmental resource account.

THE SUPREME COURT OF THE UNITED KINGDOM				2009–2010
				£'000
	PERMANENT		OTHER	Total
	Justices	Staff	Judicial Assistants/ Agency	
DSO1	11	19	1	31
DSO2	0	6	2	8
DSO3	0	4	11	15
DSO4	0	1	0	1
Total	11	30	14	55

D – JUSTICES AND STAFF COSTS BY OBJECTIVE IN 2009-10 WERE AS FOLLOWS:

				2009–2010
				£'000
	PERMANENT		OTHER	Total
	Justices	Staff	Judicial Assistants/ Agency	
				£'000
				£'000
DSO1	1,676	430	4	2,111
DSO2	0	244	38	282
DSO3	0	93	198	291
DSO4	0	37	0	37
Total	1,676	804	240	2,721

Staff costs by objective have been apportioned according to how much was actually spent on each aim.

Staff numbers have been apportioned according to how much time was spent on each aim.

11. Programme costs

	2009–2010	
	£'000	£'000
Accommodation costs	996	
Finance costs	1,225	
Library costs	120	
IT costs	209	
Hospitality and events	12	
Printing, postage, stationery and publications	67	
Publicity and communications	124	
Broadcasting costs	162	
Catering costs	34	
Repairs and maintenance	10	
Recruitment and judicial appointment costs	52	
Other staff costs	14	
Transportation costs	41	
Judicial travel	22	
Staff travel	1	
Internal audit and governance expenses	37	
Translation costs	3	
		3,129
Non-cash items:		
Depreciation	446	
Amortisation	76	
*Loss on revaluation of building	590	
*Loss on transfer of assets and liabilities from MoJ	7,964	
Cost of capital charges	(142)	
Auditors' remuneration and expenses	41	
Total non cash		8,975
Total programme costs		12,104

The £7,964K loss on transfer of assets and liability from the MoJ is the result of the total of assets transferred from the MoJ of £27,642K and the minimum value of the lease rental of the UKSC building of £35,607K.

12. Income

OPERATING INCOME, ANALYSED BY CLASSIFICATION AND ACTIVITY, IS AS FOLLOWS:		2009–2010	
All operating income is included within public expenditure:		£'000	£'000
Contribution from HMCS		(2,627)	
Contribution from Scottish Government		(239)	
Contribution from Northern Ireland Court Service		(119)	
Total contributions			(2,985)
Judicial fees			(440)
Wider market initiative			(8)
Others			
Total income			(3,433)

	Income	Full Cost	Surplus/(Deficit)
	£'000	£'000	£'000
Judicial fees	(440)	12,095	(11,655)
Sale of gift items	(8)	8	(0)
Total income	(448)	12,103	(11,655)

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

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

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

13. Property, Plant and Equipment

	2009–2010					
	Land	Building	Office Equipment	Furniture and Fittings	Robes	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 October 2009	-	-	-	-	-	-
Transfers inward	6,500	17,280	868	1,889	138	26,676
Additions	-	-	-	-	-	-
Revaluations	1,000	(590)	87	8	3	508
Disposals	-	-	-	-	-	-
Donations	-	-	-	-	-	-
At 31 March 2010	7,500	16,690	955	1,898	141	27,184
Depreciation						
At 1 October 2009	-	-	-	-	-	-
Charged in year	-	(223)	(62)	(145)	(1)	(431)
Revaluations	-	(7)	(6)	(1)	-	(14)
Disposals	-	-	-	-	-	-
At 31 March 2010	-	(230)	(68)	(146)	(1)	(445)
Net book value at 31 March 2010	7,500	16,460	887	1,752	140	26,739
Asset financing						
Owned	2,779					
Finance leased	23,960					
On-balance sheet	26,739					
PFI contracts	-					

14. Intangible assets

Intangible fixed assets comprise software licences	Purchased software licences
	2009–2010
Cost or valuation	£'000
At 1 October 2009	-
Transfers inward	967
Additions	-
Revaluations	96
Disposals	-
Donations	-
At 31 March 2010	1,063
Amortisation	
At 1 October 2009	-
Charged in year	(69)
Revaluations	(7)
Disposals	-
At 31 March 2010	(76)
Net book value at 31 March 2010	987

15. Financial Instruments

As the cash requirements of the Department are met through the Estimate 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. The finance lease liability is defined and not subject to movements in interest rates.

16. Impairments

	2009–2010
The total impairment charge for the year is analysed below:	£'000
Amount charged direct to operating cost statement	590
Amount taken through the revaluation reserve	-
Total	590

17. Inventories

	As at 31 March 2010	As at 1 October 2009
	£'000	£'000
Opening balances	-	-
Gift items	7	-
Total	7	-

18. Trade Receivables and other current assets

A – ANALYSIS BY TYPE	As at 31 March 2010	As at 1 October 2009
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	-	-
VAT recoverable	116	-
Staff debtors	4	-
Prepayment and accrued income	616	-
Current part of PFI prepayment	-	-
	736	-
Amounts falling due after more than one year:		
Other receivables	-	-
Total	736	-

B – INTRA-GOVERNMENT BALANCES	As at 31 March 2010
	£'000
Opening balance	-
Balances with other central government bodies	129
Balances with local authorities	41
Balances with NHS Trusts	-
Balances with public corporations and trading funds	-
Subtotal: intra-government balances	170
Balances with bodies external to government	566
Total debtors at 31 March	736

19. Cash at Bank and in Hand

	As at 31 March 2010	As at 1 October 2009
	£'000	£'000
Balance at 1 October	-	-
Net changes in cash balances	629	-
Balance at 31 March	629	-

20. Trade Payables and other current liabilities

A – ANALYSIS BY TYPE	As at 31 March 2010	As at 1 October 2009
	£'000	£'000
Amounts falling due within one year:		
Other taxation and Social Security	(65)	-
Trade payables	(100)	-
Other payables	-	-
Amount owed to the Consolidated Fund	(629)	-
Accruals and deferred income	(782)	-
	(1,576)	-
Amounts falling due after more than one year:		
Finance leases	(35,760)	-
	(37,336)	-

B – INTRA-GOVERNMENT BALANCES	As at 31 March 2010
	£'000
Opening balance	-
Balances with other central government bodies	(811)
Balances with local authorities	-
Balances with NHS Trusts	-
Balances with public corporations and trading funds	-
Subtotal: intra-government balances	(811)
Balances with bodies external to government	(36,525)
Total creditors at 31 March	(37,336)

21. Provisions for Liabilities and Charges

There were no provisions or claims during the period.

22. Notes to the Statement of Operating Costs by Departmental Strategic Objective

PROGRAMME COSTS HAVE BEEN ALLOCATED AS FOLLOWS:	As at 31 March 2010
	£'000
DS01	3,643
DS02	2,174
DS03	2,638
DS04	2,937
Total	11,392

A breakdown by activity of total programme costs can be found in note 11.

CAPITAL EMPLOYED BY DEPARTMENTAL STRATEGIC OBJECTIVES AT 31 MARCH 2010	As at 31 March 2010
	£'000
DS01	(2,634)
DS02	(1,572)
DS03	(1,908)
DS04	(2,124)
Total	(8,238)

23. Capital Commitments

	As at 31 March 2010
	£'000
Contracted capital commitments at 31 March not otherwise included in these financial statements	
Property plant and equipment	-
Intangible assets	-

24. Commitments under leases

24.1 – OPERATING LEASES	As at 31 March 2010
Total future minimum lease payments under operating leases are given in the table below for each of the following periods	£'000
Obligations under operating leases comprise:	
Other	
Not later than 1 year	-
Later than 1 year and not later than 5 years	59
Later than 5 years	-
Total	59

24.2 – FINANCE LEASES	As at 31 March 2010
Total future minimum lease payments under finance leases are given in the table below for each of the following periods	£'000
Obligations under finance leases comprise:	
Land	
Not later than 1 year	574
Later than 1 year and not later than 5 years	2,444
Later than 5 years	21,024
	24,042
Less: Interest Element	(14,593)
Net total	9,449
Building	
Not later than 1 year	1,599
Later than 1 year and not later than 5 years	6,805
Later than 5 years	58,544
	66,948
Less: Interest element	(40,637)
Net total	26,311
Interest element	-
Net total	-
Grand total	35,760

25. Commitments under PFI contracts

There were no commitments under PFI contracts.

26. Other financial commitments

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

26.1 Financial Guarantees, Indemnities and Letter of Comfort

UKSC has not entered into any quantifiable guarantees or indemnities. In addition, no letters of comfort have been provided.

27. Contingent liabilities disclosed under IAS 37

UKSC has entered into a loan agreement with the Middlesex Guildhall Collection Trust in respect of Works of Arts located in the building. The Department agreed to indemnify the Trust against loss or damage occasioned to the items.

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

28. 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.

29. 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 also had a number of significant transactions with other government departments and other central government bodies:

The Ministry of Justice provide shared services for UKSC. There were no outstanding balances as at 31 March 2010.

UKSC provides accommodation for JCPC during the year. There was no payment made by JCPC for this transaction.

30. Third Party Assets

In all civil cases where an Appeal lied to the House of Lords under the provisions of the Appellate Jurisdiction Act 1876, Appellants must provide security for the costs of such Appeals. This payment was made to the House of Lords Security Fund Account which recorded the receipt, payment and disposition of the lodgements for each financial year. The balance on this Security Fund Account was transferred to The Supreme Court on 1st October 2009 and is now operated as The Supreme Court Security Fund Account. No other receipts and payments are entered on the 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.

	£'000
Balance transferred from House of Lords on 1 Oct 2009	675
Add: Receipts - lodgements by appellants	-
Less: Repayments to appellants/ respondents	(175)
Total as at 31 March 2010	500

31. Post Balance Sheet Events

It was announced in the Budget on 22 June 2010 that the Government intends to adopt the Consumer Price Index (CPI) for the indexation of Public Service Pensions from April 2011. This will have an impact on the future operation of pension schemes that the UKSC provides to employees.

Accounts Direction given by the Treasury in accordance with Section 5(2) of the Government Resources and Accounts Act 2000

1. This Direction applies to those Government departments and Pension Schemes listed in the attached appendix.
2. These departments and pension schemes shall prepare resources accounts for the year ended 31 March 2010 in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual issued by the HM Treasury ('the FReM') which is in force for 2009–10.
3. The accounts for Government departments shall be prepared so as to:
 - (a) give a true and fair view of the state of affairs at 31 March 2010 and of the net resource outturn, resources applied to objectives, changes in taxpayers' equity and cash flows for the financial year then ended; and
 - (b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.
4. The accounts for pension scheme shall be prepared so as to:
 - (a) give a true and fair view of the state of affairs at 31 March 2010 and of the net resource outturn and cash flows for the financial year then ended;
 - (b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them; and
 - (c) ensure that the contributions payable to the Scheme during the year have been paid in accordance with the Scheme rules and the recommendations of the Actuary.

Chris Wobschall
Head of Assurance and Financial Reporting Policy Team,
Her Majesty's Treasury
21 December 2009



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