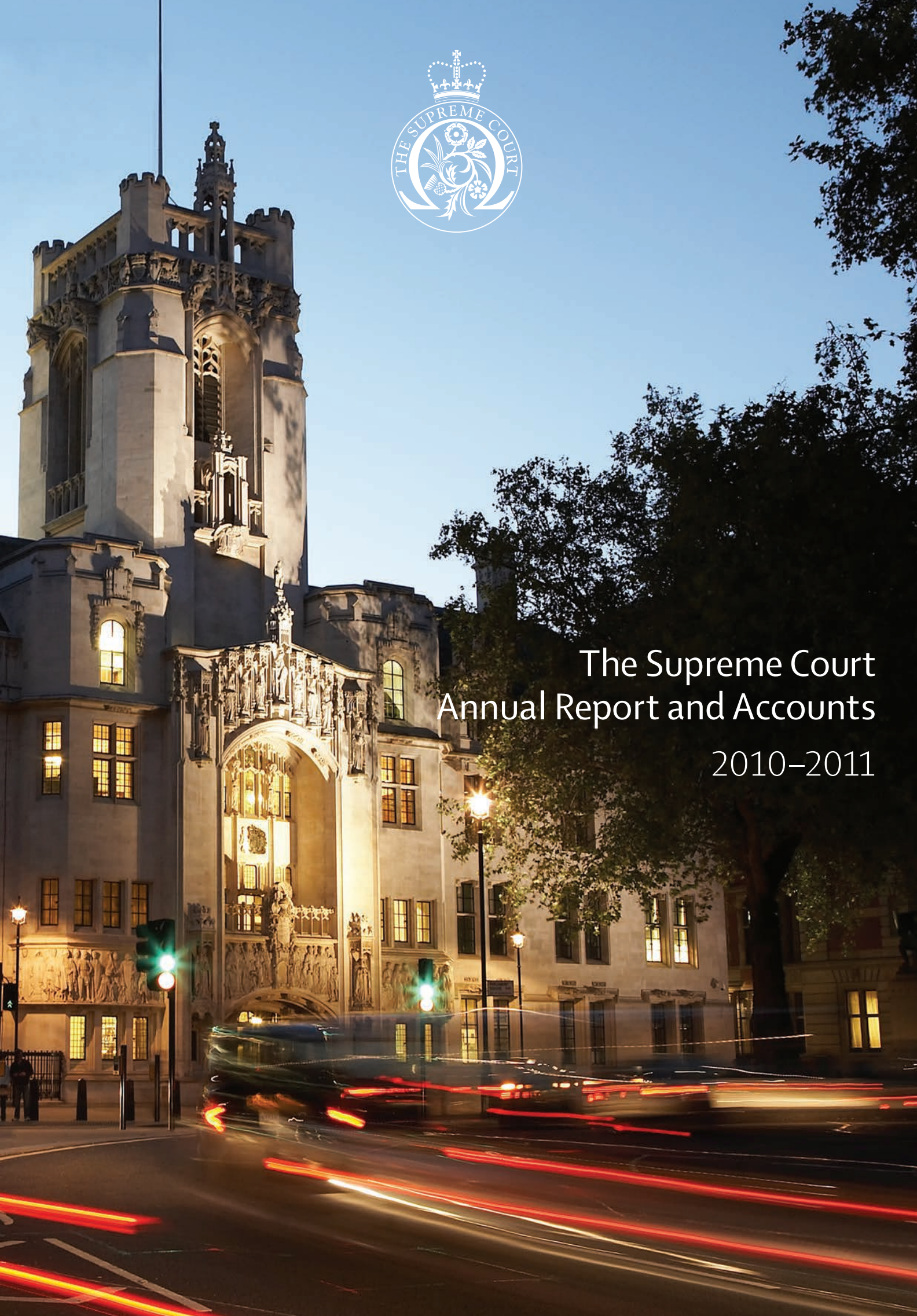


The Supreme Court Annual Report and Accounts 2010–2011



The Supreme Court Annual Report and Accounts 2010–2011

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The Supreme Court
Annual Report and Accounts
2010–2011

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foreword

BY THE PRESIDENT
OF THE SUPREME COURT
LORD PHILLIPS



I am pleased to write a Foreword to this second Annual Report of the Supreme Court of the United Kingdom, and the first to cover a full financial year.

During the year, the rate of applications for permission to appeal remained roughly steady, totalling 228. The trend towards having a greater number of public law cases has continued. Many of the cases deal with human rights issues and have, from time to time, attracted media and Parliamentary interest.

Although we started the financial year with a full complement of Justices, we have had only 11 Justices available to us for most of the second half of the financial year. The cases are interesting but demanding and we have all had a heavy workload. I welcome the completion of the selection commission exercise mentioned in the Report; but meanwhile I have been grateful to serving and retired Judges from the United Kingdom, who have been able to assist us by sitting from time to time in the Judicial Committee of the Privy Council.

I am delighted that there has been so much continuing interest in the Supreme Court, and it is especially pleasing that we are welcoming a growing number of school and university students to see us at work. Along with my colleagues, I enjoy the experience of talking to these groups when not sitting.

introduction

BY THE CHIEF EXECUTIVE
JENNY ROWE

J. Rowe



I have great pleasure in presenting this second Annual Report as Chief Executive of the Supreme Court. This Report covers the period from 1 April 2010 to 31 March 2011 and fulfils the statutory requirement on me in section 54(1) of the Constitutional Reform Act 2005.

This has been a busy and productive year for the UKSC: we have moved out of the 'start-up' phase and that is reflected in the various contributions to this report. I give my thanks to all the staff and contractors who have worked for the Court over this period. Through their hard work I believe we have been able to continue delivering a professional and high quality service to the Justices, all court users and visitors.

This Report covers a variety of issues and includes statistics on casework, which highlight 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. This financial year saw the start of a period of retrenchment in public

expenditure, as well as negotiations in the Comprehensive Spending Review for our budget settlement for the next four years. Although there is never a good time to have to find significant savings, this was particularly challenging for us as we tried to determine what was essential to maintain 'business as usual', including the costs of running the building and keeping it open to the public.

This period also saw us start a rolling review of staffing, with some changes being implemented. One early step we took was to replace all remaining contract staff with permanent civil servants at a lower cost.

The extent of outside interest in the Court and its workings has continued to grow, in particular the level of international interest. We welcome this and the opportunities it has provided for engagement with lawyers, students and the wider public to enhance knowledge and understanding of the United Kingdom's judicial and legal system.

As an administration, we attach particular importance to our role as a United Kingdom court and the need to build and maintain appropriate relationships with all parts of the United Kingdom. I believe we have been able to do so effectively during 2010–11.



section one

a focused court: 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.

Our Strategic Objectives

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 both the UKSC and the JCPC to secure the effective determination of justice, while demonstrating the best possible value for the resources with which they are provided. In particular it will operate case management systems, which provide appropriate measurable monitoring of the throughput of applications and cases, thereby enabling the most effective support of the Justices in their work.
4	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 and, as appropriate, the JCPC will similarly develop appropriate relationships with courts in Europe, throughout the Commonwealth and in other countries, especially those which share their 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 the business plan for 2011–12.

Our Values

The objectives above map out our key goals, but they are undergirded by something just as important: a shared understanding across the Court of the way in which we approach each of these challenges. The Supreme Court team approach is spelt out in our shared values – seven key standards agreed by the Management Board, that each member of staff is expected to understand and demonstrate. Our aspiration is that each of these ‘golden threads’ is evident in every area of our work, and therefore that they are reflected throughout this report.

Impartiality

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

Clarity and Openness

We will undertake our work in an open and transparent manner.

Professionalism

We will treat our colleagues, court users and visitors with respect and work professionally and cooperatively with outside organisations.

Accountability

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

Efficiency

We will use our time, money and resources effectively and efficiently. We will invite and listen to feedback and look continuously to improve our processes and the service we provide.

Accessibility

We will provide a service that meets the needs and expectations of the people who use our services. We will promote awareness and understanding of the Supreme Court and interest in the history of the building and the works of art.

Influence

We are ambassadors for the UK Supreme Court. We will maintain good relations and share our knowledge and experience with individual jurisdictions and governments in the UK and with Courts around the world.

Relationship with Judges throughout the UK and with devolved authorities

In our strategic objectives the Supreme Court 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 our responsibilities as a United Kingdom Court seriously and we give effect to this strategic objective in a number of ways involving both Justices and staff.

The Chief Executive visited Northern Ireland on 6 and 7 September 2010. In addition to attending the ceremonies at the Royal Courts of Justice Belfast for the Call to the Bar, and to mark the Opening of the New Legal Year, she had meetings with the Lord Chief Justice; David Ford MA, the Minister for Justice; the Attorney General and his staff; officials from the Courts and Tribunals Service; the Bar; the Law Society and the Judicial Appointments Commission.

The Chief Executive has also visited Scotland twice – in January and in March 2011. The visit in January was a short one to participate in the judging panel for the Scots Law Awards. In March, in addition to attending the Awards Dinner, she had meetings with the Chairman of the Judicial Appointments Board; Scottish Government officials; the Chief Executive of the Courts Service; the Law Society; officials at the Scottish Parliament who deal with education and outreach work and with the Director of the Judicial Office.

The UKSC continues to provide a quarterly report on performance, casework and expenditure to representatives of the jurisdictions and the senior judiciary around the

United Kingdom. Reports contain information on key areas of activity – operational, customer service, finances and learning and development. 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.

Senior Judges from England and Wales, Scotland and Northern Ireland have visited the building from time to time and have sat on occasions as members of the Judicial Committee of the Privy Council.

Our Audit Committee includes one representative from Scotland and one from Northern Ireland; and there are representatives from Scotland and Northern Ireland on our User Group, as well as practitioners who practise in the courts of England and Wales.

We also welcomed a number of school, college and university groups from across the UK jurisdictions over the year. Our work on encouraging more such groups from beyond England is touched upon in Section Four of this report.

Lord Hope and Lord Rodger keep in regular touch with judges and lawyers in Scotland and Lord Kerr does the same with Northern Ireland.

Lord Hope is a member of the Judicial Council for Scotland, which meets once a term in Edinburgh.

In October 2010 Lord Kerr was one of the speakers at the 30th Anniversary Conference organised by SLS ('Servicing the Legal System') Publications Northern Ireland, on the Human Rights Act ten years on.

Transfer of the Administration of the Judicial Committee of the Privy Council (JCPC)

During 2010–2011 it was agreed by Ministers that the administration of the JCPC, which has been physically co-located with the UKSC since the inception of the UKSC in October 2009, but which remained a part of the Ministry of Justice (MOJ), should be transferred to the UKSC. This transfer took place on 1 April 2011. During the year covered by this report, we have however, continued to provide a range of services to the JCPC.

The JCPC is the court of final appeal for the UK overseas territories and Crown dependencies, and for those Commonwealth countries that have retained the appeal to Her Majesty in Council or, in the case of Republics, to the Judicial Committee. A full list of all those countries which continue to use the JCPC is annexed at the end of this report.

In the cases from UK overseas territories, Crown dependencies, Commonwealth countries and some UK domestic jurisdictions the JCPC formally advises Her Majesty on the outcome and She then approves that advice at a Privy Council meeting. Appeals from Independent Republics are to the Judicial Committee itself.

It was expected that some of these jurisdictions would choose to refer final appeals to the Caribbean Court of Justice which was inaugurated in 2005, but only Barbados and Belize have done so to date. Guyana also uses the CCJ, but it left the JCPC in 1966.

The administration of the JCPC was a stand alone Government department until April 2007, when it became part of the then

Department of Constitutional Affairs, which was itself replaced by the Ministry of Justice in June 2007. Following the physical move of the JCPC after July 2009 to be co-located with the UKSC, its administration continued formally to be a part of the MOJ, but Ministers agreed the case that it would make for greater ease and efficiency for this to be transferred in due course to the UKSC. We expect the JCPC's activities in 2010–2011 to be covered by the MOJ's Annual Report, but they will be included in the UKSC's Annual Report from next year.

The JCPC will, however, continue to be a separate court, and, where appropriate, separate planning and reporting of its activities in this Annual Report will continue, for example, in respect of the JCPC's caseload. In the same way, the JCPC will continue to have its own fee regime and the fee income it receives will be accounted for separately. Those fees will in future be set in the light of the Government's developing policy towards those bringing cases from other jurisdictions.

The JCPC has its own Rules and Practice Directions. The Rules are set out in an Order in Council, currently the Judicial Committee (Appellate Jurisdiction) Rules Order 2009.

From April 2011 onwards the UKSC will, however, be looking at the options for integrating the JCPC's 'back office' functions with those of the UKSC. This is intended to ensure a high level of service continues across both the UKSC and JCPC Registries while delivering additional efficiency in, for example, the handling of paperwork. For practitioners and litigants, there will in practice be no change in the level and quality of service provided.



Top: Explaining the history and work of the JCPC already forms a key part of our education work, described in Section Four. © Greg Allen 2011.

Above: Lord Kerr (third from left) and other speakers at the 30th anniversary of the Servicing the Legal System Programme at the Queen's University of Belfast. Lord Kerr gave a keynote address on 'The Conversation between Strasbourg and National Courts'.

Right: David Doyle, First Deemster of Isle of Man, visited the Judicial Committee in February 2011, meeting the Justices, Jenny Rowe and other senior staff.



section two

appointing a meritocratic court: the Supreme Court 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 Sir John Dyson was sworn-in as the 12th Justice on 19 April 2010, and a selection commission sat to recommend successors to Lord Saville who retired on 30 September 2010 and Lord Collins who retired on 7 May 2011.

The selection commission comprised Lord Phillips as President of the Court and Lord Hope as Deputy President; Lord Justice Coghlin representing the Judicial Appointments Commission in Northern Ireland; Professor Dame Hazel Genn representing the Judicial Appointments Commission in England and Wales; and Sir Muir Russell representing the Judicial Appointments Board in Scotland. The statute requires at least one member of a selection commission to be a lay member – in this instance there were two. The representatives from England and Wales, Scotland and Northern Ireland were nominated by the judicial appointments bodies in the individual jurisdictions, as required by the Constitutional Reform Act 2005.

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.

The selection commission took the decision that the vacancies should be advertised and

interested and qualified people invited to apply. An Information Pack was drawn up for potential applicants which was made available on our website or by request.

The extensive consultation required under the Act, along with the application process itself, makes for a lengthy selection process.

On 4 May 2011 a formal announcement was made by the Prime Minister that Lord Justice Wilson would replace Lord Saville and Jonathan Sumption QC would fill the vacancy created by Lord Collins' departure.

Review of the selection process

In our first Annual Report we indicated that a review of the operation of the selection process would be carried out by the Chief Executive, reporting to the Presiding of the Court. In conducting this review the Chief Executive wrote to all the statutory consultees under the Act, and received responses from some, either in writing or at meetings. She also met with individual members of the selection commission established to recommend a successor to Lord Neuberger, now Master of the Rolls; received views from the candidates who had been shortlisted and interviewed; had a meeting with Baroness Neuberger to discuss the recommendations of the Advisory Panel on Judicial Diversity which she chaired; and had a meeting with the Lord Chief Justice and the Master of the Rolls. (A shorter version of this exercise will be repeated at the end of the current selection process.)

The recommendations of the review fell into two key areas:

1. The statutory position.
2. The processes adopted by the selection commission.

Amongst the recommendations made about the statutory process were:

- There should be no necessity for the Lord Chancellor to undertake a second round of consultations after he had received the report from the selection commission (section 28(5) of the Act), but the Chairman of the selection commission should be placed under an obligation to let the statutory consultees know the recommendation made to the Lord Chancellor.
- A selection commission, once convened, should remain in place for a period of 12 months and be empowered to deal with any vacancy which arose in that period.
- Under section 27(5) of the Act, selection must be on merit. Under sub-section (8) "In making selections for the appointment of judges of the Court, 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." The legislation should be clarified so that the provisions at sub-section (8) are included in the definition of merit.
- The requirement for the Lord Chancellor formally to make the nomination of each member of the commission should be dispensed with.
- The legislation should be clarified to make it clear that where a vacancy for the office of President/Deputy President is anticipated, the selection commission established to choose the successor should not include the then serving President/Deputy President.

These recommendations are with the Lord Chancellor and his officials for their consideration. In addition, a number of recommendations about changes to the process were adopted by the selection commission which has just completed its work, including:

- Continuing with the process of advertisement and applications.
- Better timetabling.
- A clearer and more comprehensive set of criteria for evaluating applications.
- Greater clarity over the evidence base to be considered by the selection commission.
- Improved guidance to consultees.

A number of outstanding issues remain to be dealt with, including:

- Devising an application form.
- Better guidance to assist non-judicial applicants.
- Further outreach work.

Titles for Justices

In December 2010 Her Majesty The Queen formally agreed that every Justice of the Supreme Court of the United Kingdom should, in future, be styled as "Lord" or "Lady". This ensures that Justices who are not Life Peers (i.e. those appointed since 1 October 2009) are addressed in the same way as their colleagues who are Life Peers. This has not only introduced consistency but also avoided the complications of a variety of titles being employed in and outside court.

The courtesy title is conferred upon a Justice for life, and takes effect from the time of their swearing-in.





Justices of the Supreme Court as at 31 March 2011

Background image:
Swearing in of one of the new Justices

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



section three

a Court serving the UK: Jurisdiction and casework

The Supreme Court is the UK's highest court of appeal. It hears appeals on arguable points of law of general public importance, concentrating on cases of the greatest significance. The 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. Its judgments directly affect everyday lives.

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 Acts 1998 and 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).

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 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' and many of the rigid and detailed requirements in the House of Lords Practice Directions have been dispensed with. The Court must interpret and apply the Rules with a view to securing that the Court is 'accessible, fair and efficient and that unnecessary disputes over procedural matters are discouraged'. Rule 9(6) provides that, if any procedural question is not dealt with by the Rules, the Court or the Registrar 'may adopt any procedure that is consistent with the overriding objective, the Act and these Rules'. These words are very important in underpinning the approach adopted by the Court.

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

well during the Court's first period of operation: some minor revisions have been made to the Practice Directions to reflect suggestions made by practitioners and to effect a number of improvements. Summary information about the key changes is available on the Supreme Court website.

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

Once the required papers have been filed, an application for permission will normally be determined within eight sitting weeks. In urgent cases, a request for expedition may be made and an expedited application can be determined within 14 days or even less (in *E (Children)* the application was filed on 31 March 2011, permission to appeal was granted on 6 April 2011 and the appeal was listed for May 2011).

TABLE 1 – PTAs (1 April 2010 – 31 March 2011)

Applications Received	228
Applications Granted	67
Applications Refused	115

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.

Between 1 April 2010 and 31 March 2011:

- 76 appeals were heard, and
- 56 judgments were given.

Sitting Days

Over the year, the Supreme Court sat for 121 days out of a theoretical maximum of 154 possible sitting days (the Court does not sit on Fridays, which are reserved for case preparation and judgment writing). Slightly less than 30 per cent of the Justices' work, however, broadly speaking, currently arises in the Judicial Committee of the Privy Council, which accounts for the rest of their sitting time.

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, 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 as instructing new Counsel if their Counsel of choice is not available within the target period involves the parties in considerable extra expense.

The Supreme 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 deliberately allows some gaps in its listing to enable such cases to be heard. The following table indicates urgent cases heard by the Supreme Court during the year, and the timescales within which they were handled.

TABLE 2 – Urgent appeal cases

Name	Permission to Appeal Application Filed	Hearing (permission to Appeal & Appeal)	Judgment
R v Chaytor and others (Appellants)	24 Sept 10	18 and 19 Oct 10	1 Dec 10
R v F (Appellants)	19 Nov 10	6 Dec 10	23 Feb 11
R v M (Appellant)			
Name	Permission to Appeal Application Filed	Permission to Appeal Granted	Hearing Date
E (Children) (FC)	31 March 2011	6 April 11	23 and 24 May 11
Name	Permission to Appeal Application Filed	Permission to Appeal Granted	Hearing Date
Principal Reporter (Respondent) v K (Appellant) and others (Scotland)	30 June 10	20 and 21 Oct 10	15 Dec 10

section three

a court serving the UK: Jurisdiction and casework

TABLE 3 – Total UKSC statistics, including all jurisdictions: 1 April 2010 – 31 March 2011

	Total
PTA applications received	228
PTA applications referred to Justices	209
PTA applications not yet referred to Justices	39
PTA applications granted	67
PTA applications refused	115
PTA applications other result	4
PTA fee remissions	10
PTA fee deferred	4
Appeals filed as of right	15
Number of Appeals heard	76
Number of Appeals allowed	28
Number of Appeals dismissed	25
Number of Appeals other result	2
Number of Appeals referred to ECJ	2
Number of sitting days	121
Number of possible sitting days	154
Number of Judgments given	56

TABLE 4 – PTAs from Scotland and Northern Ireland: 1 April 2010 – 31 March 2011

	Total
Permission to Appeal applications received	
Scotland	10
Northern Ireland	9
Permission to Appeal applications granted	
Scotland	2
Northern Ireland	2
Permission to Appeal applications refused	
Scotland	7
Northern Ireland	10
Permission to Appeal applications other result	
Scotland	0
Northern Ireland	1

Size of panels hearing cases

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

Easter term (13 April to 28 May 2010):

Seven Justices sat on the following cases:

- Secretary of State for the Home Department (Respondents) v AP (Appellants)
(*Heard 5 – 6 May 2010*)
- Cadder (Appellant) v Her Majesty's Advocate (Respondent) (Scotland)
(*Heard 25 – 26 November 2009*)

Trinity term (7 June to 29 July 2010):

Seven Justices sat on the following cases:

- R (on the application of the Electoral Commission) (Respondent) v City of Westminster Magistrates Court (Respondent) & the United Kingdom Independence Party (Appellant) (Respondents)
(*Heard 8 – 9 June 2010*)
- R v Rollins
(*Heard 12 – 13 July 2010*)
- Oceanbulk Shipping & Trading SA (Respondent) v TMT Asia Limited & others (Appellants)
(*Heard 14 – 15 July 2010*)

Nine Justices sat on the following case:

- Manchester City Council (Respondent) v Pinnock (Appellant)
(*Heard 5 – July 2010*)

Michaelmas term (4 October to 21 December 2010):

Seven Justices sat on the following cases:

- Sienkiewicz (Administratrix of the Estate of Enid Costello deceased) (Respondents) v Greif (UK) Limited (Appellant), and
- Knowsley Metropolitan Borough Council (Appellant) v Willmore (Respondent)
(*Heard 26 – 28 October 2010*)

Nine Justices sat on the following cases:

- R v Chaytor and others
(*Heard 18 – 19 October 2010*)
- WL Congo 1 & 2 (Appellants) & another v Secretary of State for the Home Department (Respondent), and
- KM (Jamaica) (Appellant) v Secretary of State for the Home Department (Respondent)
(*Heard 15 – 18 November 2010*)

Hilary term (11 January to 31 March 2011):

Seven Justices sat on the following cases:

- Jones (Appellant) v Kaney (Respondent)
(*Heard 11 – 12 January 2011*)
- R (on the application of GC) (FC) (Appellant) v The Commissioner of Police of the Metropolis, and
- R (on the application of C) (FC) (Appellants) v The Commissioner of Police of the Metropolis
(*Heard 31 January to 2 February 2011*)
- In the matter of an application by Brigid McCaughey & another for Judicial Review (Northern Ireland)
(*Heard 2 – 3 February 2011*)
- Secretary of State for Communities & Local Government & another (Respondents) v Welwyn Hatfield Borough Council (Appellant)
(*Heard 7 – 8 February 2011*)

- Commissioners for Her Majesty's Revenue & Customs (Appellant) v Tower MCashback LLP & another (Respondent) (*Heard 21 – 22 February 2011*)
- R (on the application of Cart) (Appellant) v The Upper Tribunal (Respondent), and
- Eba (Respondent) v Advocate General for Scotland (Appellant), and
- R (on the application of MR) (Pakistan) (FC) (Appellant) v Secretary of State for the Home Department (Respondent) (*Heard 14 – 17 March 2011*)

Nine Justices sat on the following cases:

- Manchester City Council (Respondent) v Pinnock (Appellant) (*Heard 5 – July 2010*)
- Al Rawi & others (Respondents) v The Security Service & others (Appellants)
- Home Office (Appellant) v Tariq (Respondent)
- Home Office (Respondent v Tariq (Appellant) (*Heard 24 – 27 January 2011*)
- R (on the application of Adams (FC) (Appellant) v Secretary of State for Justice (Respondent)
- In the matter of an application by Eamonn MacDermott for Judicial Review (Northern Ireland)
- In the matter of an application by Raymond Pius McCartney for Judicial Review (Northern Ireland) (*Heard 15 – 17 February 2011*)

Cases and judgments

While every appeal heard by the Supreme Court is of legal importance, many also attract considerable public interest owing to their impact on wider society. Some of the particularly high profile cases determined by the Court this year include:

In the matter of an application by 'JR17' for Judicial Review [2010] UKSC 27

The right to education was considered by the Supreme Court in an appeal from Northern Ireland by a boy suspended by his school.

His suspension followed a confidential complaint about his conduct made by another pupil to the principal of the school. The principal purported to suspend him in accordance with the applicable disciplinary scheme, but failed to comply with its requirements: the complaint was not investigated nor was the boy told of the grounds for his suspension. The Supreme Court held that the principal did not enjoy a common law power to suspend pupils outside the scheme and the suspension was unlawful. However, the suspension, for a period of six weeks not long before his GCSE examinations, did not amount to a denial of the right to education guaranteed by Article 2 of the First Protocol to the European Convention on Human Rights, because he was granted access to such educational facilities as the state provided for suspended pupils.

R (on the application of Smith) v Secretary of State for Defence and another [2010] UKSC 29

The Supreme Court was asked to rule on two issues of general importance and practical concern arising from the tragic death of Private Jason Smith on service in Iraq. The first was whether British troops operating on foreign soil were protected by the Human Rights Act 1998, and the second was whether inquests into the deaths of soldiers abroad had always to comply with the procedural requirements guaranteed by the right to life (Article 2) under the European Convention on Human Rights.

By the time of the hearing, the Secretary of State accepted that Private Smith had been

within the jurisdiction of the United Kingdom because he had died on a British base in Iraq, and that he should be granted a fresh inquest which would comply with the Article 2 requirements. However, the Government remained concerned about the position of soldiers off the base in the light of the judgment of the Court of Appeal below.

The Supreme Court, sitting with nine justices, held that it was not necessary in every case of a death of a serviceman abroad to carry out an investigation which examined whether there was fault on the part of the state because (a) the Human Rights Act 1998 did not apply to armed forces on foreign soil and (b) in any event, there was no such automatic right. The decision on the first issue was by a majority (six justices to three) who regarded the jurisdiction of the Convention, and therefore the Human Rights Act 1988, as essentially territorial. In their view it did not also arise from the fact of the UK's authority and control over its armed forces. The justices were unanimous on the second issue.

HJ (Iran) and HT (Cameroon) v Secretary of State for the Home Department [2010] UKSC 31

This case concerned two homosexual men, from Iran and Cameroon respectively, who had sought asylum in the United Kingdom on the basis that they would face persecution by reason of their sexual orientation if they were returned to their home countries. The Court of Appeal had found that, if returned, they would conceal their sexual orientation and would not therefore be at risk of persecution. As this could be regarded as reasonably tolerable, the two men were not entitled to protection under the Refugee Convention.

The Supreme Court rejected the 'reasonable tolerability' test and remitted the appellants' cases for reconsideration in the light of the detailed guidance it laid down. To compel a homosexual person to pretend that his sexuality didn't exist, or to suppress the behaviour by which it manifested itself, was to deny him his fundamental right to be who he was. He was as much entitled to freedom of self expression in such matters as people who were heterosexual. The risk of persecution had to be of treatment such as death, torture or imprisonment, not simply discrimination or societal disapproval. It would not cease to be persecution because those persecuted could eliminate the harm by taking avoiding action.

Radmacher (formerly Granatino) v Granatino [2010] UKSC 42

In a case which attracted considerable publicity, the Supreme Court examined the principles to be applied by a court when deciding, in the course of considering the financial arrangements following the breakdown of a marriage, what weight should be given to an arrangement between the husband and wife made before the marriage.

Here the French husband and German wife had signed an ante-nuptial agreement before a notary in Germany three months before their marriage, at the instigation of the wife. Under the agreement neither party would acquire any benefit from the property of the other during the marriage or on its termination. By the time the marriage broke down 8 years later the couple had two children, the husband had left his career in the city to pursue research studies, and the wife had inherited considerable sums from her family's business. The husband applied to the court for financial relief over and above that

awarded to him to enable him to share the care of the children until the youngest reached the age of 22. The wife contended that their ante-nuptial agreement should be given decisive weight in the circumstances of the case.

Despite the fact that an ante-nuptial agreement may make provisions that conflict with what a court would otherwise consider to be fair, the Supreme Court held that the following principle should henceforth be applied: a court should give effect to a nuptial agreement that is freely entered into by each party with a full appreciation of its implications unless, in the circumstances prevailing, it would not be fair to hold the parties to their agreement. In the right case, and this was found by the majority to be one, an ante-nuptial agreement could have decisive or compelling weight.

There was a notable dissent from Lady Hale, who felt strongly that the law of marital agreements was a mess which Parliament was in the process of reviewing and should be left to reform. The unusual facts of this case obscured the fact that the object of ante-nuptial agreement was to deny the economically weaker spouse (commonly the wife) the provision to which she would otherwise be entitled.

Cadder v Her Majesty's Advocate (Scotland) [2010] UKSC 43

This was a devolution appeal, the outcome of which required the Scottish authorities to consider speedy reform. It concerned the longstanding practice in Scotland that a person who was detained by police on suspicion of having committed an offence was not entitled to have access to a solicitor prior to being interviewed.

The appellant in this case was convicted after the prosecution relied on admissions he had made to the police in his interview. He argued that his rights to a fair trial protected by Article 6 of the European Convention on Human Rights had been violated by the absence of a statutory right to legal advice when in police custody. The Scottish authorities contended that other guarantees in the Scottish legal system – such as the need for corroborated evidence – were sufficient to ensure a fair trial.

The Supreme Court found that decisions of the European Court of Human Rights made it clear that a detainee had to have rights of access to a lawyer from the first interview unless there were compelling reasons in the individual case to restrict that right. The Scottish system was expressly designed in the hope that an individual would incriminate himself during questioning. This view of where the balance was to be struck between the public interest and the rights of the accused was irreconcilable with Article 6.

This decision did not affect completed criminal cases but did apply to relevant cases still in progress. Immediately following the hearing, the Lord Advocate issued updated guidance to police forces which ensured suspects were offered access to legal advice before and during questioning in detention, and emergency legislation has now been passed to implement the decision, in The Criminal Procedure (Legal Assistance, Detention and Appeals) Act 2010.

Manchester City Council v Pinnock [2010] UKSC 45

This was an important case on the question of whether the right to private life protected

by Article 8 of the European Convention on Human Rights meant that UK courts had to consider the proportionality of evicting certain non-secure tenants from their homes. It was heard by nine justices. The relevant statute provided that a court, when asked to make a possession order against a 'demoted tenant', should simply investigate whether the council had followed the required procedure.

The Supreme Court unanimously departed from the previous line of House of Lords' authorities in ruling that a court must have the power to assess the proportionality of making a possession order in favour of a local authority and, in so doing, to resolve any factual disputes between the parties. It found it was possible to read and give effect to the statutory regime for demoted tenancies in a way which would permit the court to do this and so ensure compliance with Article 8. However on the undisputed facts of Mr Pinnock's case the order evicting him was found to be proportionate and was upheld.

R v Chaytor and others [2010] UKSC 52

In November the Supreme Court was asked to rule on the issue of whether the criminal courts are prevented from trying former Members of Parliament on charges relating to expenses claims on the grounds that the proceedings would infringe parliamentary privilege.

The appellants had been committed for trial on charges of false accounting arising from claims submitted for parliamentary expenses. They relied on two bases of Parliamentary privilege to object to these proceedings: Article 9 of the Bill of Rights 1689 which provided that courts could not question any proceedings in Parliament, and the wider exclusive jurisdiction enjoyed by Parliament to manage its own affairs.

The Supreme Court unanimously dismissed the appeals. Submission of expenses claims fell outside the core business of Parliament, to which Article 9 was directed. As for the exclusive jurisdiction, Parliament had to a large extent relinquished this in relation to administrative matters and had recognised the overlapping jurisdiction of the courts in cases of criminal conduct. In the appellants' cases, Parliament had cooperated with the police investigation and refrained from exercising a disciplinary jurisdiction over them.

WL (Congo) and another v Secretary of State for the Home Department [2011] UKSC 12

One of the last judgments handed down this reporting year, this case concerned claims for damages for false imprisonment made by foreign national prisoners awaiting deportation. These prisoners had been detained by the Home Secretary pursuant to an unpublished policy of near-blanket detention operated between April 2006 and September 2008. This was inconsistent with the longstanding published policy, which contained a presumption of release.

Of the seven justices hearing the case, a bare majority held that the claimants had been falsely imprisoned. The operation of the unpublished policy was a breach of the Home Secretary's public law duties and rendered the detention of the claimants in this case unlawful. They were only awarded nominal damages, however, as the courts had found that they would have been detained under the published policy in any event, and had therefore suffered no loss. Their claims for 'vindictory' and/or exemplary damages were also dismissed.



section four

transparency and openness

One of the Court's key objectives is to be open and accessible, presenting the United Kingdom with a clear demonstration of justice being delivered at its highest domestic court.

During the year we have made great progress in reaching and engaging new audiences: the number of visitors and tour groups coming to the court has risen sharply, particularly from schools and universities; we have broken new ground in allowing two separate documentary teams to chart our work; and we are continually improving how we assist the media in providing accurate coverage of the court's caseload.

Welcoming visitors

The establishment of the Supreme Court has created exciting new opportunities to show the wider public how justice is delivered at the highest level.

The court building is open to the public from 9.30 am to 4.30 pm Monday to Friday. We provide free of charge a number of leaflets explaining the work of the Court, the history of the building and its connection with the County of Middlesex. We have expanded the number of foreign language versions of these to seven (French, German, Italian, Spanish, Japanese, Portuguese and Welsh) to meet demand.

Last year we received over 72,000 visitors, compared with 20,000 in October to March of the previous year. The number of organised group tours has also greatly increased with 169 this year, compared with 69 during the previous six months.

To meet demand, we have extended the range of souvenirs available for sale from our café: many visitors wish to purchase a memento of their time at the Court, with postcards of the bench of Justices and Supreme Court drinks mugs being particularly popular!

For the first time we took part in the 'Open House London' weekend, providing architect-led tours for pre-booked groups with the kind assistance of Hugh Feilden, the lead architect of the refurbishment project. These prompted much positive feedback and we intend to take part again in 2011. We also held four other informal open days, giving members of the public the opportunity to see areas not normally open to them (such as the Library and Lawyers' Suite).

Educating and inspiring

We welcomed 358 educational tours last year – a significant increase over the 102 during the previous six months. We have worked hard to enhance the experience of visitors from schools, colleges and universities. At present we can offer a tour of the building, an opportunity to sit in on a hearing, and in our exhibition area we provide information about our work including interactive displays about cases and constitutional milestones. Visitors can also ‘Be a Justice’ and try out our interactive screens which allow students to consider the legal issues raised by some of the most high-profile cases to reach the Supreme Court, or House of Lords before it. We also ask all group leaders to complete a questionnaire in advance so that we can tailor our tour content to their particular curriculum requirements. We have also designed a Supreme Court quiz sheet for younger visitors, who receive a certificate for correctly completed answers.

But we aspire to do more in this area. It has always been among the Supreme Court’s principal objectives to educate and inspire people about the UK justice systems and the rule of law. In September, with the help of the National Council for Citizenship and the Law (www.nccl.org.uk), we piloted a series of half-day workshops for selected Sixth Form colleges. This involved us producing background briefing notes on two previous appeal cases for the students, who were arranged into opposing teams once they arrived at the court and then helped by our Judicial Assistants and other volunteer lawyers to prepare their arguments. A debate was then staged in our main courtroom, judged by a group of their peers; this was

followed by a question and answer session with a Justice. Independent evaluation of these pilots showed them to be a great success with an increase in the students’ knowledge and understanding of how the justice system works and of the role of the courts. We have recently entered into a formal partnership with the NCCL to roll out these workshops on a more permanent basis, beginning with full-day sessions at least once a month from this summer.

We are pleased to report that we have welcomed a number of educational groups from beyond England over the year, including the University of Aberdeen Mooting Society and groups from Glasgow University; Cardiff High School; St Cyres Sixth Form, Glamorgan; Coleg Llandrillo Cymru; The Wallace High School, Lisburn; and Sacred Heart Grammar School, Newry, County Down. However, the vast majority of our visits are from English schools and colleges, so we have begun work on developing a more proactive approach to encouraging schools from the other UK jurisdictions to visit the Court. This has included making contact with educational and parliamentary bodies in Scotland (as an initial step) and liaising with the UK Parliament Education Service, who regularly work with schools from outside England, to identify what synergies may be found between our two areas of work.



Top: Students during one of the pilot extended learning sessions held at the Court during September 2010.

Above left: Lord Phillips handing down judgment in *Sienkiewicz v Greif (UK) Limited*, regarding liability for asbestos-related diseases, March 2011. The judgment clip was used in a news package on the BBC 6 O'Clock News, and is one of a number broadcast over the year within news programmes.

Above right: Corporate event hire has helped us not only generate an extra revenue stream, but open the Court to new audiences. © Greg Allen 2011.

Right: One of the Court's Public Relations team guides a group around the Court. © Greg Allen 2011.



Monthly breakdown of visitors by groups and members of the public

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

	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Public	3694	3520	5563	6868	9547	6058	6559	7079	4667	4331	6287	7939
Case Lawyers	100	320	482	718	181	181	626	799	400	618	503	658
Total visitors	3794	3840	6045	7586	9728	6239	7185	7878	5067	4949	6790	8587
Organised Groups	12	11	25	11	5	12	23	26	8	16	8	12
Education Groups	17	24	19	31	3	15	29	48	29	26	52	65
Other Groups	10	4	10	1	0	2	0	6	2	4	7	3
Total groups	39	39	54	43	8	29	52	80	39	46	67	80
Average visitors per day	190	185	242	345	463	260	312	321	233	216	314	345

Exploring more

The Court has a dedicated exhibition area which provides opportunities for visitors to find out in an engaging way about the UK's legal systems, the role of the Supreme Court and that of the Judicial Committee of the Privy Council. During the year we introduced several enhancements, including a new panel on our official opening and the addition of video clips of our judgments to our interactive displays. Also, we refreshed and updated the historical timeline.

We created a temporary exhibition for the summer recess which focused on the building refurbishment, showing 'before' and 'after' photographs and explanations of the architectural features. We intend making a temporary exhibition an annual event and have a variety of ideas for future years which will complement major events or mark legal milestones.

Offering a unique venue

Over the course of the year we began to market specified spaces within the building as venues for hosting corporate events. A significant amount of work was carried out to manage the logistical arrangements for such functions, including selecting preferred caterers and other suppliers. A number of launch parties, drinks receptions and dinners have been held at the Court and we are encouraged by the positive feedback received from guests so far.

Although this development sits within our programme of Wider Market Initiatives to generate appropriate financial income, we believe such external events also serve to broaden exposure to the building and showcase something of the work of the Court to new groups. We intend to promote the building as a well-located and iconic building suitable for a wide range of events, and envisage that, in time, this could yield a considerable revenue stream.

Telling our story through the media

We have continued to build a close relationship with media organisations, both traditional and non-traditional, to help communicate the work of the Court to the widest possible range of audiences. The highlight of this year was the broadcast of two television documentaries dedicated to the Court. After working with Karen Hamilton Productions for several months, allowing her behind-the-scenes access to the setting up and working of the court, the programme was broadcast in February on More4. It received positive reviews, both from professional TV reviewers and members of the public who contacted us after transmission.

We also co-operated closely with a BBC TV production, commissioned as part of BBC Four's 'Justice' series. This focused on four of our Justices, with in-depth interviews about their work and views on justice and the law. A number of members of the public contacted us after the broadcast of the programme, remarking on the Justices' 'openness', 'hard work' and 'dedication'.

At the end of our first legal year we arranged a press briefing for legal journalists with Lord Phillips, President of the Supreme Court; Lord Hope, Deputy President; and Jenny Rowe, Chief Executive. We had a large turnout of journalists and it resulted in a number of articles about the court and what it had achieved during its first few months of operation.

We have continued to keep a wide range of media contacts updated about the programme of forthcoming judgments, and issue press summaries to accompany judgments when they are handed down. We also issue a list of cases likely to be of particular interest, at the beginning of each legal term. During the year we have worked to extend and develop our relationships with Scottish media outlets, to ensure they are informed of cases of particular interest to their audiences.

The broadcast media have shown increasing interest in screening our court room footage within news and current affairs output, particularly when judgments are handed down. A number have been shown on television news bulletins, or even live on rolling news channels. These include: *R (on the application of Smith) v Ministry of Defence*; *R v Chaytor and others*; *Radmacher v Granatino*; *Cadder v HM Advocate* and *Spiller and another v Joseph and others*.

Developing our online presence

We received nearly 238,000 distinct visitors to the website over the year, from virtually every country in the world. We also reviewed and refreshed a number of sections of the website to reflect our experience of the Court's first year of operation. A fully revised 'Frequently Asked Questions' section was produced, covering a wide range of topics about the operation of the Court and the facilities available to visitors. Foreign language guides and maps were uploaded, so that visitors can download these in advance of their trip. We have also responded to user feedback and made significant improvements to provide easier searching of the 'current cases' and 'decided cases' pages.

Listening to professionals: Court User Group

We have established a joint User Group covering both the UKSC and the JCPC, chaired by Lady Hale and attended by the Chief Executive and the Registrar. Other Justices/officials attend when particular issues are being discussed.

The User Group has so far met three times and we have decided to adopt a pattern of meetings twice a year – in January and a second meeting in June/July. A variety of users are involved, including barristers' clerks, solicitors and members of the Bar from around the UK. We circulate agendas and papers to a wide range of users, with meetings typically attended by between 20 and 30. Minutes are placed on our website.

Issues discussed over the year ranged from practical matters concerning the building to substantive issues about the submission of papers to the Registry and the handling of cases in court. We have found it particularly helpful to consult the User Group on the implementation of electronic presentation of material in court, and on changes to our Practice Directions.

We are also very grateful to those members of the User Group and their colleagues who have volunteered to assist us with the educational work we are taking forward with the NCCL, mentioned above.

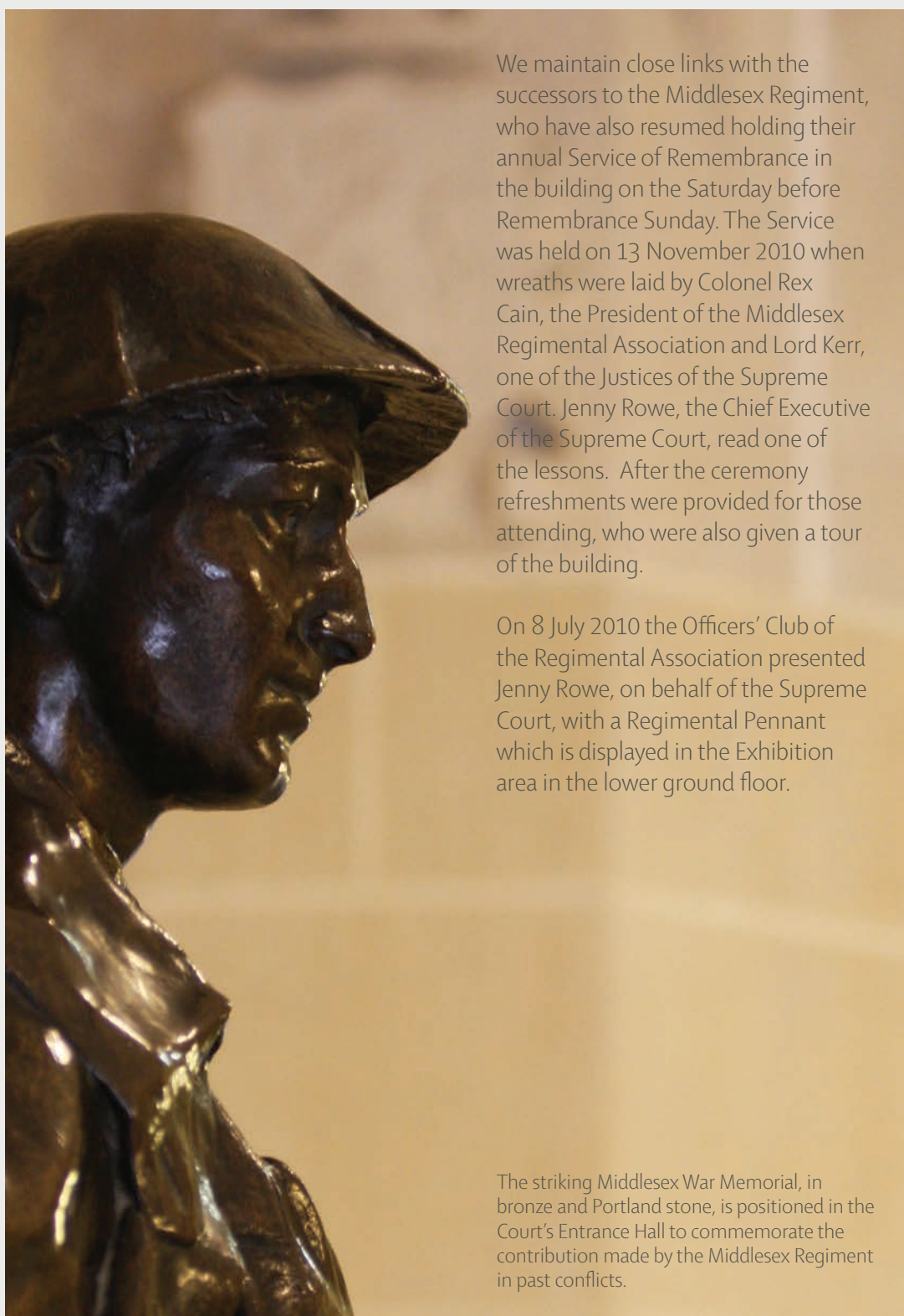
Maintaining links with Middlesex

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 Art Collection. This is managed by a set of Trustees entirely separately from the Court, but, at our invitation, the Trustees have resumed the practice of holding their quarterly meetings in the Supreme Court building.

In April 2010, and in accordance with conditions laid down by Westminster City Council, we published *The Supreme Court of the United Kingdom* (Merrell Publishing, edited by Chris Miele) which charts the history of the building and the site, and illustrates the architecture and various aspects of the refurbishment. This included an overview of the history of the previous Middlesex Guildhalls.

We have taken some steps proactively to invite more schools and colleges from the Middlesex area to visit us, and we envisage that the new educational partnership with the NCCL mentioned above will prove an effective way of encouraging schools from North West London to come to the building and learn more about their historic county, as well as about the legal system.



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 13 November 2010 when wreaths were laid by Colonel Rex Cain, the President of the Middlesex Regimental Association and Lord Kerr, one of the Justices of the Supreme Court. Jenny Rowe, the Chief Executive of the Supreme Court, read one of the lessons. After the ceremony refreshments were provided for those attending, who were also given a tour of the building.

On 8 July 2010 the Officers' Club of the Regimental Association presented Jenny Rowe, on behalf of the Supreme Court, with a Regimental Pennant which is displayed in the Exhibition area in the lower ground floor.

The striking Middlesex War Memorial, in bronze and Portland stone, is positioned in the Court's Entrance Hall to commemorate the contribution made by the Middlesex Regiment in past conflicts.



section five

a court on an international stage

One of the Court's strategic objectives commits us to developing appropriate relationships with courts in Europe, throughout the Commonwealth and in other countries, especially those which share a common law heritage with the Supreme Court.

We are delighted that the high degree of international interest in the creation of the Supreme Court of the United Kingdom has continued through our first full year of operation. As well as the thousands of overseas tourists who have passed through the building, we have welcomed a range of visitors in professional capacities from many countries, including the following.

Judicial visitors

DELEGATIONS

Albanian Supreme Court Justices
Chinese Supreme Court Justices and officials
Chairman of Supreme Commercial Court of Russia and officials
Qatari Supreme Court Justices
Germany
Iran
Poland
Taiwan
Turkey

INDIVIDUALS

HE Masood Bin Muhammad Al-Ameri
(*Chief Justice of Qatar*)
Justice Shin min Chen (*Judicial Yuan of Taiwan*)
Dr A Grassi (*Supreme Court of Italy*)
Judge Alessandra-Giusepina Greceanu
(*Court of Appeal Judge, Bucharest*)
Justice Gummow (*High Court of Australia*)
The Rt Hon Sir Michael Hardie Boys
(*New Zealand*)
HE Dame Rosalyn Higgins (*former President, International Court of Justice*)
Sir Salamo Injia
(*Chief Justice of Papua New Guinea*)
Judge Sir Kenneth Keith
(*International Court of Justice*)
District Judge Fleur Kingham (*Queensland*)
Mr Justice Ma (*Hong Kong*)
Judge Gustaf Moller (*Finland*)
Justice Rolston (*Trinidad*)
HE Judge S Schwebel (*former President, International Court of Justice*)
Chief Justice Visa Sinnadurai (*Malaysia*)
Justice Yukio Takeuch (*Supreme Court of Japan*)
Judge Satoshi Watahiki (*Japan*)
Justice Wit (*Caribbean Court of Justice*)
Chief Justice Georgina Wood (*Ghana*)
Mr Justice Zac Yacoob (*Justice of the Constitutional Court of South Africa*)

Lawyers and academics

Anglo/Dutch Exchange for young lawyers
Students from Boston College Law School (USA)
Students from Georgetown University
Transnational Centre for Legal Studies (USA)
Dr Tavga Abbas and other Kurdish academics
Mr Michael Attanasio (USA)
Prof F Ferrari (New York University)
Prof P Fitzgerald and students (Stetson University, USA)
Mr Eduardo Grebler (Brazil)
Dr Kamal Hossein (Bangladesh)
Prof Philip Joseph (University of Canterbury at Christchurch, New Zealand)
Prof Luca Passanante and students (Pavia University, Italy)
Prof P Pichonnaz (Fribourg University, Switzerland)
Prof H Pohlman and Prof T Wronski and students (Dickinson College, Pennsylvania, USA)

Diplomats, Ministers and other officials

Delegation of senior Russian civil servants (via the National School of Government)
Dr Ali Bin Fetais Al Marri (Qatari Attorney General)
Mr R Jaguaribe, Brazilian Ambassador to UK
Mr V Khandogiy, Ukrainian Ambassador to UK
Commissioner S Kamigaki (Japan Fair Trade Commission)
Mr Matthias Leckel (Director of Defence Administration, Germany)
Dr V Moily, Minister for Law and Justice, India
Mr Yoon Keu Woo, Chairman of the South Korean Legislative Committee

In addition, we hosted a two week study visit from three Supreme Court Judges under an EU-funded scheme: Dr Gábor Miklós Molnár, Judge at the Supreme Court of Hungary Criminal Department and the appointed EU consultant to the Criminal Department; Dr Georg E Kodek, Judge at the Austrian Supreme Court, Professor of Civil and Commercial Law at the Vienna School of Economics and Business Administration; and Dr Livia Doina Stanciu, President of the High Court of Cassation and Justice of Romania. Working with partners in the justice system, we were able to give these three Judges experience of both the criminal and civil courts, briefings on judicial appointments and judicial discipline; as well as the opportunity of sitting in on cases in the Supreme Court and having discussions with the Justices.

On behalf of the UK judiciary, we also hosted the British-Israeli Legal Exchange in June 2010. The United Kingdom delegation was led by Lady Hale, together with Lord Collins and Lord Dyson from the Supreme Court, and other Judges, practitioners and academics from around the UK.

The Chief Executive and staff were also pleased to have discussions with Roger Bilodeau, the Chief Executive and Registrar of the Supreme Court of Canada; and with the Chief Executive and Registrar, and Acting Deputy Registrar, of the International Financial Court in Dubai.

Right: Dr Georg E Kodek (Austria), Dr Livia Doina Stanciu (Romania) and Dr Gábor Miklos Molnar (Hungary) outside the Supreme Court at the start of their two-week study visit.

Bottom: Lord Phillips presents Dorit Beinisch, President of the Supreme Court of Israel, with a souvenir copy of *The Supreme Court of the United Kingdom*.



Sharing good practice globally: Justices' international links

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 January 2011.

Lord Phillips continued his involvement with the Network of Presidents of the Supreme Court of the European Union. In addition to attending a colloquium in Dublin in May 2010, he also attended a meeting with the Judges of the European Court of Justice in Luxembourg in March 2011.

Lord Hope, the Deputy President of the Court, hosted a visit in September 2010 by 150 Judges and Magistrates who were attending the Conference of Commonwealth Judges and Magistrates in Brighton. Delegates were given a talk by Lord Hope and a tour of the Court.

In August 2010 Lord Walker spent three weeks as visiting Hotung Fellow at the University of Canterbury in Christchurch, New Zealand. He also visited and spoke at Victoria University, Wellington and the University of Otago at Dunedin; and then moved on to Australia and spoke at a chambers in Melbourne.

Lady Hale has maintained her links with judges from all around the world who are interested in equality and women's issues. She took office as President of the International Association of Women Judges at their 10th biennial world conference in Seoul, Korea, in May 2010. On her way to Seoul she gave three lectures in Dunedin, New Zealand, two at the University of Otago and one in memory of New Zealand's first woman lawyer, Ethel Benjamin, for the Otago Women Lawyers' Society. Later in May she was awarded an honorary doctorate in law at the summer commencement ceremony at Georgetown University, Washington DC.

Summary of Justices' international visits



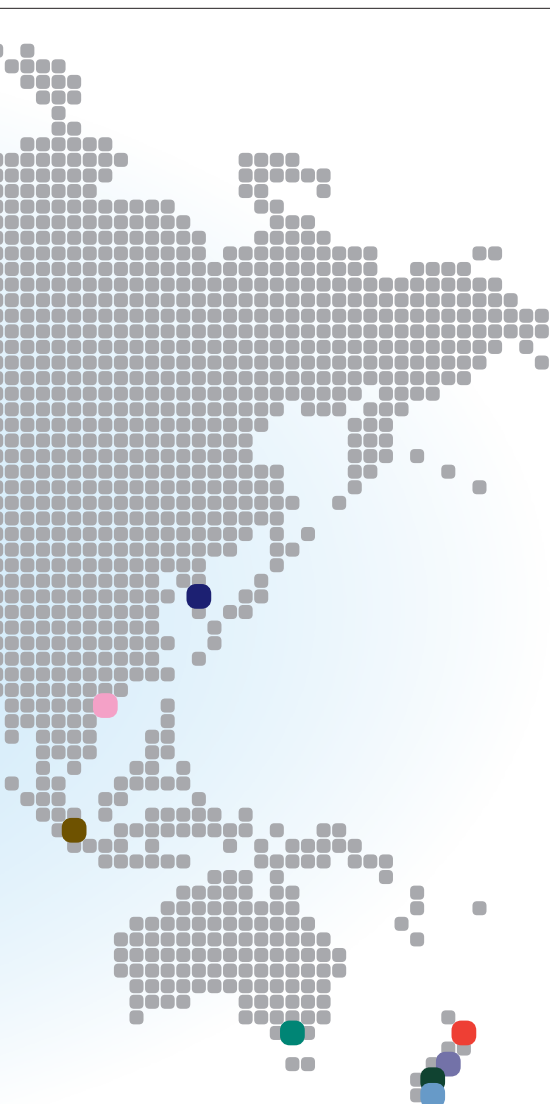
In September 2010 Lady Hale again took part in the annual Global Constitutionalism Seminar at Yale University. In January 2011, she took part in the seminar to mark the opening of the legal year at the European Court of Human Rights in Strasbourg.

As a member of the seven person panel established under article 255 of the Treaty on the Functioning of the European Union, Lord Mance took part in activities leading to the nomination of 2 Justices of the Court of Justice of the European Communities, Luxembourg (both new appointments) and 14 judges of the General Court (3 of them first appointments).

As chair of the International Law Association, Lord Mance attended and addressed its biennial conference in The Hague during August 2010. He took part in and gave papers at a conference organised by the Middle Temple with the South African bench and bar in September 2010, the Supreme Court's meetings in Paris with the Conseil d'Etat in October 2010 and in London with the European Court of Justice in March 2011, a meeting organised by the United Nations Development Programme between the Turkish and other European judiciaries in Istanbul in November 2010 and, as a member of the Judicial Integrity Group, a conference of the Georgian, Armenian and Azerbaijan judiciaries in Tbilisi in April 2011.

As the UK representative on the Council of Europe's Consultative Council of European Judges, he attended their plenary session and 10th year anniversary meeting in Strasbourg in November 2010, and, after 10 years in that capacity, is handing on the role.

Lord Collins participated in a judicial seminar at the Institute of European Law in Florence in October 2010. He spoke at an international judicial colloquium on international insolvency at the INSOL International conference in Singapore in March 2011. He spoke on the UK Supreme Court at a meeting of the faculty of the New York University Law School in April 2011, and participated in seminars on international law there and at Columbia University Law School. He also gave the Chancery Bar Association and Commercial Bar Association annual lectures in 2010 on subjects of international law.



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|  Lady Hale at Yale University – May 2010 |  Lord Collins at the Institute of European Law in Florence – Oct 2010 |
|  Lord Collins at New York University Law School – April 2011 |  Lord Mance meets European judiciaries in Istanbul – November 2010 |
|  Lady Hale at Georgetown University, Washington DC – 2010 |  Lord Mance visits Tbilisi – April 2011. |
|  Lord Collins at Columbia University Law School – April 2011 |  Lady Hale at 10th biennial IAWJ conference in Seoul, Korea – May 2010 |
|  Lord Phillips attends a colloquium in Dublin – May 2010 |  Lord Walker sat as a Judge of the Final Court of Appeal, Hong Kong – Jan 2011 |
|  Lord Hope hosts Commonwealth judges and magistrates in Brighton – Sept 2010 |  Lord Collins spoke at an international judicial colloquium, Singapore – March 2011 |
|  Lord Mance meets the South African bench and bar, London – September 2010 |  Lord Walker at a chambers in Melbourne – Aug 2010 |
|  Justices in Paris with the Conseil d'Etat – Oct 2010 |  Lord Walker at Victoria University, Wellington – Aug 2010 |
|  Lord Phillips meets Judges of the European Court of Justice in Luxembourg – March 2011 |  Lord Walker at the University of Canterbury in Christchurch – Aug 2010 |
|  Lord Mance attends and addresses biennial ILA conference in The Hague – Aug 2010 |  Lady Hale in Dunedin – May 2010 |
|  Lord Mance attends CCEJ meeting in Strasbourg – Nov 2010 |  Lord Walker visits the University of Otago at Dunedin – Aug 2010 |



section six

supporting the court: corporate services

Like any public organisation, the Supreme Court has in place structures and safeguards to ensure proper accountability and clear lines of responsibility. We are keen to develop a culture where these structures do not obstruct the efficiency and innovation that we need to display in order to deliver our objectives, set out in Section One.

We know our people, whether Justices or administrative staff, need to be properly supported and resourced, and have the right IT infrastructure, in order to meet the challenging goals we have set. They also need the right environment in which to do this. This year, we have continued to invest prudently to ensure we build a platform fit for our stretching purpose as the highest court in the land.

Our structure

The administration of the Supreme Court is a non-ministerial Department, established by the Constitutional Reform Act 2005 (CRA). 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, initially in advance of the creation of the UKSC in 2008, by the then 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: these became UKSC staff on 1 April 2011, when the administration of the two courts (which remain separate courts) was merged (see Section One). Other members of staff 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 Supreme Court is symbolically situated close to the heart of government, on Parliament Square, but it is an independent body.

The Justices regard maintaining tangible independence from both the Legislature and the Executive (in the shape of the Ministry of Justice) as a key constitutional objective. This is particularly important because the Government is in practice a party in slightly more than half the cases in which an application is made or a hearing takes place before the Court. The Chief Executive is therefore also an Accounting Officer in 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.

Who's who: 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, Ann Achow, Martin Thompson, Sian Lewis. Front (left to right): Alex Jablonowski, William Arnold, Jenny Rowe, Louise di Mambro, Olufemi Oguntunde. Philip Robinson is absent.

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 of the Health and Safety Committee are open to staff to attend and raise issues or observe; and minutes of Management Board meetings are published on our website.

Our Governance

Full details of the governance arrangements can be found in the Chief Executive's Statement on Internal Control (see pages 64–67).

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 draft Memorandum of Understanding with the Lord Chancellor has been drawn up, although this has not yet (as at April 2011) been finally agreed. This covers a range of issues and sets out the respective responsibilities of the Lord Chancellor, the President and the Chief Executive.

Our People

MANAGING A COMMITTED TEAM

Staff are appointed to the Court in accordance with the Civil Service Recruitment Principles. We choose to receive our day-to-day Human Resources services from the Ministry of Justice and our staff at present are on the same terms and conditions of service as those at the Ministry of Justice. Pension benefits are provided through the Civil Service pension arrangements.

On 31 March 2011 there were 43 employees (42.07 full-time equivalents) on our payroll. These were made up of 36 permanent staff and 7 on fixed-term appointments. Approximately 40 further staff are employed through services provided under contract.

Following a diversity monitoring exercise carried out in December 2010, 79% of staff declared themselves to be White and 21% belonging to other ethnic groups. By way of comparison, the 2001 UK census suggested that 92% of the UK population were White and the remaining 7.9% belonged to other ethnic groups.

We positively manage sick absence and this year had an average absence rate of 1.12 days per member of staff. Sick absence and turnover are monitored monthly by the Management Board and there have been no concerning trends to note during the period covered by this report.

Staff turnover is low, but in order to ensure we operate within our budget, all agency staff and those contractors who were required to deal with start-up issues and the official opening of the court left within the first twelve months of operation (i.e. by October 2010). Two specialist contractors were replaced by permanent Civil Servants. We have also begun to review the overall staffing structure of the Court now that we have experienced a full year of operation. To date, and with the help of independent auditors, we have restructured the Judicial Support Team which resulted in a small reduction in the number of posts. We were able to redeploy those whose posts were affected elsewhere within the Court. A second review, focusing on the UKSC and JCPC registries, commenced in February 2011.

The annual Judicial Assistant (JA) recruitment campaign was launched in February 2011 and once again generated a lot of interest with a high number of applications.

JAs support the Justices by carrying out research in connection with appeals and summarising applications for permission to appeal. To promote further the JA roles, Lord Rodger together with two recent JAs have undertaken events in participation with universities to promote and improve the awareness of the scheme together with the benefits it can provide to law students. Other Justices have also promoted the scheme in talks they give to students and others. We continue to advertise the Judicial Assistant scheme widely across all of the UK jurisdictions and on our website.

CREATING A PLACE WHERE PEOPLE WANT TO WORK

We want the Supreme Court to be a place where people positively enjoy working and where staff morale is high. To measure our performance in this area we issued our first staff survey in October, exactly a year after opening. We received a good response to the survey, with a 94% completion rate. The results were also very positive with an overall employee engagement score of 86%. 91% of staff said that they were proud to be part of the Supreme Court and enjoyed their work.

We did however receive a slightly lower score for management effectiveness, recognition and staff development. An action plan, endorsed by the UKSC Management Board, has been drawn up to tackle the areas for

improvement. Progress with the action plan will be measured against the 2011 staff survey results.

Staff at the Court ultimately share the same goal – 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. This year we spent time developing a set of shared values that can be reflected in everyday actions, both individually and collectively, to create a strong organisational culture. Our shared values are explained in Section One. Further work to ensure that the values are fully recognised by staff will continue in 2011–12.

We have had a successful period of investment in learning and development for staff. Development activities in 2010–11 included an average of 5 training days per person and ranged from training on new IT packages to specialist bespoke courses delivered in-house, such as tour guide training. The majority of training solutions provided were specific to individual roles but we have also delivered training on equality and diversity, health and safety and information assurance which were applicable to all. Being a small independent department we employ professional leads in a number of areas such as the library, finance, communications and health and safety and we continue to support staff with their professional development in these areas where we can.

Over the course of the year we have further developed our intranet site, providing staff with a portal for accessing regularly used forms and documentation, information about the services provided by each department, and an effective way of sharing news about corporate developments and staff events. The intranet is refreshed on an almost daily basis to help encourage colleagues to keep up-to-date with such initiatives, and in this way the site has already helped us build a stronger team culture across the staff appointed to the Court.

VALUING EQUALITY AND DIVERSITY

Our aim is to create an organisation that fully reflects the diversity of society it serves, valuing the contribution that staff, court users and the public make to our work. We want to tackle behaviours and attitudes that might contribute to, or reinforce the perceived or real threat of inequality and discrimination and deliver services that are accessible and meet the needs of all court users and members of the public.

We have made progress with our Equality and Diversity strategy, a copy of which can be found on our website.

- A specific equality and diversity agenda item at the 6-monthly professional Court Users Group Meeting held in January 2011. The Court Users Group will continue to be consulted for feedback about how we are meeting requirements under the Equality Act and in relation to the Public Equality Duty.
 - Two accessibility audits, one of the court rooms and public areas and one of our website, carried out by consultants from the Royal National Institute of Blind People (RNIB). We were pleased to learn that the court building and website have an overall satisfactory standard of accessibility for people with disabilities, with some areas highlighted for improvement. Work on the recommendations has commenced and progress will be monitored quarterly by the Management Board.
 - Arrangements are underway for relevant staff to receive visual awareness training to be able to assist partially sighted and blind people when they visit.
- Equality and diversity training for all staff.
 - A diversity monitoring exercise to enable us to track our progress in achieving a diverse workforce.
 - The internal publication of a UKSC conduct policy which provides information on the behaviour and conduct we expect from staff.



Above: Each courtroom is now equipped with screens and computer terminals to enable electronic document presentation.

Top right: The Court takes seriously its responsibility not to damage any aspect of the building's character.

Right: The Library lies at the heart of the building.
 © Greg Allen 2011.



Our information and resources, and how we manage them

INFORMATION ASSURANCE, FREEDOM OF INFORMATION AND DATA PROTECTION

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

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

The annual Security Risk Management Overview assessment and accreditation identified no significant weaknesses in the systems we follow for handling our information. There were no recorded breaches concerning protected personal data reported either to the Information Commissioner or recorded centrally in the Court.

A total of forty Freedom of Information (FOI) requests and two subject access requests under the Data Protection Act (DPA) 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 and DPA requests were handled within their respective statutory deadlines. The FOI requests generated nine requests for internal review and two complaints to the Information Commissioner. Of those two complaints one was upheld in part, the other was not upheld.

USING INFORMATION TECHNOLOGY TO CREATE A MORE EFFICIENT COURT

An electronic document presentation system was trialled during the autumn for a JCPC appeal hearing. The volume of paper and time required to handle it was significantly reduced, and feedback from court users was positive. In light of this success, use of the IT system has been extended to cover the remaining court rooms. Although it will be some years before advocates and justices feel fully comfortable with the idea of an entirely electronic document management system, the pilot demonstrated to a range of stakeholders that it was a viable alternative to paper bundles.

STOCKING A LIBRARY FIT FOR OUR PURPOSE

During the year the Library undertook a major project to reclassify the book stock. The existing classification scheme, Dewey, proved to be too general for a specialist library and therefore work began on a five month project to reclassify and re-index each individual book using 'Moys', a scheme especially designed for law libraries. As a result the book stock is now in a much more logical sequence and is considerably easier to navigate.

The Library continued to ensure that it acquired key works published during the year as well as 'back list' titles to add depth to the collection. It has also sought to improve its holdings on other common law jurisdictions, in particular the US, Australia, and New Zealand. A major addition to the Library has been a complete set of the 'US Reports', spanning 200 years.

Considerable work has been undertaken to develop the Library's intranet pages (accessible to staff and Justices) to make them a one-stop shop for access to the catalogue, information on electronic resources, links to useful websites, and information on legal research.

The Library continued to attract great interest among the library profession and has received many visits during the year from law librarians. The Librarian has actively developed contacts with law librarians and government librarians in both the UK and overseas, in particular Scotland, Northern Ireland, Wales, Australia and Canada. She was instrumental in the setting up of the Government Law Librarians Forum, and represented the Library at the annual BIALL conference (British & Irish Association of Law Librarians).

Our building, your building

HEALTH AND SAFETY

Like all employers, 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.

In addition to our health and safety policy, Justices and staff are given, upon appointment, an introduction to health and safety at the Court. Building contractors engaged by the Court have to sign up to an induction booklet of safety procedures before commencing any work. The intention throughout is to have a comprehensive health and safety management system which engages Justices, staff and visitors and encourages them to observe sensible and proportionate precautions.

A Health and Safety Committee created by the Management Board meets quarterly, with approved minutes then published on the intranet for the information of staff. The Head of Accommodation, who is the Health and Safety Manager, also reports quarterly to the Board on health and safety.

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 to identify any potential issues for discussion. 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,

Trade Unions and management without an artificial divide being drawn between the safety of those directly employed by the Court and contractors.

In 2010–11 the Committee monitored action plans to address the findings of an audit conducted for us by the Ministry of Justice on our health and safety management systems; and of quarterly safety inspections under the Safety Representatives and Safety Committees Regulations 1977 conducted by Safety Representatives appointed by the PCS Trade Union. As regards the quarterly safety inspections, to date there have been no 'Immediate Action Notices', '7-day Action Notices' or 'TU Remedial Action Notices' so there have been no urgent issues to address.

The Committee also worked on a Health and Safety Corporate Plan for launching in 2011–12, and started to develop a matrix of mandatory and recommended health and safety training for staff and the security contractor.

The Court purchased a defibrillator during the year and trained security officers in its use.

The opportunity of the first annual staff survey was taken to assess staff understanding of our health and safety policy, through two particular questions. The first asked whether health and safety issues are given a high priority here – 26% agreed strongly, 56 % agreed and 18% neither agreed nor disagreed – none disagreed outright. The other asked whether staff understood the UK Supreme Court Health

and Safety policy – 24% agreed strongly, 62 % agreed and 15% neither agreed nor disagreed – none disagreed outright.

BUILDING A SUSTAINABLE COURT

We are committed to achieving continual improvement in our environmental performance. Following the first year of operation, the Court obtained a Display Energy Certificate with an 'F' rating rather than a 'D' or an 'E' said to be typical for this type of building. We continue to monitor energy usage and establish baselines against which targets for improvements can be set and will obviously be pleased if this enables us to achieve a better rating in subsequent years. However, this is a difficult building to operate at theoretical peaks of efficiency because it is open for such long hours and welcomes large numbers of visitors.

The Court sought a Carbon Trust survey in November and it made a number of recommendations which could produce annual savings of around £16,000. Some of the recommendations could be and were acted upon immediately. In some instances we have just turned off architectural effect lighting that does not affect general lighting levels. An opportunity to change lighting in Court 2 to the higher efficiency LED type was also taken during the year. There remain some recommendations still to be addressed as estimates for implementation need to be obtained to judge whether it would be value for money to proceed.

SETTLING IN AND MAINTAINING OUR 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. Our quarterly meetings with English Heritage and Westminster City Council to discuss any necessary work on the building were judged to be going well so it was agreed in January to hold them six-monthly in the future.

The 12 months defect period on the fabric of the refurbished building expired on 17 March 2010. The developer's defects period on mechanical and electrical services was 18 months, and so expired on 17 September 2010. Responsibility for maintenance of the building therefore passed entirely to the Court during 2010–11. Routine works of alteration and maintenance were undertaken by the Facilities Management contractor under the supervision of a Managing Agent until the end of September. Then the Court dispensed with the services of the Managing Agent on value for money grounds and thus the FM contractor now works directly to the Head of Accommodation. This

arrangement was the subject of an internal audit conducted for the Court by the Ministry of Justice, which produced a green/amber rating. Recommendations following this audit are being taken forward.

Following the expiry of the refurbishment contract's defects periods, during which interference with the building would have undermined our ability to have defects rectified by the developer, the Court has recently commissioned projects primarily to enhance security, but also on energy efficiency measures and architectural improvements.



section seven

management commentary

Financial Position (Statement of Financial Position)

The 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 at the inception of the UK Supreme Court on 1 October 2009. These were Property, Plant & Equipment and Intangible Assets totaling £29m. Of this, £24 m represents land and buildings with the remainder being Office Equipments, Furniture and Fittings, Robes and Software Licences.

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

Results for the Year (Statement of Comprehensive Net Expenditure)

The Statement of Comprehensive Net Expenditure represents the net total programme resources consumed during the year by Request for Resources. All UKSC 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 £5.9m
- Justices and staff costs of £5.5m
- Other programme costs of £7.3m, and
- Operating income of £6.9m.

The Court employed an average 47 (Full Time Equivalent) staff during the year ended 31 March 2011. There were 12 Justices for the first six months of the year, reducing to 11 following Lord Saville's retirement. Accommodation costs and Finance Lease costs account for over 66% of the programme costs. Depreciation charges and Broadcasting costs were responsible for the majority of other programme costs.

The Court had operating income of £6.97m which was used to support the administration of justice. Out of this, £5.97m was received by way of contribution from the various jurisdictions i.e. £5.25m from HMCS, £0.48m from the Scottish Government and £0.24m from Northern Ireland Court Service

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

Comparison of Outturn against Estimate (Statement of Parliamentary Supply)

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

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

The Statement of Parliamentary Supply provides information on how the Court has performed against the Parliamentary and Treasury control totals against which it is monitored. This information is supplemented by Note 2 which represents Resource Outturn in the same format as the Supply Estimate.

In the year ended 31 March 2011, the UK Supreme Court met all of its control totals. At £10.1m the gross expenditure was £1.2m less than the 2010-11 Estimate of £11.3m. The main reason for this variance was principally due to the non utilization of £1m AME provision for diminution in the value of the building. The value of the land & building actually went up by over £1.8m during the year.

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

Statement of Cash Flows

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

The Cash Flow Statement shows a net cash outflow from operating activities of £4.8m.

Statement of Operating Costs by Departmental Aim and Objectives

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

Pensions Costs

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

TABLE 5 – Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	2010-2011
	£'000
Net Resource Outturn (Estimates)	3,202
Less Appropriations in Aid surrendered to the Consolidated Fund	(48)
Adjustments to additionally include:	
Non-voted expenditure in the OCS	2,719
Net Operating Cost (Accounts)	5,873
Adjustments to additionally include:	
Resource consumption of non departmental public bodies	0
Resource Budget Outturn (Budget) Of which	5,873
Departmental Expenditure Limits (DEL)	5,873
Annually Managed Expenditure (AME)	0

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

Sickness Absence

The average number of sick days per member of staff was 1.12.

Data Incidents

No recorded breaches concerning protected personal data were reported (see page 50)

Principal risks and uncertainties

The key risks and uncertainties facing the Court are detailed in its Risk Register.

Payment within 10 working days

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

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

However, in compliance with the guidance issued by Sir Gus O'Donnell for Departments to pay suppliers within 10 working days, the UK Supreme Court achieved 93% 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 2000. He is head of the National Audit Office. He and his staff are wholly independent of the UK Supreme Court, and he reports his findings to Parliament.

The audit of the financial statements for 2010–11 resulted in a non-cash audit fee of £41,000 (2009–10 £41,000). This fee is included in non staff programme costs, as disclosed in Note 10 to these accounts. The C&AG did not provide any non-audit services during the year.

Other elements of the Management Commentary

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

Disclosure to Auditor

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



Jenny Rowe
Accounting Officer
Date: 6 June 2011



section eight

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.

Staff 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	2010–2011			2009–2010		
	Total Remuneration	Of which Bonuses	Benefits in kind	Total Remuneration	Of which Bonuses	Benefits in kind
	£'000	£'000	£'000	£'000	£'000	£'000
Jenny Rowe Chief Executive	105–110	–	–	50–55 (FYE: 105–110)	–	–
William Arnold Director for Corporate Services	80–85	–	–	40–45 (FYE: 80–85)	–	–
Louise di Mambro Registrar	65–70	–	–	30–35 (FYE: 65–70)	–	–
Olufemi Oguntunde Finance Director	65–70	–	–	30–35 (FYE: 60–65)	–	–
Sian Lewis Head of Communications	65–70	–	–	35–40 (FYE: 65–70)	–	–
Martin Thompson Building Manager	60–65	–	–	25–30 (FYE: 55–60)	–	–
Ann Achow Records Manager	55–60	–	–	25–30 (FYE: 50–55)	–	–
Caroline Smith Head of Human Resources	45–50	–	–	20–25 (FYE: 45–50)	–	–
Alex Jablonowski Non Executive Director	5–10	–	–	0–5	–	–
Philip Robinson Non Executive Director	5–10	–	–	0–5	–	–

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

2010–2011							
Name and Title	Real Increase in Pension at age 60	Total Accrued Pension at age 60 31 March 2011	Real Increase in Lump sum at age 60	Total Accrued Lump Sum at age 60 31 March 2011	CETV at 31 March 2011	CETV at 31 March 2010	Real Increase in CETV
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Jenny Rowe Chief Executive	0–2.5	40–45	0–2.5	130–135	908	802	-1
William Arnold Director for Corporate Services	0–2.5	35–40	0–2.5	115–120	864	771	-3
Louise di Mambro Registrar	0–2.5	25–30	2.5–5	85–90	630	540	20
Olufemi Oguntunde Finance Director	0–2.5	5–10	0–2.5	0–5	76	57	9
Sian Lewis Head of Communications	0–2.5	25–30	0–2.5	0–5	487	423	3
Martin Thompson Building Manager	0–2.5	25–30	2.5–5	75–80	531	448	23
Ann Achow Records Manager	0–2.5	20–25	2.5–5	65–70	449	374	22
Caroline Smith Head of Human Resources	0–2.5	10–15	0–2.5	0–5	137	107	13

2009–2010							
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. The basis for updating members accrued pension changed from RPI to Consumers' Prices Index (CPI) with effect from 31 March 2011. 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 employees do 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
6 June 2011

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.

The 2010–11 accounts are to be prepared in form and on the basis set out in the Accounts Direction given by the Treasury dated 22 December 2010.

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 Government 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 under the appropriate delegation from the President.

The UKSC in its first six months of operations undertook important steps to formulate and establish many key elements of an effective system of internal controls. In its first full year of operation these processes have been fully developed and embedded in a robust system of internal control. Some of these key elements in place are:

- a Management Board, chaired by me and comprising two Non Executive Directors & 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;
- 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.
- an annual business plan which set out the mission, strategic objectives and plans of the court for each year. A Strategic Plan covering the next four years is currently being finalised.
- 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.

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. Over this period, the UKSC has continued 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 2011 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 is committed to high standards of corporate governance including the need for an effective risk management system and internal control environment. 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 and Audit Committee.

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 subjected to limited tests. Further tests are being planned.
- 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 UKSC also provides quarterly reports to the contributing jurisdictions detailing performance over the reporting period.

- 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 are 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 online e-learning 'protecting information' package. This package is being refreshed annually and is mandatory for all new staff to complete on joining the court.

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

There were no significant internal control issues during the year.



Jenny Rowe
6 June 2011

Audit Certificate

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

I certify that I have audited the financial statements of the Supreme Court of the United Kingdom for the year ended 31 March 2011 under the Government Resources and Accounts Act 2000. These comprise the Statement of Parliamentary Supply, Statement of Comprehensive Net Expenditure and the Statement of Financial Position, the Statement of Cashflows, the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the 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, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Department's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Department; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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 2011 and of its net cash requirement, net resource outturn and net operating cost, for the year then ended; and

- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration 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 Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited 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: 9 June 2011

Statement of Parliamentary Supply

SUMMARY OF OUTTURN 2010-2011

		Estimate			Outturn 2010-2011			2010-2011	2009-2010
		Gross Expenditure	A-in-A	Net Total	Gross Expenditure	A-in-A	Net Total	Net total outturn compared with Estimate: saving/(excess)	Outturn
Request for Resources	Note	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Request for Resources 1	2	11,344	(6,920)	4,424	10,122	(6,920)	3,202	1,222	10,088
Total Resources	3	11,344	(6,920)	4,424	10,122	(6,920)	3,202	1,222	10,088
Non-operating A-in-A		-	-	-	-	-	-	-	-

NET CASH REQUIREMENT 2010-2011

				2010-2011	2009-2010
				Net total outturn compared with Estimate: saving/(excess)	Outturn
	Note	Estimate	Outturn	£'000	£'000
Net cash requirement	4	2,715	2,039	676	758

Summary of income payable to the Consolidated Fund

A balance of £48k is payable to the Consolidated Fund as at the end of the year (Note 5).

Explanations of variances between Estimate and Outturn

Explanations of variances between Estimates and outturn are given in Note 2 and in the Management Commentary.

The notes on pages 75 to 88 form part of these accounts.

Statement of Comprehensive Net Expenditure

FOR THE YEAR ENDED 31 MARCH 2011

		2010-2011			2009-2010
		Request for Resources 1			
		Staff Costs	Other Costs	Income	
	Note	£'000	£'000	£'000	£'000
Programme Costs Request for Resources					
Staff costs	9	5,544	-	-	2,722
Programme costs	10	-	7,297	-	12,103
Income	11	-	-	(6,968)	(3,433)
Totals		5,544	7,297	(6,968)	11,392
Net operating cost	3			5,873	11,392
Other Comprehensive Expenditure					
Net gain/(loss) on revaluation of property, plant and equipment		-	-	-	-
Net gain/(loss) on revaluation of intangible assets		-	(89)	-	-
Net gain/(loss) on revaluation of investments		-	-	-	-
Total Comprehensive Expenditure for the year ended 31 March 2011				5,783	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 75 to 88 form part of these accounts.

Statement of Financial Position

AS AT 31 MARCH 2011

	Note	As at 31 March 2011		As at 31 March 2010	
		£'000	£'000	£'000	£'000
Non-current assets:					
Property, Plant & Equipment	12	27,716	-	26,739	-
Intangible assets	13	910	-	987	-
Total non-current assets:			28,626		27,726
Receivables falling due after more than one year	17		-		-
Current assets:					
Inventories	16	7		7	
Trade and other receivables	17	804		736	
Other current assets					
Financial assets	14	-		-	
Cash and cash equivalents	18	69		629	
Total current assets			880		1,372
Total assets			29,506		29,098
Current liabilities:					
Trade and other payables	20	(1,059)		(1,576)	
Other liabilities		-		-	
Total current liabilities			(1,059)		(1,576)
Non current assets and net current assets			28,447		27,522
Non current liabilities:					
Provisions	21	-		-	
Other payables	20	(35,991)		(35,760)	
Financial liabilities	14	-		-	
Total non current liabilities			(35,991)		(35,760)
Assets less liabilities			(7,546)		(8,238)
Taxpayers' equity					
General fund			(10,474)		(9,418)
Parliamentary Funding			-		-
Consolidated Fund			-		-
Notional Fund Account			-		-
Revaluation reserve			2,928		1,180
Total taxpayers' equity			(7,546)		(8,238)

J. Rowe

Jenny Rowe
Chief Executive and Accounting Officer
6 June 2011

The notes on pages 75 to 88 form part of these accounts.

Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2011

		2010–2011	2009–2010
	Note	£'000	£'000
Cash flows from operating activities			
Net operating cost		(5,873)	(11,392)
Adjustment for non-cash transactions	10	1,126	8,975
(Increase)/Decrease in trade and other receivables		(68)	(736)
less movements in receivables relating to items not passing through the SoCNE		0	(629)
(Increase)/Decrease in inventories		(0)	(7)
(Increase)/Decrease in trade payables		(517)	1,576
less movements in payables relating to items not passing through the SoCNE		560	0
Use of provisions	21	0	0
Net cash outflow from operating activities		(4,772)	(2,213)
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(112)	0
Purchase of intangible assets	13	(105)	0
Proceeds of disposal of property, plant and equipment		0	0
Proceeds of disposal of intangibles		0	0
Loans to other bodies		0	0
(Repayments) from other bodies		0	0
Net cash outflow from investing activities		(217)	0
Cash flows from financing activities			
From the Consolidated Fund (Supply) – current year		1,477	1,387
From the Consolidated Fund (Supply) – prior year		0	0
From the Consolidated Fund (non-Supply)		2,719	1,304
Capital element of payments in respect of finance leases and on-balance sheet PFI contracts		233	151
Net financing		4,429	2,842
Net increase / (decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		(560)	629
Receipts due from the Consolidated Fund		-	
Payments of amounts due to the Consolidated Fund		48	
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		(512)	629
Cash and cash equivalents at the beginning of the period	18	629	-
Cash and cash equivalents at the end of the period	18	69	629

The notes on pages 75 to 88 form part of these accounts.

Statement of Changes in Taxpayers' Equity

FOR THE YEAR ENDED 31 MARCH 2011		2010-2011		
		General Fund	Revaluation Reserve	Total Reserves
	Note	£'000	£'000	£'000
Balance as at 31 March 2009		-	-	-
Changes in accounting policy				
Restated balance at 1 April 2009		-	-	-
Net Parliamentary Funding – drawn down		1,387	-	1,387
Net Parliamentary Funding – deemed		-	-	-
Consolidated Fund Standing Services		1,303	-	1,303
Supply (payable)/receivable adjustment		(629)	-	(629)
Excess Vote – Prior Year		-	-	-
CFERs payable to the Consolidated Fund		-	-	-
Comprehensive Expenditure for the Year		(11,392)	-	(11,392)
Non-Cash Adjustments				
Non-cash charges – auditors remuneration	10	41		41
Non-cash charges – cost of capital	10	(142)		(142)
Movement in Reserves				
Additions	12, 13		1,194	1,194
Recognised in Statement of Comprehensive Expenditure		-		-
Transfer between reserves		14	(14)	-
Balance at 31 March 2010		(9,418)	1,180	(8,238)
Net Parliamentary Funding – drawn down		1,477		1,477
Net Parliamentary Funding – deemed		629		629
Consolidated Fund Standing Services		2,720		2,720
Supply (payable)/receivable adjustment		(21)		(21)
Excess Vote – Prior Year		-	-	-
CFERs payable to the Consolidated Fund		(48)	-	(48)
Comprehensive Expenditure for the Year		(5,873)	-	(5,873)
Non-Cash Adjustments				
Non-cash charges – auditors remuneration	10	41	-	41
Movement in Reserves				
Additions	12, 13	-	1,667	1,667
Recognised in Statement of Comprehensive Expenditure		-	100	100
Transfer between reserves		19	(19)	-
Balance at 31 March 2011		(10,474)	2,928	(7,546)

The notes on pages 75 to 88 form part of these accounts.

Statement of Operating Costs by Departmental Strategic Objectives

FOR THE YEAR ENDED 31 MARCH 2011

2010–2011

Request for Resources 1					
	Strategic Objective 1*	Strategic Objective 2	Strategic Objective 3	Strategic Objective 4	Total
	£'000	£'000	£'000	£'000	£'000
Gross expenditure	5,268	1,430	1,462	4,681	12,841
Income	(2,427)	(1,492)	(1,533)	(1,516)	(6,968)
Net expenditure	2,841	(62)	(71)	3,165	5,873
Net assets	(3,650)	79	91	(4,066)	(7,546)

2009–2010

Request for Resources 1					
	Strategic Objective 1*	Strategic Objective 2	Strategic Objective 3	Strategic Objective 4	Total
	£'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
Net assets	(2,634)	(1,572)	(1,908)	(2,124)	(8,238)

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 9 to the accounts.

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

The notes on pages 75 to 88 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 2010–11 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 a Statement of Parliamentary Supply. This statement and its supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement. In previous years the FReM required preparation of a further primary statement: the Statement of Operating Costs by Departmental Strategic Objective. Although this statement is no longer required the Supreme Court have taken the decision to include it and its supporting notes as it adds further information about how the Court spends its resources.

The figures for 2009–2010 in these accounts were for 6 months (1 October 2009 to 31 March 2010).

1.2 Accounting Convention

These accounts have been prepared 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 DRC methodology. This was based on the assumption that the property could be sold as part of the continuing enterprise in occupation. On the basis of the above assumption, Fair Value under IAS is identical to Existing Use Value under UK GAAP. The year end valuation was carried out by the Westminster Valuation Office (VOA) using 31 March 2011 and 31 March 2010 as valuation dates.

II. OTHER PLANT & EQUIPMENTS

These were included at cost and are restated at the end of the year using Price Index Numbers for Current Cost accounting.

Any upward revaluations at the end of the year were credited to the revaluation reserve while downward revaluations were charged to the Statement of Comprehensive Net Expenditure.

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

Property, Plant & Equipment:

Building: 40 years

Office Equipment: 7 years

Furniture and fittings: 4–7 years

Robes: 50 years

Intangible assets:

Software and 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, hire of court facilities for corporate events 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. Judicial receipts are payable at different stages that fairly reflect status of cases. UKSC recognises all fees received in each reporting period as income.

1.8 Administration and Programme Expenditure

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

1.9 Prior Period Adjustment – Cost of Capital

In line with HM Treasury advice, Prior Period Adjustments (PPAs) arising from the removal of the cost of capital charge were not included in Spring Supplementary Estimates for 2010–11, other than as a note, on the basis that the PPA numbers could have been misleading. The impact of these accounting policy changes on Supply outturn in respect of 2009–10 are shown below. PPAs arising from an error in previous recording or any other change in accounting policy were included in the Estimates in line with conventional arrangements.

The removal of the cost of capital charge has the following effect on Resource outturn in 2009–10. The Statement of Parliamentary Supply and related notes have not been restated for this effect.

NET CASH REQUIREMENT 2010–2011		2009–2010
		£'000
Net Resource Outturn (Statement of Parliamentary Supply)		10,088
Removal of the cost of capital charge		142
Adjusted Net Resource Outturn		10,230

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 dependants benefits. The Department recognises the expected cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, the department recognises the contributions payable for the year.

The contributions to PCSPS are set out in note 9.

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 charge by the C&AG is made for this service but a non cash charge representing the cost of the audit is included in the accounts.

1.13 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.

Provisions have not been discounted, as the resulting adjustment is not considered material to these accounts.

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.

2. Analysis of net resource outturn by section

							2010–2011	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: excess/ (deficit)	Prior Year Outturn
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Request for Resources								
Request for Resources 1*	0	10,122	10,122	(6,920)	3,202	4,424	1,222	10,088
Total	0	10,122	10,122	(6,920)	3,202	4,424	1,222	10,088

* 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 underspend was principally due to the non-utilisation of the £1m Annually Managed Expenditure (AME) provision for the anticipated diminution in value. The value of the building actually appreciated by £321k during the year. All the other costs were largely in line with expectation.

3. Reconciliation of outturn to net operating cost

	Note	2010–2011		2009–2010	
		Outturn	Supply Estimate	Outturn compared with Estimate:	Outturn
		£'000	£'000	£'000	£'000
Net Resource Outturn	2	3,202	4,424	1,222	10,088
Non-supply income (CFERs)	5	(48)	0	48	0
Non-voted expenditure		2,719	2,762	43	1,304
Net operating cost		5,873	7,186	1,313	11,392

4. Reconciliation of resources to net cash requirement

	Note	2010–2011		2009–2010	
		Estimate	Outturn	Net total outturn compared with Estimate: Saving (excess)	
		£'000	£'000	£'000	£'000
Net Resource Outturn	2	4,424	3,202	1,222	10,088
Capital: Acquisition of property, plant and equipment	12,13	220	217	3	-
Non-operating A-in-A: Proceeds of fixed assets disposals		-	-	-	
Accruals adjustments:					
Non-cash items	10	(2,100)	(1,126)	(974)	(8,975)
Changes in working capital other than cash		171	(23)	194	(204)
Changes in payables falling due after more than one year		-	(231)	231	(152)
Use of provision	21	-	-	-	
Net cash requirement		2,715	2,039	676	757

5. Analysis of income payable to the Consolidated Fund

In addition to Appropriations in Aid, the following income relates to the department and is payable to the Consolidated fund.

	2010–2011 Forecast		2010–2011 Outturn	
	Income	Receipts	Income	Receipts
	£'000	£'000	£'000	£'000
Operating income and receipts - excess A in A	-	-	(48)	-

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

	2010–2011	2009–2010
	£'000	£'000
Operating income	(6,968)	(3,433)
Income authorised to be appropriated-in-aid	6,920	3,433
Operating income payable to the consolidation fund	(48)	-

7. Non-operating income - Excess A in A

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

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

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

9. Staff numbers and related costs

A – STAFF COSTS COMPRISE				2010–2011	2009–2010
	Permanent		Other	Total	Total
	Justices	Staff	Judicial Assistants/ Agency		
	£'000	£'000	£'000	£'000	£'000
Wages & salaries	2,417	1,278	257	3,952	1,912
Social security costs	302	128	0	430	208
Supplementary Judges & Special Advisers	3		0	3	0
Other pension costs	777	282	0	1,059	494
Sub-total	3,499	1,688	257	5,444	2,614
Inward secondments	0	0	0	0	0
Agency staff	0	0	123	123	108
Total	3,499	1,688	380	5,567	2,722
Less recoveries in respect of outward secondments	0	(23)	0	(23)	0
Total net costs	3,499	1,665	380	5,544	2,722

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 Scheme (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 2010–11, employer's contributions £282,024 were payable to the PCSPS (2009–10 £118,315) 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 contribution rates were last revised in 2008–09 but the salary bands were revised from 1 April 2010.

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

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £NIL (2009–10 £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 3.0 to 12.5 per cent (2009–10 3.0 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 (2009–10: £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 2010–11. (2009–10 None).

C. AVERAGE NUMBER OF PERSONS EMPLOYED

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

THE SUPREME COURT OF THE UNITED KINGDOM				2010–2011	2009–2010
	PERMANENT		OTHER		
	Justices	Staff	Judicial Assistants/ Agency	Total	Total
DSO1	12	19	7	38	31
DSO2	0	9	2	11	8
DSO3	0	7	1	8	15
DSO4	0	2	0	2	2
Total	12	37	10	59	56

D – JUSTICES AND STAFF COSTS BY OBJECTIVE IN 2010–11 WERE AS FOLLOWS:

	2010–2011			2009–2010
	£'000			£'000
	PERMANENT		OTHER	
	Justices	Staff	Judicial Assistants/ Agency	Total
	£'000	£'000	£'000	£'000
DSO1	3,499	722	257	4,478
DSO2	0	582	51	633
DSO3	0	238	72	310
DSO4	0	123	0	123
Total	3,499	1,665	380	5,544

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.

10. Programme costs

		2010–2011		2009–2010	
	Note	£'000	£'000	£'000	£'000
Accommodation costs		2,419		996	
Finance costs		2,407		1,225	
Library costs		237		120	
IT costs		365		208	
Hospitality and events		5		12	
Printing, postage, stationery and publications		99		67	
Publicity and communications		154		124	
Broadcasting costs		166		161	
Catering costs		67		34	
Repairs and maintenance		20		10	
Recruitment and judicial appointment costs		52		52	
Other staff costs		35		14	
Transportation costs		44		41	
Judicial travel		93		22	
Staff travel		4		1	
Internal audit and governance expenses		4		37	
Translation costs		0		3	
			6,171		3,128
Non-cash items:					
Depreciation	12	846		446	
Amortisation	13	150		76	
Impairment	12, 13	89		-	
*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		41	
Total non cash			1,126		8,975
Total programme costs			7,297		12,103

* The £7,964k loss on transfer of assets & liabilities from the MoJ is the net of the total of assets transferred from the MoJ of £27,642k and the minimum value of lease rentals of the UKSC building of £35,607k.

11. Income

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

	2010–2011		2009–2010	
All operating income is included within public expenditure:	£'000		£'000	
Contribution from HMCS	(5,253)		(2,627)	
Contribution from Scottish Government	(478)		(239)	
Contribution from Northern Ireland Court Service	(239)		(119)	
Total contributions		(5,970)		(2,985)
Judicial fees		(934)		(440)
Wider Market Initiative		(64)		(8)
Others				
Total income	(6,968)		(3,433)	

	2010–2011				2009–2010	
	Income	Full Cost	Surplus/ (Deficit)	Surplus/ (Deficit)	Full Cost	Surplus/ (Deficit)
	Income			Income		
	£'000		£'000	£'000		
Judicial fees	(934)	12,777	(11,843)	(440)	12,095	(11,655)
Wider Market Initiative	(64)	64	0	(8)	8	0
	(998)	12,841	(11,843)	(448)	12,103	(11,655)

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

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.

12. Property, Plant and Equipment

	Land	Building	Office Equipment	Furniture and Fittings	Robes	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 April 2010	7,500	16,690	955	1,898	141	27,184
Additions	-	-	75	37	-	112
Revaluations	1,500	321	(31)	(100)	11	1,701
Disposals	-	-	-	-	-	-
Donations	-	-	-	-	-	-
At 31 March 2011	9,000	17,011	999	1,835	152	28,997
Depreciation						
At 1 April 2010	-	(230)	(68)	(146)	(1)	(445)
Charged in year	-	(426)	(140)	(277)	(3)	(846)
Revaluations	-	-	2	8	-	10
Disposals	-	-	-	-	-	-
At 31 March 2011	-	(656)	(206)	(415)	(4)	(1,281)
Net book value at 31 March 2010	7,500	16,460	887	1,752	140	26,739
Net book value at 31 March 2011	9,000	16,355	793	1,420	148	27,716
Asset financing						
Owned	2,361					
Finance leased	25,355					
On-balance sheet	27,716					
PFI contracts	-					

	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	26,675
Revaluations	1,000	(590)	87	8	3	508
Disposals	-	-	-	-	-	-
Donations	-	-	-	-	-	-
At 31 March 2010	7,500	16,690	955	1,898	141	27,185
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	-					

Transfer of Assets

The capitalised assets were transferred from the Ministry of Justice at the inception of the UK Supreme Court on 1 October 2009.

This transfer was deemed not to be a Machinery of Government change but was treated as a transfer from General Funds.

The net liability of all the assets transferred from the MoJ was £8m including a £12m liability on the building.

The latter resulted from the difference between the £35.6m building asset de-recognised by the MoJ and revalued amount of £23.78m recognised by the UKSC.

13. Intangible assets

Intangible fixed assets comprise software licences		Purchased software licences
		£'000
Cost or valuation		
At 1 April 2010		1,063
Additions		105
Revaluations		(34)
Disposals		-
Donations		-
At 31 March 2011		1,134
Amortisation		
At 1 October 2009		(76)
Charged in year		(150)
Revaluations		2
Disposals		-
At 31 March 2011		(224)
Net book value at 31 March 2010		987
Net book value at 31 March 2011		910

		Purchased software licences
		£'000
Cost or valuation		
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		-
Revaluations		(69)
Disposals		(7)
At 31 March 2010		(76)
Net book value at 31 March 2010		987

14. Financial Instruments

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

15. Impairments

		2011–2010	2009–2010
	Note	£'000	£'000
The total impairment charge for the year is analysed below:			
Amount charged direct to the statement of comprehensive net expenditure	10	89	590
Amount taken through the revaluation reserve	12, 13	73	-
Total		162	590

16. Inventories

		2011–2010	2009–2010
		£'000	£'000
Opening balances		7	-
In year movement		-	7
Total		7	7

17. Trade Receivables and other current assets

A – ANALYSIS BY TYPE		2011–2010	2009–2010
		£'000	£'000
Amounts falling due within one year:			
Trade receivables		3	-
VAT recoverable		163	117
Staff debtors		14	4
Prepayment and accrued income		624	615
Current part of PFI prepayment		-	-
		804	736
Amounts falling due after more than one year:			
Other receivables		-	-
Total		804	736

B – INTRA-GOVERNMENT BALANCES		2011–2010	2009–2010
		£'000	£'000
Balances with other central government bodies		163	129
Balances with local authorities		-	41
Balances with NHS Trusts		-	-
Balances with public corporations and trading funds		-	-
Subtotal: intra-government balances		163	170
Balances with bodies external to government		641	566
Total debtors at 31 March		804	736

18. Cash and Cash Equivalents

		2011–2010	2009–2010
		£'000	£'000
Balance at 1 April		629	-
Net changes in cash and cash equivalent balances		(560)	629
Balance at 31 March		69	629

<i>Cash and cash Equivalents continued</i>	2011–2010	2009–2010
	£'000	£'000
The following balances at 31 March were held at:		
Office of HM Paymaster General	-	629
Government Banking Service (RBS & Citibank)	69	-
Balance at 31 March	69	629

19. Reconciliation of Net Cash requirement to increase/(decrease) in cash

	2011–2010	2009–2010
	£'000	£'000
Net cash requirement	(2,037)	(758)
From the Consolidated Fund (supply) - current year	1,477	1,387
From the Consolidated Fund (supply) - prior year	-	-
Amount due to the Consolidated Fund received and not paid over	48	-
Increase/(decrease) in cash	(512)	629

20. Trade Payables and other current liabilities

A – ANALYSIS BY TYPE	2011–2010	2009–2010
	£'000	£'000
Amounts falling due within one year:		
Other taxation and Social Security	(78)	(65)
Trade payables	(15)	(100)
Other payables	-	-
Amounts issued from the Consolidated Fund for supply but not spent at year end	(21)	(629)
Consolidated Fund extra receipts due to be paid to the Consolidated Fund	(48)	-
Accruals and deferred income	(898)	(782)
	(1,059)	(1,576)
Amounts falling due after more than one year:		-
Finance leases	(35,991)	(35,760)
	(37,050)	(37,336)

B – INTRA-GOVERNMENT BALANCES	2011–2010	2009–2010
	£'000	£'000
Balances with other central government bodies	(414)	(811)
Balances with local authorities	-	-
Balances with NHS Trusts	-	-
Balances with public corporations and trading funds	-	-
Subtotal: intra-government balances	(414)	(811)
Balances with bodies external to government	(36,636)	(36,525)
Total creditors at 31 March	(37,050)	(37,336)

21. Provisions for Liabilities and Charges

There were no provisions or claims during the year and in 2009–10.

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

PROGRAMME COSTS HAVE BEEN ALLOCATED AS FOLLOWS:

	2011-2010	2009-2010
	£'000	£'000
DSO1	2,841	3,643
DSO2	(62)	2,174
DSO3	(71)	2,638
DSO4	3,165	2,937
Total	5,873	11,392

A breakdown by activity of total programme costs can be found in note 10.

CAPITAL EMPLOYED BY DEPARTMENTAL STRATEGIC OBJECTIVES AT 31 MARCH 2011

	2011-2010	2009-2010
	£'000	£'000
DSO1	(3,650)	(2,634)
DSO2	79	(1,572)
DSO3	91	(1,908)
DSO4	(4,066)	(2,124)
Total	(7,546)	(8,238)

23. Capital Commitments

	2011-2010	2009-2010
	£'000	£'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	2011-2010	2009-2010
Total future minimum lease payments under operating leases are given in the table below for each of the following periods	£'000	£'000
Obligations under operating leases comprise:		
Other		
Not later than 1 year	30	-
Later than 1 year and not later than 5 years	-	59
Later than 5 years	-	-
Total	30	59

24.2 – FINANCE LEASES

2011–2010

2009–2010

Total future minimum lease payments under finance leases are given in the table below for each of the following periods

	£'000	£'000
Obligations under finance leases comprise:		
Land		
Not later than 1 year	771	574
Later than 1 year and not later than 5 years	3,280	2,444
Later than 5 years	26,680	21,024
	30,731	24,042
Less: Interest Element	(18,278)	(14,593)
Net total	12,453	9,449
Building		
Not later than 1 year	1,457	1,599
Later than 1 year and not later than 5 years	6,200	6,805
Later than 5 years	50,428	58,543
	58,085	66,948
Less: Interest element	(34,547)	(40,637)
Net total	23,538	26,311
Grand total	35,991	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).

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 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 2011.

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 lay to the House of Lords under the provisions of the Appellate Jurisdiction Act 1876, Appellants must provide security for the costs of such appeals. This payment was made to the House of Lords Security Fund Account which recorded the receipt, payment and disposition of the lodgements for each financial year. The balance on this Security Fund Account was transferred to The Supreme Court on 1st October 2009 and is now operated as The Supreme Court Security Fund Account. No 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 as at 1 April 2010	500
Add: Receipts - lodgements by appellants	-
Less: Repayments to appellants/ respondents	(175)
Total as at 31 March 2011	325

31. Post Balance Sheet Events

The staff and administration of Judicial Committee of Privy Council (JCPC) transferred to UKSC on 1 April 2011.

32. Impending application of newly issued accounting standards not yet effective

The financial statements are prepared in accordance with IFRS and Interpretations in force at the reporting date. The Group has not adopted any Standards or Interpretations in advance of the required implementation dates. It is not expected that adoption of Standards or Interpretations which have been issued by the International Accounting Standards Board but have not been adopted will have a material impact on the financial statements.

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 2011 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 2010–11.
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 2011 and of the net resource outturn, the application of resources, 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 2011 and of the net resource outturn, changes in taxpayers' equity 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.
5. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. if, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with HM Treasury.

Chris Wobschall
Head of Assurance and Financial Reporting Policy Team,
Her Majesty's Treasury
22 December 2010

annex

Jurisdictions where the Privy Council is the final Court of Appeal

Overseas jurisdictions

Anguilla
 Antigua and Barbuda
 Bahamas
 Bermuda
 British Virgin Islands
 Cayman Islands
 Cook Islands and Niue
 Dominica
 Falkland Islands
 Gibraltar
 Grenada
 Guernsey
 Isle of Man
 Jamaica
 Jersey
 Kiribati
 Mauritius
 Montserrat
 Pitcairn Islands
 Saint Christopher and Nevis
 St Helena and dependencies
 St Lucia
 St Vincent and the Grenadines
 Sovereign Base of Akrotiri and Dhekelia
 Trinidad and Tobago
 Turks and Caicos Islands
 Tuvalu
 Brunei

Civil Appeals from the Court of Appeal to the
 Sultan and Yang di-Perchian for advice to the
 Sultan

UK jurisdictions

Royal College of Veterinary Surgeons
 Church Commissioners
 Arches Court of Canterbury
 Chancery Court of York
 Prize Courts
 Court of the Admiralty of the Cinque Ports
 Power to refer any matter to the Judicial
 Committee under section 4 of the Judicial
 Committee Act 1833



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