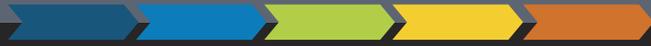


Caribbean Court of Justice



Audited Financial Statements

As at 31 December 2017



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122-124 Frederick Street
Port of Spain
Trinidad and Tobago

Independent Auditors' Report

The Court President
The Caribbean Court of Justice

Opinion

We have audited the financial statements of The Caribbean Court of Justice (the "Court"), which comprise the statement of financial position as at December 31, 2017 and the statement of comprehensive income, statement of changes in accumulated fund, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the Court as at December 31, 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Court in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants* ("IESBA Code") and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

In preparing the financial statements, management is responsible for assessing the Court's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Court or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Court's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Independent Auditors' Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Court's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Court's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Court to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



April 27, 2018

Port-of-Spain,
Trinidad and Tobago

The Caribbean Court of Justice

Statement of Financial Position

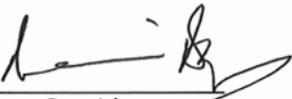
As at December 31, 2017

(Expressed in Trinidad and Tobago Dollars)

	Notes	2017	2016
Assets			
Non-current assets			
Property, plant and equipment	3	2,905,708	2,647,034
Retirement benefits due from Trust Fund	4	86,929,859	65,182,614
Total non-current assets		89,835,567	67,829,648
Current assets			
Cash and cash equivalents		4,802,782	4,717,788
Other receivables	5	1,187,208	1,615,372
Due from related parties	7	1,139,932	1,811,410
Total current assets		7,129,922	8,144,570
Total assets		\$96,965,489	\$75,974,218
Accumulated fund and Liabilities			
Accumulated fund		9,383,944	9,793,849
Non-current liability			
Retirement benefit liability	6	86,929,859	65,182,614
Current liabilities			
Other payables	8	651,686	997,755
Total current liabilities		651,686	997,755
Total accumulated fund and liabilities		\$96,965,489	\$75,974,218

See accompanying notes to the financial statements.

These financial statements were approved for issue by the Court President and an RJLSC Commissioner on April 27, 2018 on behalf of the Caribbean Court of Justice.


Court President


Commissioner

The Caribbean Court of Justice

Statement of Comprehensive Income

For the year ended December 31, 2017

(Expressed in Trinidad and Tobago Dollars)



	Notes	2017	2016
Funding from the Trust Fund	9	50,187,779	44,465,445
Other income	10	288,495	269,231
		50,476,274	44,734,676
Administrative expenses	11	(46,189,797)	(40,071,774)
Surplus for the year		4,286,475	4,662,902
Other comprehensive loss			
Re-measurement of defined benefit pension plans		(4,696,380)	(2,859,297)
Total comprehensive (deficit)/surplus for the year		\$(409,905)	\$1,803,605

See accompanying notes to the financial statements.

The Caribbean Court of Justice

Statement of Changes in Accumulated Fund

For the year ended December 31, 2017

(Expressed in Trinidad and Tobago Dollars)



	Accumulated Fund
Year Ended December 31, 2017	
Balance at January 1, 2017	9,793,849
Total comprehensive deficit for the year	(409,905)
Balance at December 31, 2017	\$9,383,944
Year Ended December 31, 2016	
Balance at January 1, 2016	7,990,244
Total comprehensive surplus for the year	1,803,605
Balance at December 31, 2016	\$9,793,849

See accompanying notes to the financial statements.

The Caribbean Court of Justice

Statement of Cash Flows

For the year ended December 31, 2017

(Expressed in Trinidad and Tobago Dollars)



	2017	2016
Cash Flows from Operating Activities		
Total comprehensive (deficit)/surplus for the year	(409,905)	1,803,605
Adjustments to reconcile total comprehensive (deficit)/surplus for the year to net cash from operating activities		
Depreciation	1,360,981	1,146,036
Interest income	(3,260)	(3,881)
Gain on disposal of property, plant and equipment	-	(17,300)
Increase in retirement benefit due from Trust Fund	(21,747,245)	(11,953,814)
Decrease/(increase) in other receivables	428,164	(341,792)
Decrease in due from related parties	671,478	17,314
Increase in retirement benefit liability	21,747,245	11,953,814
Decrease in other payables	(346,069)	(983,310)
Net cash generated from operating activities	1,701,389	1,620,672
Cash Flows from Investing Activities		
Interest received	3,260	3,881
Acquisition of property, plant and equipment	(1,619,655)	(1,431,045)
Proceeds from disposal of property, plant & equipment	-	17,300
Net cash used in investing activities	(1,616,395)	(1,409,864)
Increase in cash and cash equivalents for the year	84,994	210,808
Cash and cash equivalents at January 1	4,717,788	4,506,980
Cash and cash equivalents at December 31	\$4,802,782	\$4,717,788

See accompanying notes to the financial statements.

The Caribbean Court of Justice

Notes to the Financial Statements

For the year ended December 31, 2017

(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, which generates income to finance the expenditures of the Court and Commission.

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, 2017 that were adopted and had a material impact on the Court.

The Caribbean Court of Justice

Notes to the Financial Statements

For the year ended December 31, 2017

(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 or 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 amortised 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.

IFRS 16 *Leases* supersedes IAS 17 *Leases* and its related interpretations. IFRS 16 eliminates the classification by a lessee of leases as either operating or finance. Instead all leases are treated in a similar way to finance leases in accordance with IAS 17. Under IFRS 16, leases are recorded on the statement of financial position by recognising a liability for the present value of its obligation to make future lease payments with an asset (comprised of the amount of the lease liability plus certain other amounts) either being disclosed separately in the statement of financial position (within right-of-use assets) or together with property, plant and equipment. The most significant effect of the new requirements will be an increase in recognised lease assets and financial liabilities. However, IFRS 16 exempts a lessee to recognise assets and liabilities for short term leases and leases of low-value assets. IFRS 16 clarifies that a lessee separates lease components and service components of a contract, and applies the lease accounting requirements only to the lease components. IFRS 16 applies to annual periods commencing on or after January 1, 2019.

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.

The Caribbean Court of Justice

Notes to the Financial Statements

For the year ended December 31, 2017
(Expressed in Trinidad and Tobago Dollars)

3. Significant accounting policies (continued)

(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.

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 (j)	Provisions
Note (m)	Employee benefits
Note (n)	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.

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.

The Caribbean Court of Justice

Notes to the Financial Statements

For the year ended December 31, 2017
(Expressed in Trinidad and Tobago Dollars)

2. Significant accounting policies (continued)

(j) Revenue recognition (continued)

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

The Trust Fund had previously proposed that since the retirement arrangements of the Court are already funded from within the Trust Fund with a legislature from the Heads of Government to ensure that the resources are always adequate, the retirement benefits due to the judges and non-judicial staff should be paid from the Trust Fund as they fall due. These proposals were accepted by the Court. Refer to Notes 4 and 6.

(i) Non-judicial staff pension plan

The Court provides its non-judicial staff with a pension plan. Under this plan, the employees of the Court make contributions which are deducted from their salaries and are matched with employer contributions from the Court.

Balances accumulated under this plan are calculated by an independent third-party administrator, in accordance with an agreed formula between the Court and their employees. The administrator advises the Court of the accumulated amounts at the end of each financial year.

When a staff member reaches retirement, the Court's actuary determines the pension entitlement for that employee based on their accumulated balance using appropriate actuarial assumptions. The Trust Fund, at the request of the Court, provides to the Court the funds necessary to pay the pension for each employee on this basis.

However, since there is no separate external fund where the contributions are placed (other than the Trust Fund), under IAS 19 these arrangements are treated as a defined benefit obligation of the Court.

The Caribbean Court of Justice

Notes to the Financial Statements

For the year ended December 31, 2017

(Expressed in Trinidad and Tobago Dollars)



2. Significant accounting policies (continued)

(m) Employee benefits (continued)

(ii) Defined benefit plan

The Court's obligation in respect of the defined benefit pension plan for judges is calculated by estimating the amount of future benefit that judges have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The calculation is performed by the Court's actuary using the projected unit credit method.

(n) 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.

The Caribbean Court of Justice

Notes to the Financial Statements

For the year ended December 31, 2017

(Expressed in Trinidad and Tobago Dollars)

3. Property, plant and equipment

	Computer & Software	Furniture, Fixtures & Equipment	Flags, Crest & Seals	Library Books	Security Equipment	Leasehold Improvements	Vehicles	Total
<i>Year ended December 31, 2017</i>								
Cost or valuation								
As at January 1, 2017	11,055,591	11,097,688	428,470	14,815,491	871,975	926,598	4,103,935	43,299,748
Additions	481,684	656,011	-	98,034	299,238	84,687	-	1,619,655
As at December 31, 2017	11,537,275	11,753,699	428,470	14,913,525	1,171,213	1,011,286	4,103,935	44,919,403
Accumulated depreciation								
As at January 1, 2017	10,134,747	10,550,536	417,678	14,557,320	844,729	489,971	3,657,733	40,652,714
Charge for the year	470,930	329,849	4,904	172,087	83,891	78,645	220,675	1,360,981
As at December 31, 2017	10,605,677	10,880,385	422,582	14,729,407	928,620	568,616	3,878,408	42,013,695
Net book value								
As at December 31, 2017	\$931,598	\$873,314	\$5,888	\$184,118	\$242,593	\$442,670	\$225,527	\$2,905,708

The Caribbean Court of Justice

Notes to the Financial Statements

For the year ended December 31, 2017

(Expressed in Trinidad and Tobago Dollars)



3. Property, plant and equipment (continued)

	Computer & Software	Furniture, Fixtures & Equipment	Flags, Crest & Seals	Library Books	Security Equipment	Leasehold Improvements	Vehicles	Total
Year ended December 31, 2016								
Cost or valuation								
As at January 1, 2016	10,499,535	10,837,130	408,860	14,666,481	835,647	907,098	4,094,234	42,248,985
Additions	931,913	264,983	19,610	149,010	36,328	19,500	9,701	1,431,045
Disposals	(375,857)	(4,425)	-	-	-	-	-	(380,282)
As at December 31, 2016	11,055,591	11,097,688	428,470	14,815,491	871,975	926,598	4,103,935	43,299,748
Accumulated depreciation								
As at January 1, 2016	10,139,040	10,292,102	408,860	14,327,933	835,647	479,563	3,403,815	39,886,960
Charge for the year	371,564	262,859	8,818	229,387	9,082	10,408	253,918	1,146,036
Disposals	(375,857)	(4,425)	-	-	-	-	-	(380,282)
As at December 31, 2016	10,134,747	10,550,536	417,678	14,557,320	844,729	489,971	3,657,733	40,652,714
Net book value								
As at December 31, 2016	\$920,844	\$547,152	\$10,792	\$258,171	\$27,246	\$436,627	\$446,202	\$2,647,034

The Caribbean Court of Justice

Notes to the Financial Statements

For the year ended December 31, 2017

(Expressed in Trinidad and Tobago Dollars)



4. Retirement benefits due from Trust Fund

	2017	2016
Retirement benefits due from Trust Fund	<u>\$86,929,859</u>	<u>\$65,182,614</u>

The Trust Fund had previously proposed that since the retirement arrangements of the Court are already funded from within the Trust Fund with a legislature from the Heads of Government to ensure that the resources are always adequate, the retirement benefits due to the judges and non-judicial staff should be paid from the Trust Fund as they fall due. These proposals were accepted by the Court. For the judges, this balance is determined by the present value of the future cost of the judges' pensions, while for non-judicial staff the balance is determined by the total of the non-judicial staff's employee account balances. Refer to Notes 2 (n) and 6.

5. Other receivables

	2017	2016
VAT recoverable	441,506	253,111
Due from Caribbean Academy for Law & Court Administration (CALCA)	247,282	305,767
Other assets	244,004	600,434
Employee advances	192,663	115,038
Due from Caribbean Association of Judicial Officers (CAJO)	45,452	46,080
Prepayment	16,301	294,942
	<u>\$1,187,208</u>	<u>\$1,615,372</u>

6. Retirement benefit liability

	2017	2016
Judges	68,565,810	49,743,748
Non-Judicial Staff	18,364,049	15,438,866
	<u>\$86,929,859</u>	<u>\$65,182,614</u>

Judges Pension Arrangement

The President and Judges of the Court are to be paid pension benefits as per a final salary defined benefit pension plan in respect of continuous service with the Court. The benefits are based on one of the following categories depending on the number of years of continuous service at the time of retirement.

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

The Caribbean Court of Justice

Notes to the Financial Statements

For the year ended December 31, 2017

(Expressed in Trinidad and Tobago Dollars)

6. Retirement benefit liability (continued)

Judges Pension Arrangement (continued)

Principal actuarial assumptions at the reporting date are as follows:

	2017	2016
Discount rate	3.5%	4.00%
Expected rate of return on plan assets	N/A	N/A
Salary growth rate	1%	1%
Average expected remaining working lives of members	9 years	9 years
Fair value of plan assets at the beginning of year	-	-
Expected return on plan assets	-	-
Contributions by the Court	2,254,530	1,710,234
Benefits paid	(2,254,530)	(1,710,234)
Actuarial (loss)/gain	-	-
Fair value of plan assets at the end of year	\$ -	\$ -
Present value of obligation at beginning of year	49,743,748	40,832,000
Foreign exchange loss on opening obligation	69,992	1,790,228
Interest cost	2,040,450	1,970,777
Current service cost - Employer's portion	2,247,840	2,391,655
Past service cost	12,797,970	2,024,222
Benefit payments	(2,254,530)	(1,710,234)
Actuarial loss on obligation	3,920,340	2,445,100
Present value of obligation at end of year	\$68,565,810	\$49,743,748
Profit or loss		
Service cost	15,045,810	4,415,877
Interest cost	2,040,450	1,970,777
	17,086,260	6,386,654
Other comprehensive income		
Net actuarial loss recognized	3,920,340	2,445,100
Total expense	\$21,006,600	\$8,831,754

The Caribbean Court of Justice

Notes to the Financial Statements

For the year ended December 31, 2017

(Expressed in Trinidad and Tobago Dollars)

6. Retirement benefit liability (continued)

Judges Pension Arrangement (continued)

	2017	2016
Opening Liability	(49,743,748)	(40,832,000)
Foreign exchange loss on opening liability	(69,992)	(1,790,228)
Total expense	(21,006,600)	(8,831,754)
Contributions paid	2,254,530	1,710,234
Closing liability	<u>\$(68,565,810)</u>	<u>\$(49,743,748)</u>

As the retirement benefit liability is payable by the Trust Fund when it becomes due, a receivable balance from the Trust Fund is recorded in the statement of financial position to match the retirement benefit liability.

	2017	2016
Present value of the obligation	(68,565,810)	(49,743,748)
Fair value of plan assets	-	-
Liability recognized in statement of financial position	<u>\$(68,565,810)</u>	<u>\$(49,743,748)</u>

Non-Judicial Staff Pension Plan

The Court and its employees, with the exception of judges, contribute towards a pension plan which is managed by a Pension Administration Committee made up of representatives of the Commission, employees, the Trust Fund and the Court. The data and benefit administration services are provided by Bacon Woodrow and de Souza Limited. However, since there is no separate external fund where the contributions are placed (other than the Trust Fund), under IAS 19 these arrangements are treated as a defined benefit obligation of the Court. Refer to Notes 2 (n) and 4.

Movement in Present Value of Defined Benefit Obligation	2017	2016
Defined benefit obligation at start of year	15,438,866	12,396,800
Foreign exchange loss on opening liability	21,723	543,522
Current service cost	1,532,010	1,409,607
Interest cost	561,960	481,003
Contributions paid	776,040	627,976
Past service cost	(301,050)	(247,182)
Re-measurements		
- Experience adjustment	776,040	414,197
- Benefits paid	(441,540)	(187,057)
Defined benefit obligation at end of year	<u>\$18,364,049</u>	<u>\$15,438,866</u>

The Caribbean Court of Justice

Notes to the Financial Statements

For the year ended December 31, 2017

(Expressed in Trinidad and Tobago Dollars)

6. Retirement benefit liability (continued)

Non-Judicial Staff Pension Plan (continued)

Liability Profile

The defined benefit obligations as at the year ends was allocated as follows:

	2017	2016
- Active members	83%	83%
- Pensioners	17%	17%

The weighted average duration of the defined obligation at the year-end was 3.5 years (2016: 4.1 years). 92% (2016: 95%) of the benefits accrued by active members were vested. 1% (2016: 1%) of the defined benefit obligation for active members was conditional on future salary increases.

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.

	2017	2016
Expense recognised in profit and loss		
Current service cost	1,532,010	1,409,607
Net interest on net defined benefit liability	561,960	481,003
Past service cost	(301,050)	(247,182)
Net pension costs	\$1,792,920	\$1,643,428
Re-measurements recognised in other comprehensive income		
Experience losses	776,040	414,197
Total amount recognised in other comprehensive income	\$776,040	\$414,197
Opening defined benefit liability (asset)	15,438,866	12,396,800
Foreign exchange loss on opening liability	21,723	543,522
Net pension cost	1,792,920	1,643,428
Re-measurements recognized in other comprehensive income	776,040	414,197
Employees salary deductions	776,040	627,976
Benefits paid by the Court	(441,540)	(187,057)
Closing defined benefit liability	\$18,364,049	\$15,438,866

Summary of principal assumptions as at December 31

Discount rate	3.5% pa	3.5% 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 the year ends are as follows:

	2017	2016
Life expectancy at age 65 for current pensioner in years:		
- Male	16.9	16.9
- Female	20.7	20.7

The Caribbean Court of Justice

Notes to the Financial Statements

For the year ended December 31, 2017

(Expressed in Trinidad and Tobago Dollars)



6. Retirement benefit liability (continued)

Non-Judicial Staff Pension Plan (continued)

Sensitivity Analysis

The calculation of the defined benefit obligation is sensitive to the assumptions used. The following table summarizes how the defined benefit obligation as at the year ends would have changed as a result of a change in the assumptions used.

	2017	2016
	1% pa lower	1% pa lower
- Discount rate	\$568,650	\$674,741
- Salary increases	\$(120,420)	\$(120,251)

An increase of one year in the assumed life expectancies shown above would decrease the defined benefit obligation at December 31, 2017 by \$127,110 (2016: \$140,293).

These sensitivities were calculated by re-calculating the defined benefit obligations using the revised assumptions.

Funding

The Court provides benefits under the Plan on a pay as you go basis and thus pays benefits as and when they fall due. The Court expects to pay contributions totalling \$508,440 in 2018.

7. Related Party Transactions

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

	2017	2016
a) Due from related parties:		
- The Commission	1,070,493	1,326,548
- JURIST Project	69,439	484,862
	\$1,139,932	\$1,811,410

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

	2017	2016
b) Trust Fund income received on behalf of and transferred to the Commission:	\$3,579,799	\$3,223,460
c) Expenses charged to the Commission	\$62,482	\$65,169

The Caribbean Court of Justice

Notes to the Financial Statements

For the year ended December 31, 2017

(Expressed in Trinidad and Tobago Dollars)



7. Related Party Transactions (continued)

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

	2017	2016
Key management compensation:		
d) Salaries and other short-term benefits	\$5,649,003	\$5,596,518

8. Other payables

	2017	2016
Accounts payable	267,010	255,353
Accruals	208,785	128,556
Pension contributions due to Trust Fund	102,748	574,975
Miscellaneous liabilities	72,550	38,278
Deferred income	593	593
	\$651,686	\$997,755

9. Funding from the Trust Fund

	2017	2016
Funding received from the Trust Fund	43,698,479	39,962,720
Pension income receivable from the Trust Fund	6,489,300	4,502,725
	\$50,187,779	\$44,465,445

10. Other income

	2017	2016
CALCA registration fee income	234,633	192,787
Memorabilia sales	44,046	26,062
Miscellaneous income	6,556	29,201
Interest income	3,260	3,881
Gain on disposal of property, plant and equipment	-	17,300
	\$288,495	\$269,231

The Caribbean Court of Justice

Notes to the Financial Statements

For the year ended December 31, 2017
(Expressed in Trinidad and Tobago Dollars)

11. Administrative expenses

	2017	2016
Salaries and allowances	30,517,660	27,397,072
Pension cost and gratuities	5,916,289	4,751,895
Insurance expenses	1,491,783	1,470,481
Professional fees	1,380,588	336,927
Depreciation	1,360,981	1,146,036
Education and training	1,141,722	1,152,604
Repairs and maintenance	1,031,753	743,302
Telephone and internet	975,686	852,602
Other administrative expenses	775,278	902,143
Library materials	774,542	506,882
Janitorial expenses	693,511	696,559
Foreign exchange gain	(348,650)	(216,287)
Public education	228,803	186,157
Entertainment expenses	210,073	94,115
Bank charges	39,778	51,286
	\$46,189,797	\$40,071,774
Number of employees	86	87

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 Finance and Administration Manager 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.

	2017	2016
Assets		
Retirement benefit due from Trust Fund	86,929,859	65,182,614
Cash and cash equivalents	4,455,329	4,071,131
Total Assets	\$91,385,188	\$69,253,745
Liabilities		
Retirement benefit liability	86,929,859	65,182,614
Total Liabilities	\$86,929,859	\$65,182,614
Net exposure	\$4,455,329	\$4,071,131

The Caribbean Court of Justice

Notes to the Financial Statements

For the year ended December 31, 2017
(Expressed in Trinidad and Tobago Dollars)

12. Financial Risk Management (continued)

Foreign exchange risk (continued)

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 (2016: 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	
	2017	2016
<i>Increased by 5%</i>	\$227,352	\$203,557
<i>Decreased by 5%</i>	\$(227,352)	\$(203,557)

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.

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-end based on contractual undiscounted payments:

At December 31, 2017	Less than three (3) months	Less than one (1) year	No stated maturity	Total
Financial liabilities:				
Other payables	651,686	-	-	651,686
Total liabilities	\$651,686	\$ -	\$ -	\$651,686

The Caribbean Court of Justice

Notes to the Financial Statements

For the year ended December 31, 2017
 (Expressed in Trinidad and Tobago Dollars)



12. Financial Risk Management (continued)

Liquidity risk (continued)

	Less than three (3) months	Less than one (1) year	No stated maturity	Total
At December 31, 2016				
Financial liabilities:				
Other payables	997,755	-	-	997,755
Total liabilities	\$997,755	\$ -	\$ -	\$997,755

13. Subsequent Events

Management evaluated all events that occurred from January 1, 2018 through April 27, 2018, the date the financial statements were available to be issued. During the period, the Court did not have any subsequent events requiring recognition or disclosure in the financial statements.



The Caribbean Court of Justice

Supplementary Financial Information
(Expressed in United States Dollars)

For the year ended December 31, 2017



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Independent Auditors' Report on the Supplementary Financial Information

To the Court President
The Caribbean Court of Justice

We have audited the financial statements of the Caribbean Court of Justice for the year ended December 31, 2017, and have issued our report thereon dated April 27, 2018.

We conducted our audit in accordance with International Standards on Auditing. 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 in United States Dollars 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.

April 27, 2018

*Port of Spain,
Trinidad, West Indies*

The Caribbean Court of Justice

Statement of Financial Position

As at December 31, 2017

(Expressed in United States Dollars)



	2017	2016
Assets		
Non-current assets		
Property, plant and equipment	434,336	396,227
Retirement benefit due from Trust Fund	12,994,000	9,757,000
Total non-current assets	13,428,336	10,153,227
Current assets		
Cash and cash equivalents	717,905	706,192
Other receivables	177,460	241,800
Due from related parties	170,393	271,145
Total current assets	1,065,758	1,219,137
Total assets	US\$14,494,094	US\$11,372,364
Accumulated Fund and Liabilities		
Accumulated fund	1,402,682	1,466,013
Non-current liability		
Retirement benefit liability	12,994,000	9,757,000
Current liabilities		
Other payables	97,412	149,351
Total current liabilities	97,412	149,351
Total accumulated fund and liabilities	US\$14,494,094	US\$11,372,364

Translation rate used - US\$1.00: TT\$6.69 (2016: US\$1.00: TT\$6.68)

The Caribbean Court of Justice

Statement of Comprehensive Income

For the year ended December 31, 2017

(Expressed in United States Dollars)



	2017	2016
Funding from the Trust Fund	7,501,910	6,755,921
Other income	43,123	40,906
	7,545,033	6,796,827
Administrative expenses	(6,904,305)	(6,088,408)
Surplus for the year	640,728	708,419
Other comprehensive loss		
Re-measurement of defined benefit pension plans	(702,000)	(434,431)
Total comprehensive (deficit)/surplus for the year	US\$(61,272)	US\$273,988

Translation rate used - US\$1.00: TT\$6.69 (2016: US\$1.00: TT\$6.58)

The Caribbean Court of Justice

Statement of Changes in Accumulated Fund

For the year ended December 31, 2017

(Expressed in United States Dollars)



	<u>Accumulated Fund</u>
Year Ended December 31, 2017	
Balance at January 1, 2017	1,466,013
Foreign exchange loss on opening balance	(2,059)
Total comprehensive deficit for the year	(61,272)
Balance at December 31, 2017	US\$1,402,682
Year Ended December 31, 2016	
Balance at January 1, 2016	1,248,475
Foreign exchange loss on opening balance	(56,450)
Total comprehensive surplus for the year	273,988
Balance at December 31, 2016	US\$1,466,013

Translation rate used - US\$1.00: TT\$6.69 (2016: US\$1.00: TT\$6.68)

Notes



Notes





The Caribbean Court of Justice
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