



# Financial Report



**Caribbean Court of Justice**

---

**Audited Financial Statements**

Year Ended 31st December 2014

# Contents

	Pages
Independent Auditors' Report	2
Statement of Financial Position	3
Statement of Comprehensive Income	4
Statement of Changes in Accumulated Fund	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-23
<b>Supplementary Financial Information (Stated in United States Dollars)</b>	
Independent Auditors' Report on the Supplementary Financial Information	25
Statement of Financial Position	26
Statement of Comprehensive Income	27
Statement of Changes in Accumulated Fund	28

## Independent Auditors' Report

The Court President  
The Caribbean Court of Justice  
Port of Spain, Trinidad and Tobago

We have audited the accompanying financial statements of the Caribbean Court of Justice, which comprise the statement of financial position as at December 31, 2014 and the statements of comprehensive income, changes in accumulated fund and cash flows for the year then ended and the accompanying notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Caribbean Court of Justice as at December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



May 15, 2015

*Port of Spain,  
Trinidad, West Indies*

# Statement of Financial Position

As at December 31, 2014

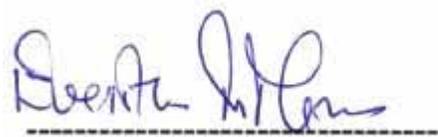
(Expressed in Trinidad and Tobago Dollars)

	Notes	2014	2013 (Restated)	2012 (Restated)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	2,523,990	3,783,653	6,236,027
Retirement benefit due from Trust Fund	4	49,203,200	36,797,440	26,444,280
<b>Total non-current assets</b>		<b>51,727,190</b>	<b>40,581,093</b>	<b>32,680,307</b>
<b>Current assets</b>				
Other receivables	5	1,317,398	1,596,588	1,465,856
Cash and cash equivalents		3,649,100	3,299,761	3,553,013
Due from related parties	8	1,071,730	375,215	-
<b>Total current assets</b>		<b>6,038,228</b>	<b>5,271,564</b>	<b>5,018,869</b>
<b>Total assets</b>		<b>\$57,765,418</b>	<b>\$45,852,657</b>	<b>\$37,699,176</b>
<b>ACCUMULATED FUND AND LIABILITIES</b>				
Accumulated fund		6,998,470	8,298,864	9,566,391
<b>Non-current liability</b>				
Retirement benefit liability	6	49,203,200	36,797,440	26,444,280
<b>Current liabilities</b>				
Deferred income	7	9,618	17,948	7,869
Due to related party	8	-	-	432,032
Other payables	9	1,554,130	738,405	1,248,604
<b>Total current liabilities</b>		<b>1,563,748</b>	<b>756,353</b>	<b>1,688,505</b>
<b>Total accumulated fund and liabilities</b>		<b>\$57,765,418</b>	<b>\$45,852,657</b>	<b>\$37,699,176</b>

See accompanying notes to the financial statements.

These financial statements were approved for issue by the Court President and an RJLSC Commissioner on May 15, 2015 on behalf of the Caribbean Court of Justice.

  
 \_\_\_\_\_  
 Court President

  
 \_\_\_\_\_  
 Commissioner

# Statement of Comprehensive Income

For the year ended December 31, 2014

(Expressed in Trinidad and Tobago Dollars)

	Notes	2014	2013 (Restated)
Funding provided by the Trust Fund		41,293,327	44,753,606
Other income	10	<u>96,670</u>	<u>860,769</u>
		<b>41,389,997</b>	<b>45,614,375</b>
Administrative expenses	11	<u>(40,559,191)</u>	<u>(47,643,502)</u>
<b>Surplus/(deficit) for the year</b>		<b>\$ 830,806</b>	<b>\$ (2,029,127)</b>
<b>Other comprehensive income</b>			
Re-measurement of defined benefit pension plans		<u>(2,131,200)</u>	<u>761,600</u>
<b>Total comprehensive deficit for the year</b>		<b><u>\$ (1,300,394)</u></b>	<b><u>\$ (1,267,527)</u></b>

*See accompanying notes to the financial statements.*

# Statement of Changes in Accumulated Fund

For the year ended December 31, 2014  
(Expressed in Trinidad and Tobago Dollars)

---

	<b>Accumulated Fund</b>
<hr/>	
<b>Year Ended December 31, 2014</b>	
Balance at January 1, 2014	8,298,864
Total comprehensive deficit for the year	<u>(1,300,394)</u>
<b>Balance at 31 December 2014</b>	<b><u>\$ 6,998,470</u></b>
<b>Year Ended December 31, 2013</b>	
Balance at January 1, 2013	9,566,391
Total comprehensive deficit for the year	<u>(1,267,527)</u>
<b>Balance at 31 December 2013</b>	<b><u>\$ 8,298,864</u></b>

*See accompanying notes to the financial statements.*

# Statement of Cash Flows

For the year ended December 31, 2014

(Expressed in Trinidad and Tobago Dollars)

	2014	2013 (Restated)
<b>Cash Flows from Operating Activities</b>		
Total comprehensive deficit for the year	(1,300,394)	(1,267,527)
Adjustments to reconcile total comprehensive deficit for the year to net cash from operating activities		
Depreciation	1,831,565	3,334,544
Interest income	(8,970)	(39,369)
Deferred income released to the statement of comprehensive income	(8,330)	(76,130)
Gain on sale of property, plant and equipment	(25,010)	(722,600)
Retirement benefit expense	12,405,760	10,353,160
Changes in other receivables	279,190	(130,732)
Changes in due from related parties	(696,515)	(375,215)
Changes in retirement benefit due from Trust Fund	(12,405,760)	(10,353,160)
Changes in deferred income	-	86,209
Changes in due to related party	-	(432,032)
Changes in other payables	815,725	(510,199)
<b>Net cash generated from (used in) operating activities</b>	<u>887,261</u>	<u>(133,051)</u>
<b>Cash Flows from Investing Activities</b>		
Interest received	8,970	39,369
Acquisition of property, plant and equipment	(571,902)	(942,170)
Disposal of property, plant & equipment	-	60,000
Proceeds from disposal of property, plant & equipment	25,010	722,600
<b>Net cash used in investing activities</b>	<u>(537,922)</u>	<u>(120,201)</u>
Decrease in cash and cash equivalents for the year	349,339	(253,252)
Cash and cash equivalents at January 1	<u>3,299,761</u>	<u>3,553,013</u>
<b>Cash and cash equivalents at December 31</b>	<b><u>\$ 3,649,100</u></b>	<b><u>\$ 3,299,761</u></b>
<b>Analysis of cash and cash equivalents</b>		
Cash in hand and at bank – unrestricted cash	3,649,100	754,269
Money market deposits	-	2,545,492
	<b><u>\$ 3,649,100</u></b>	<b><u>\$ 3,299,761</u></b>

See accompanying notes to the financial statements.

# Notes to the Financial Statements

For the year ended December 31, 2014

*(Expressed in Trinidad and Tobago Dollars)*

---

## 1. Establishment and principal activity

The Caribbean Court of Justice (the “Court”) and the Regional Judicial and Legal Services Commission (the “Commission”) were established on February 14, 2001 by the Agreement Establishing the Caribbean Court of Justice (the “Agreement”). The Agreement was signed on that date by the following Caribbean Community (“Caricom”) states: Antigua & Barbuda, Barbados, Belize, Grenada, Guyana, Jamaica, St. Kitts & Nevis, St. Lucia, Suriname and Trinidad & Tobago. Two further states, Dominica and St. Vincent & The Grenadines, signed the Agreement on February 15, 2003, bringing the total number of signatories to 12.

The Court was inaugurated on April 16, 2005 in Port of Spain, Trinidad and Tobago.

The first Commission came into force on August 21, 2003 and works to ensure that the Court meets and fully satisfies the expectations and needs of the people it serves.

The Court is the highest judicial tribunal, designed to be more than a Court of last resort for member states of the Caribbean Community. For, in addition to replacing the Judicial Committee of the Privy Council, the Court is vested with an original jurisdiction in respect of the interpretation and application of the Revised Treaty of Chaguaramas Establishing the Caribbean Community including the Caricom Single Market and Economy. The Court is designed to exercise both an appellate and an original jurisdiction.

The Court is primarily financed by the Caribbean Court of Justice Trust Fund (the “Trust Fund”). The Trust Fund was established by the Caricom states signing the Agreement, who together invested US\$100 million into the Trust Fund, to enable the expenditures of the Court and Commission to be financed by income from the Trust Fund.

## 2. Significant accounting policies

### *(a) Basis of preparation*

The financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), under the historic cost convention and are expressed in Trinidad & Tobago dollars, which is the Court’s functional and presentation currency.

### *(b) Changes in accounting policy and disclosures*

#### (i) New and amended standards adopted by the Court

There were no new IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after January 1, 2014 that were adopted and had a material impact on the court.

# Notes to the Financial Statements

For the year ended December 31, 2014

(Expressed in Trinidad and Tobago Dollars)

---

## 2. Significant accounting policies (continued)

### *(b) Changes in accounting policy and disclosures (continued)*

(ii) New standards, amendments and interpretations issued but not effective and not early adopted

The following new standards, interpretations and amendments, which have not been applied in these financial statements, will or may have an effect on the Court's future financial statements:

IFRS 9, 'Financial instruments' – This new standard introduces new requirements for the classification, measurement and recognition of financial assets and financial liabilities and replaces parts of IAS 39. The standard is effective for annual periods beginning on after January 1, 2018 with early adoption permitted. IFRS 9 is required to be applied retrospectively. IFRS 9 uses business model and contractual cash flow characteristics to determine whether a financial asset is measured at amortized cost or fair value, replacing the four category classification in IAS 39. The determination is made at initial recognition. The approach is also based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Court is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after January 1, 2018.

Other standards, amendments and interpretations to existing standards in issue but not yet effective are not considered to be relevant to the Court and have not been disclosed.

(iii) Standards and amendments to published standards early adopted by the Court

The Court did not early adopt any new, revised or amended standards.

### *(c) Use of estimates*

The preparation of these financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates.

# Notes to the Financial Statements

For the year ended December 31, 2014

(Expressed in Trinidad and Tobago Dollars)

---

## 2. Significant accounting policies (continued)

### (c) Use of estimates (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Note (d)	Property, plant and equipment
Note (e)	Other receivables
Note (h)	Other payables
Note (i)	Provisions
Note (m)	Employee benefits
Note (o)	Impairment

### (d) Property, plant and equipment

Items of property, plant and equipment are measured at cost, net of accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of material and direct labour, any other cost directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

When parts of the items of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The gain or loss on disposal of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognized net within other income/other expenses in the statement of comprehensive income. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to accumulated fund.

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Court, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of comprehensive income as incurred.

# Notes to the Financial Statements

For the year ended December 31, 2014

(Expressed in Trinidad and Tobago Dollars)

---

## 2. Significant accounting policies (continued)

### (d) Property, plant and equipment (continued)

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation is recognized in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each component of property, plant and equipment.

Depreciation is charged using the straight-line method at the rate of 25% for all property, plant and equipment except for leasehold improvements (10%), which is designed to write off the cost of the assets over their estimated useful lives.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

### (e) Other receivables

Other receivables are stated net of any specific provision established to recognise anticipated losses for bad and doubtful debts. Bad debts are written off during the year in which they are identified.

### (f) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand and at bank, and cash deposited with money market income funds.

### (g) Due (to) from related party

Due (to) from related party is stated at cost.

### (h) Other payables

Other payables are stated at cost.

### (i) Provisions

A provision is recognised if, as a result of a past event, the Court has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of finance cost is recognized as finance cost.

# Notes to the Financial Statements

For the year ended December 31, 2014

(Expressed in Trinidad and Tobago Dollars)

---

## 2. Significant accounting policies (*continued*)

### (j) *Revenue recognition*

#### Funds from the Caribbean Court of Justice Trust Fund

Unconditional funding related to the ongoing operations of the Court is recognized in the statement of comprehensive income as income in the period in which the funds become receivable from the Trust Fund.

#### Grants

Subventions that compensate the Court for expenses incurred are recognized as income in the statement of comprehensive income on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Court for the cost of an asset are recognized in the statement of comprehensive income as revenue on a systematic basis over the life of the asset.

All other revenue is recorded on an accruals basis.

### (k) *Foreign currency transactions*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Year-end balances are translated at year-end exchange rates.

### (l) *Taxation*

Pursuant to the terms of an agreement entered into on July 4, 2003 between the Court, the Commission and the Government of the Republic of Trinidad and Tobago, the Court is exempt from all direct and indirect taxes, duties and levies imposed in Trinidad and Tobago.

### (m) *Employee benefits*

#### (i) **Defined contribution plan**

Obligations for contributions to the defined contribution pension plan are recognized as an expense in statement of comprehensive income when they are due.

# Notes to the Financial Statements

For the year ended December 31, 2014

(Expressed in Trinidad and Tobago Dollars)

---

## 2. Significant accounting policies (continued)

### (m) *Employee benefits (continued)*

#### (ii) **Defined benefit plan**

The Court's net obligation in respect of defined benefit pension plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and any unrecognized past service costs and the fair value of any plan assets are deducted. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Court, the recognized asset is limited to the net total of any unrecognized past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan. The employees of the Court and Judges participate in this plan.

### (n) *Accumulated fund*

The accumulated fund represents the excess (deficit) of funding received over (less than) expenditure.

### (o) *Impairment*

The carrying amounts of the Court's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive income.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

# Notes to the Financial Statements

For the year ended December 31, 2014

(Expressed in Trinidad and Tobago Dollars)

## 3. Property, plant and equipment

	Computers & Software	Furniture Fixtures & Equipment	Flags Crests & Seals	Library Books	Security Equipment	Lease- hold Improve- ments	Vehicles	Total
<b>Year ended December 31, 2014</b>								
<b>Cost or valuation</b>								
At January 1, 2014	10,707,869	10,438,725	408,860	14,225,342	835,647	822,518	3,616,234	41,055,195
Additions	170,858	41,392	-	296,132	-	63,520	-	571,902
Disposals	(678,457)	-	-	-	-	-	-	(678,457)
<b>At December 31, 2014</b>	<b>10,200,270</b>	<b>10,480,117</b>	<b>408,860</b>	<b>14,521,474</b>	<b>835,647</b>	<b>886,038</b>	<b>3,616,234</b>	<b>40,948,640</b>
<b>Accumulated depreciation</b>								
At January 1, 2014	10,423,542	9,713,196	400,639	13,550,359	829,251	347,325	2,007,230	37,271,542
Charge for the year	198,752	299,920	4,433	469,277	6,396	66,119	786,668	1,831,565
Disposals	(678,457)	-	-	-	-	-	-	(678,457)
<b>At December 31, 2014</b>	<b>9,943,837</b>	<b>10,013,116</b>	<b>405,072</b>	<b>14,019,636</b>	<b>835,647</b>	<b>413,444</b>	<b>2,793,898</b>	<b>38,424,650</b>
<b>Net book value</b>								
<b>At December 31, 2014</b>	<b>\$ 256,433</b>	<b>\$467,001</b>	<b>\$3,788</b>	<b>\$501,838</b>	<b>\$ -</b>	<b>\$472,594</b>	<b>\$822,336</b>	<b>\$2,523,990</b>
<b>At December 31, 2013</b>	<b>\$ 284,327</b>	<b>\$725,529</b>	<b>\$8,221</b>	<b>\$674,983</b>	<b>\$6,396</b>	<b>\$475,193</b>	<b>\$1,609,004</b>	<b>\$3,783,653</b>
<b>Year ended December 31, 2013</b>								
<b>Cost or valuation</b>								
At January 1, 2013	10,623,651	10,050,679	408,860	13,898,108	835,647	882,518	5,980,449	42,679,912
Additions	84,218	388,046	-	327,234	-	-	142,672	942,170
Adjustments	-	-	-	-	-	(60,000)	-	(60,000)
Disposals	-	-	-	-	-	-	(2,506,887)	(2,506,887)
<b>At December 31, 2013</b>	<b>10,707,869</b>	<b>10,438,725</b>	<b>408,860</b>	<b>14,225,342</b>	<b>835,647</b>	<b>822,518</b>	<b>3,616,234</b>	<b>41,055,195</b>
<b>Accumulated depreciation</b>								
At January 1, 2013	10,060,411	8,595,940	390,002	12,541,670	822,855	305,558	3,727,449	36,443,885
Charge for the year	363,131	1,117,256	10,637	1,008,689	6,396	59,767	786,668	3,352,544
Adjustments	-	-	-	-	-	(18,000)	-	(18,000)
Disposals	-	-	-	-	-	-	(2,506,887)	(2,506,887)
<b>At December 31, 2013</b>	<b>10,423,542</b>	<b>9,713,196</b>	<b>400,639</b>	<b>13,550,359</b>	<b>829,251</b>	<b>347,325</b>	<b>2,007,230</b>	<b>37,271,542</b>
<b>Net book value</b>								
<b>At December 31, 2013</b>	<b>\$284,327</b>	<b>\$725,529</b>	<b>\$8,221</b>	<b>\$674,983</b>	<b>\$6,396</b>	<b>\$475,193</b>	<b>\$1,609,004</b>	<b>\$3,783,653</b>
<b>At December 31, 2012</b>	<b>\$ 563,240</b>	<b>\$ 1,454,739</b>	<b>\$ 18,858</b>	<b>\$ 1,356,438</b>	<b>\$ 12,792</b>	<b>\$ 576,960</b>	<b>\$ 2,253,000</b>	<b>\$ 6,236,027</b>

# Notes to the Financial Statements

For the year ended December 31, 2014

(Expressed in Trinidad and Tobago Dollars)

## 4. Retirement Asset due from Trust Fund

	2014	2013 (Restated)
Defined benefit plan assets	<b>\$ 49,203,200</b>	<b>\$ 36,797,440</b>

In 2007 the Trust Fund proposed that since the retirement arrangements of the Court and Commission are already funded within the Trust Fund with a legislature from the Heads of Government to ensure that resources are always adequate, the retirement benefits due to the Judges and non-judicial staff will be paid from the Trust Fund as they fall due. This balance represents the present value of the future cost of the judges' pensions to be provided by the Trust Fund. For non-judicial staff, the balance represents the capital value of the accrued guaranteed pension, calculated using various actuarial assumptions.

## 5. Other receivables

	2014	2013
VAT recoverable	259,686	325,544
Other receivables and prepayments	1,057,712	1,271,044
	<b>\$ 1,317,398</b>	<b>\$ 1,596,588</b>

## 6. Retirement benefit liability

	2014	2013
Judges	38,131,200	28,752,640
Non-Judicial Staff	11,072,000	8,044,800
	<b>\$ 49,203,200</b>	<b>\$ 36,797,440</b>

### Judges Pension Plan

The President and Judges of the Court are to be paid superannuation benefits in respect of service with the Court as follows:

Less than 5 years service	A gratuity of 20% of the pensionable emoluments at the time of retirement for every year of service.
5 to 10 years of service	A monthly pension equivalent to two thirds of the monthly pensionable emoluments at the time of retirement.
More than 10 years of service	A monthly pension equivalent to the monthly pensionable emoluments at the time of retirement.

# Notes to the Financial Statements

For the year ended December 31, 2014

(Expressed in Trinidad and Tobago Dollars)

## 6. Retirement benefit liability (continued)

### Judges Pension Plan (continued)

Principal actuarial assumptions at the reporting date are as follows:

	2014	2013
Discount rate	3.5%	5.0%
Expected rate of return on plan assets	N/A	5.0%
Salary growth rate	1.0%	1.5%
Average expected remaining working lives of employees	9 years	9 years
Fair value of plan assets at the beginning of year	4,492,800	4,479,300
Foreign exchange adjustment to plan assets at the beginning of the year	-	71,100
Expected return on plan assets	89,600	179,200
Contributions	(2,937,600)	(57,600)
Benefits paid	(1,555,200)	(1,126,400)
Actuarial (loss)/gain	(89,600)	947,200
<b>Fair value of plan assets at the end of year</b>	<b>-</b>	<b>4,492,800</b>
Present value of obligation at beginning of year	33,245,440	30,155,580
Foreign exchange adjustment to plan assets at the beginning of the year	-	478,660
Interest cost	1,292,800	1,203,200
Total current service cost	3,622,400	2,387,200
Past service cost	(221,440)	-
Benefit payments	(1,555,200)	(1,126,400)
Actuarial loss on obligation	1,747,200	147,200
<b>Present value of obligation at end of year</b>	<b>38,131,200</b>	<b>33,245,440</b>
<b>Profit or loss</b>		
Service cost	3,400,960	2,387,200
Interest cost	1,203,200	1,024,000
<b>Other comprehensive income</b>		
Net actuarial cost recognized	1,836,800	(800,000)
<b>Total expense</b>	<b>6,440,960</b>	<b>2,611,200</b>

# Notes to the Financial Statements

For the year ended December 31, 2014

(Expressed in Trinidad and Tobago Dollars)

## 6. Retirement benefit liability (continued)

### Judges Pension Plan (continued)

	2014	2013
Opening Liability	(28,752,640)	(25,676,280)
Foreign exchange adjustment to plan liabilities at beginning of the year	-	(407,560)
Total expense	(6,440,960)	(2,611,200)
Contributions paid	(2,937,600)	(57,600)
<b>Closing liability</b>	<b>\$ (38,131,200)</b>	<b>\$ (28,752,640)</b>

The expense and matching revenue due from the Trust Fund is recognised in the statement of comprehensive income as the retirement benefit liability is payable by the Trust Fund when it becomes due. As such, a receivable balance from the Trust Fund is recorded in the statement of financial position to match the retirement benefit liability.

	2014	2013
Present value of the obligation	(38,131,200)	(33,245,440)
Fair value of plan assets	-	4,492,800
<b>Liability recognized in statement of financial position</b>	<b>\$ (38,131,200)</b>	<b>\$ (28,752,640)</b>
Expected return on plan assets	89,600	179,200
Actuarial gain (loss) on plan assets	(89,600)	947,200
Actual return (loss) on plan assets	<b>\$ -</b>	<b>\$ 1,126,400</b>

### Table on Historical Summary

Year ended December 31	2012 TTS'000	2011 TTS'000	2010 TTS'000	2009 TTS'000	2008 TTS'000
Fair value of plan assets	4,479	6,193	5,172	8,177	7,667
Present value of pension obligation	(30,156)	(25,481)	(23,083)	(26,825)	(9,526)
Plan surplus/(Deficit)	(25,677)	(19,288)	(17,911)	(18,648)	(1,859)
Experience adjustment of plan liabilities	(57)	(258)	441	2,797	
Experience adjustment of plan assets	(1,978)	737	(3,371)	(126)	

# Notes to the Financial Statements

For the year ended December 31, 2014

(Expressed in Trinidad and Tobago Dollars)

## 6. Retirement benefit liability

### Non-Judicial Staff Pension Plan

The Court and its employees, with the exception of judges, contribute towards a defined benefit pension plan where the data and benefit administration services are provided by Bacon Woodrow and De Souza Limited and is managed by a Pension Administration Committee made up of representatives from the Commission, Employees, Trust Fund and the Court.

### Movement in Present Value of Defined Benefit Obligation

Defined benefit obligation at start of year	8,044,800	768,000
Current service cost	1,081,600	576,000
Interest cost	371,200	140,800
Contributions paid	467,200	204,800
Past service cost	812,800	6,316,800
Re-measurements		
- Experience adjustment	64,000	38,400
- Actuarial (gains/losses from changes in financial assumptions)	230,400	-
<b>Defined Benefit Obligation at end of year</b>	<b>11,072,000</b>	<b>8,044,800</b>

### Liability Profile

The defined benefit obligations at 31 December 2014 was allocated as follows:

- Active members 86%
- Pensioners 14%

The weighted average duration of the defined obligation at the year-end was 20 years. 9% of the benefits accrued by active members were vested. 1% of the defined benefit obligation for active members was conditional on future salary increases.

# Notes to the Financial Statements

For the year ended December 31, 2014

(Expressed in Trinidad and Tobago Dollars)

## 6. Retirement benefit liability

### Non-Judicial Staff Pension Plan (continued)

#### Liability Profile (continued)

#### Movement in Fair Value of Plan Assets/Asset Allocation

The Plan's assets are held by the Trust Fund in an amount equal to the Plan's liabilities.

	2014	2013
<b>Expense Recognised in Profit and Loss</b>		
Current service cost	1,081,600	576,000
Net interest on net defined benefit liability	371,200	140,800
Past service cost	812,800	6,316,800
<b>Net Pension Costs</b>	<b>2,265,600</b>	<b>7,033,600</b>
Re-measurements recognised in Other Comprehensive Income		
Experience (gains/losses)	294,400	38,400
<b>Total amount recognised in Other Comprehensive Income</b>	<b>294,400</b>	<b>38,400</b>
Opening Defined Benefit Liability (Asset)	8,044,800	768,000
Net pension cost	2,265,600	7,033,600
Re-measurements recognized in Other Comprehensive Income	294,400	38,400
Contributions paid	467,200	204,800
<b>Closing Defined Benefit Liability</b>	<b>11,072,000</b>	<b>8,044,800</b>

#### Summary of Principal Assumptions as at 31 December

Discount Rate	3.5% pa	4.0% pa
Salary Increases	1.0% pa	1.0% pa

Assumptions regarding future mortality are based on published mortality tables. The life expectancies underlying the value of the defined benefit obligation as at 31 December 2014 are as follows:

	2014	2013
Life expectancy at age 65 for current pensioner in years:		
- Male	16.9	16.9
- Female	20.7	20.7

# Notes to the Financial Statements

For the year ended December 31, 2014  
(Expressed in Trinidad and Tobago Dollars)

## 7. Deferred income

### Capital Grants

	2014	2013
Balance at January 1	17,948	7,869
Interest income	-	86,209
Released to the statement of comprehensive income	(8,330)	(76,130)
Balance at December 31	<b>\$9,618</b>	<b>\$ 17,948</b>

## 8. Related Party Transactions

The following balances/transactions were held/carried out with related parties:

	2014	2013
<b>The Commission:</b>		
a) Due from related parties:		
- The Commission	(802,628)	(375,215)
- JURIST Project	(269,102)	-
	<b><u>\$(1,071,730)</u></b>	<b><u>\$ (375,215)</u></b>

Amounts due (from)/to the Commission and the JURIST Project are interest free, with no fixed repayment terms.

b) Trust Fund income received on behalf of, and transferred to the Commission	\$ 2,478,054	\$2,025,453
c) Expenses charged to the Commission	\$ 267,603	\$ 511,832

The Commission works to ensure that the Court meets and fully satisfies the expectations and needs of the people it serves.

### Key management compensation:

d) Key management compensation Salaries and other short term benefits	\$ 4,680,636	\$4,790,804
--	--------------	-------------

# Notes to the Financial Statements

For the year ended December 31, 2014

(Expressed in Trinidad and Tobago Dollars)

## 9. Other payables

	2014	2013
Accounts payable	140,741	32,041
Other payables and accrued liabilities	1,413,389	706,364
	<b>\$ 1,554,130</b>	<b>\$ 738,405</b>

## 10. Other income

	2014	2013
Deferred income released to the statement of comprehensive income	8,330	76,130
Interest income	8,970	39,369
Miscellaneous income	54,360	22,670
Gain on disposal of property, plant and equipment	25,010	722,600
	<b>\$ 96,670</b>	<b>\$ 860,769</b>

## 11. Administrative expenses

	2014	2013 (Restated)
Salaries and allowances	20,003,539	23,233,976
Pension cost and gratuities	11,478,155	12,670,805
Administrative expenses	4,875,150	5,972,064
Depreciation	1,831,565	3,334,544
Insurance expenses	1,468,751	1,636,607
Public education	249,929	53,065
Foreign exchange loss/(gain)	50,213	(6,446)
Bank charges	28,671	21,148
Professional fees	512,018	667,054
Audit fees	61,200	60,685
	<b>\$ 40,559,191</b>	<b>\$ 47,643,502</b>

Number of employees	77	79
---------------------	----	----

# Notes to the Financial Statements

For the year ended December 31, 2014

(Expressed in Trinidad and Tobago Dollars)

## 12. Financial Risk Management

### Financial risk factors

The main financial risks arising from the Court's Operations are foreign exchange currency risk, credit risk and liquidity risk. Risk management is carried out by the Financial Comptroller under policies approved by the Commission.

### Foreign exchange risk

The Court is mainly exposed to foreign exchange risk arising from financial instruments denominated in foreign currencies. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.

The table below summarizes the Court's assets and liabilities, at the year ended, which are denominated in United States dollars.

	2014	2013 (Restated)
<b>Assets</b>		
Retirement benefit due from Trust Fund	\$49,203,200	\$36,797,440
Cash and cash equivalents	\$ 3,156,234	\$ 2,975,451
<b>Liabilities</b>		
Retirement benefit liability	\$49,203,200	\$36,797,440

The table below summarizes the sensitivity of the Court's assets and liabilities to changes in foreign exchange movements at the year end. The analysis is based on the assumptions that the relevant foreign exchange rate increased/decreased by 5% to the Trinidad and Tobago dollars (2013: 5%), with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rates, having regard to historical volatility of those rates.

Foreign exchange risk	Effect on accumulated fund	
	2014	2013
<i>Increased by 5%</i>	\$ 157,812	\$ 148,773
<i>Decreased by 5%</i>	\$ (157,812)	\$ (148,773)

# Notes to the Financial Statements

For the year ended December 31, 2014

(Expressed in Trinidad and Tobago Dollars)

## 12. Financial Risk Management (continued)

### Financial risk factors (continued)

#### Credit risk

Credit risk is the risk that a borrower or counter-party fails to meet its contractual obligation. Credit risk of the Court arises from cash and cash equivalents as well as credit exposures from staff loans receivable. The Court is mainly exposed to credit risk from cash and cash equivalents.

The credit quality of staff, their financial position, past experience and other factors are taken into consideration in assessing credit risk and are minimised through the use of contractual agreements.

Cash and deposits are held with reputable financial institutions, with amounts varying between \$6,738 and \$3,082,169 (2013: \$770 and \$2,543,290). The maximum amount with one financial institution is \$3,082,169 (2013: \$2,543,290).

The carrying value of financial assets on the statement of financial position represents their maximum exposure.

#### Liquidity risk

Liquidity risk arises from the Court's management of working capital. It is the risk that the Court will encounter difficulty in meeting its financial obligations as they fall due. Prudent risk management implies maintaining sufficient cash to fund its day to day operations.

The table below summarizes the maturity profile of the Court's financial liabilities as at the year ended based on contractual undiscounted payments:

	Less than three (3) months	Less than one (1) year	Total
<b>At December 31, 2014</b>			
<b>Financial liabilities:</b>			
Deferred income	-	9,618	9,618
Other payables	1,554,130	-	1,554,130
<b>Total liabilities</b>	<b>\$1,554,130</b>	<b>\$9,618</b>	<b>\$1,563,748</b>

# Notes to the Financial Statements

For the year ended December 31, 2014

(Expressed in Trinidad and Tobago Dollars)

## 12. Financial Risk Management (continued)

### Financial risk factors (continued)

#### Liquidity risk (continued)

	Less than three (3) months	Less than one (1) year	Total
<b>At December 31, 2013</b>			
<b>Financial liabilities:</b>			
Deferred income	-	17,948	17,948
Other payables	738,405	-	738,405
<b>Total liabilities</b>	<b>\$738,405</b>	<b>\$17,948</b>	<b>\$756,353</b>

## 13. Restatement

As a result of the formalisation of the Non-judicial staff Pension Plan as a defined benefit plan, the Court was required to restate its opening balances to reflect the assets and liabilities which existed as at each year end. The following are the changes made to the comparative information. The changes had a net impact of nil on the statement of comprehensive income for either year.

	As previously reported	Change	Restated balance
<b>December 31, 2012</b>			
Retirement benefit due from Trust Fund	\$25,676,280	\$768,000	\$26,444,280
Retirement benefit liability	\$25,676,280	\$768,000	\$26,444,280
<b>December 31, 2013</b>			
Retirement benefit due from Trust Fund	\$28,752,640	\$8,044,800	\$36,797,440
Retirement benefit liability	\$28,752,640	\$8,044,800	\$36,797,440
Funding provided by the Trust Fund	\$35,070,406	\$9,683,200	\$44,753,606
Administrative expenses	\$37,198,702	\$10,444,800	\$47,643,502
Other comprehensive income	\$ -	\$(761,600)	\$(761,600)

## 14. Subsequent Events

Management evaluated all events that occurred from January 1, 2015 through May 15, 2015, the date the financial statement were available to be issued. During the period, the Court did not have any subsequent events requiring recognition or disclosure in the financial statements.



# **Supplementary Financial Information**

For the year ended 31st December, 2014

## **Independent Auditors' Report**

To the Court President  
The Caribbean Court of Justice  
Port of Spain, Trinidad and Tobago

### **Report on the Supplementary Financial Information**

We have audited the financial statements of the Caribbean Court of Justice for the year ended December 31, 2014, and have issued our report thereon dated May 15, 2015.

We conducted our audit in accordance with International Standards on Auditing, issued by the International Federation of Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

We conducted our audit for the purpose of expressing an opinion on the financial statements of the Caribbean Court of Justice taken as a whole. The accompanying supplementary financial information, consisting of the statements of financial position, comprehensive income and changes in accumulated fund, is presented for the purpose of additional analysis and should not be considered necessary to the presentation of the basic financial statements. This information has been subjected to the audit procedures applied to the basic financial statements and, in our opinion, is fairly presented, in all material respects, when taken as a whole with the basic financial statements.



May 15, 2015

*Port of Spain,  
Trinidad, West Indies*

# Statement of Financial Position

As at December 31, 2014

(Expressed in United States Dollars)

	2014	2013 (Restated)	2012 (Restated)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	394,373	591,196	989,845
Retirement benefit due from Trust Fund	7,688,000	5,749,600	4,197,505
<b>Total non-current assets</b>	<b>8,082,373</b>	<b>6,340,796</b>	<b>5,187,350</b>
<b>Current assets</b>			
Other receivables	205,843	249,467	232,676
Cash and cash equivalents	570,172	515,588	563,970
Due from related parties	167,458	58,627	-
<b>Total current assets</b>	<b>943,473</b>	<b>823,682</b>	<b>796,646</b>
<b>Total assets</b>	<b>US\$ 9,025,846</b>	<b>US\$ 7,164,478</b>	<b>US\$5,983,996</b>
<b>ACCUMULATED FUND AND LIABILITIES</b>			
Accumulated fund	1,093,510	1,296,698	1,518,475
<b>Non-current liability</b>			
Retirement benefit liability	7,688,000	5,749,600	4,197,505
<b>Current liabilities</b>			
Deferred income	1,503	2,804	1,249
Due to related party	-	-	68,576
Other payables	242,833	115,376	198,191
<b>Total current liabilities</b>	<b>244,336</b>	<b>118,180</b>	<b>268,016</b>
<b>Total reserves and liabilities</b>	<b>US\$ 9,025,846</b>	<b>US\$ 7,164,478</b>	<b>US\$5,983,996</b>

Translation Rate used – 2014 and 2013 US\$1.00: TT\$6.40 (2012: US\$1.00: TT\$6.30)

# Statement of Comprehensive Income

For the year ended December 31, 2014

*(Expressed in United States Dollars)*

	2014	2013 (Restated)
Funding provided by the Trust Fund	6,452,082	6,992,751
Other income	15,105	134,495
	<b>6,467,187</b>	<b>7,127,246</b>
Administrative expenses	(6,337,375)	(7,444,297)
<b>Surplus/(deficit) for the year</b>	<b>129,812</b>	<b>(317,051)</b>
<b>Other comprehensive income/(loss)</b>		
Re-measurement of defined benefit pension plans	(333,000)	119,000
<b>Total comprehensive deficit for the year</b>	<b>US\$(203,188)</b>	<b>US\$(198,051)</b>

Translation Rate used - US\$1.00: TT\$6.40

# Statement of Changes in Accumulated Fund

For the year ended December 31, 2014

*(Expressed in United States Dollars)*

---

	<b>Accumulated Fund</b>
<b>Year Ended December 31, 2014</b>	
Balance at January 1, 2014	1,296,698
Total comprehensive deficit for the year	<u>(203,188)</u>
<b>Balance at 31 December 2014</b>	<b><u>US\$ 1,093,510</u></b>
<b>Year Ended December 31, 2013</b>	
Balance at January 1, 2013	1,518,475
Foreign exchange loss on opening accumulated fund	(23,726)
Total comprehensive deficit for the year	<u>(198,051)</u>
<b>Balance at 31 December 2013</b>	<b><u>US\$ 1,296,698</u></b>

Translation Rate used - US\$1.00: TT\$6.40



The Caribbean Court of Justice  
134 Henry Street  
P.O. Box 1768  
Port of Spain  
Republic of Trinidad and Tobago