



GOVERNMENT OF THE CAYMAN ISLANDS

OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2012

Financial Statements for the year ended 30 June 2012

CONTENTS

	Page
Statement of Responsibility for Financial Statements	2
Auditor General's Report	3-4
Statement of Financial Position	5
Statement of Financial Performance	6
Statement of Changes in Net Worth	7
Statement of Cash Flows	8
Notes to the Financial Statements	9-24



OFFICE OF
THE DIRECTOR OF
PUBLIC PROSECUTIONS
CAYMAN ISLANDS

Second Floor – Bermuda House
36C Dr Roy's Drive
George Town

P.O. Box 2328
Grand Cayman KY1-1106
Cayman Islands

Phone: (345) 949-7712 | Fax: (345) 949-7183

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with the provisions of the *Public Management and Finance Law (2012 Revision)*.

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the *Public Management and Finance Law (2012 Revision)*.

As Chief Officer I am responsible for establishing; and have established and maintain a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by law, and properly record the financial transactions of the Office of the Director of Public Prosecutions.

As Chief Officer and Chief Financial Officer we are responsible for the preparation of the Office of the Director of Public Prosecutions financial statements, representation and judgments made in these statements.

The financial statements fairly present the Financial Position, Financial Performance and Cash Flows for the financial year ended 30 June 2012.

To the best of our knowledge we represent that these financial statements:

- (a) Completely and reliably reflect the financial transactions of Office of the Director of Public Prosecutions for the year ended 30 June 2012;
- (b) fairly reflect the financial position as at 30 June 2012 and performance for the year ended 30 June 2012; and
- (c) comply with International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board under the responsibility of the International Federation of Accountants.

The Office of the Auditor General conducts an independent audit and expresses an opinion on the accompanying financial statements. The Office of the Auditor General has been provided access to all the information necessary to conduct an audit in accordance with International Standards of Auditing.


Cheryl Richards
Chief Officer

Date – 30 January 2013


Kim France
Chief Financial Officer

Date – 30 January 2013

AUDITOR GENERAL'S REPORT

To the Director of Public Prosecution and the Members of the Legislative Assembly of the Cayman Islands

I have audited the accompanying financial statements of the Office of the Director of Public Prosecutions, which comprise the statement of financial position as at 30 June 2012, and the statement of financial performance, statement of changes in net worth and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes as set out on pages 5 to 24 in accordance with the provisions of Section 60(1)(a) of the *Public Management and Finance Law (2012 Revision)*.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 upon the auditor's judgment, 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.

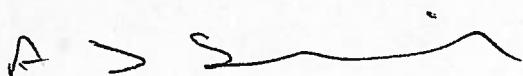
I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Office of the Director of Public Prosecutions as of 30 June 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Other Matter

The Office of the Director of Public Prosecutions was authorized under section 12 of the *Public Management and Finance Law* to incur expenses which were included in a Supplementary Appropriation Bill. As at the date of this report being issued the Supplementary Appropriation Bill has not been passed into Law by the Legislative Assembly.



Alastair Swarbrick, MA (Hons), CPFA
Auditor General

Cayman Islands
30 January 2013

OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012
(Expressed in Cayman Islands Dollars)

	Note	Current Year Actual CIS000	Final Budget CIS000	Original Budget CIS000	Variance (Final vs. Actual) CIS000
Current Assets					
Cash and cash equivalents	2, 14	701	245	245	(456)
Trade receivables	3, 14	162	245	245	83
Other receivables	3, 14	59	-	-	(59)
Prepayments		-	30	30	30
Total Current Assets		922	520	520	(402)
Non-Current Assets					
Property, plant and equipment	4, 14	107	100	-	(7)
Total Non-Current Assets		107	-	-	(77)
Total Assets		1,029	620	520	(409)
Current Liabilities					
Other payables and accruals	5, 14	661	90	90	(571)
Employee entitlements	7	83	100	100	17
Surplus payable	6, 14	73	-	-	(73)
Total Current Liabilities		817	190	190	(627)
Total Liabilities		817	190	190	(627)
Net Assets		212	430	330	218
Net Worth					
Contributed capital		212	430	330	218
Accumulated surpluses	6	-	-	-	-
Total Net Worth		212	430	330	218

The accounting policies and notes on pages 9-24 form part of these financial statements.

**OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2012
(Expressed in Cayman Islands Dollars)**

	Note	Current Year Actual CIS000	Final Budget CIS000	Original Budget CIS000	Variance (Final vs. Actual) CIS000
Revenue					
Sale of outputs to Cabinet	9, 18	2,647	2,647	2,570	-
Sale of outputs to other	9, 14	60	-	-	(60)
Total Revenue		2,707	2,647	2,570	(60)
Expenses					
Personnel costs	10, 14	1,700	1,848	1,820	148
Supplies and consumables	11, 14	687	559	510	(128)
Depreciation	4, 14	13	40	40	27
Litigation costs	14	225	200	200	(25)
Gain/(losses) on foreign exchange transactions		9	-	-	(9)
Total Expenses		2,634	2,647	2,570	13
Surplus for the period		73	-	-	(73)

The accounting policies and notes on pages 9-24 form part of these financial statements.

**OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS
STATEMENT OF CHANGES IN NET WORTH
FOR THE YEAR ENDED 30 JUNE 2012
(Expressed in Cayman Islands Dollars)**

	Contributed Capital CIS000	Accumulated Surplus CIS000	Total Net worth CIS000	Final Budget CIS000	Original Budget CIS000	Variance (Final vs. Actual) CIS000
Balance at 1 July 2011	-	-	-	-	-	-
Equity Investment from Cabinet	430	-	430	430	330	-
Transfer of net liabilities from Portfolio of Legal Affairs	(218)	-	(218)	-	-	218
Surplus for the period 2011/12	-	73	73	-	-	(73)
Surplus repayment for the period 2011/12	-	(73)	(73)	-	-	73
Balance at 30 June 2012	212	-	212	430	330	218

The accounting policies and notes on pages 9-24 form part of these financial statements.

**OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012
(Expressed in Cayman Islands Dollars)**

	Current Year Actual	Final Budget	Original Budget	Variance (Final vs. Actual)
Note	CIS000	CIS000	CIS000	CIS000
CASH FLOWS FROM OPERATING ACTIVITIES				
<i>Receipts</i>				
Sale of outputs to Cabinet	2,485	2,294	2,294	(191)
Sale of goods and services - third party	1	-	-	(1)
<i>Payments</i>				
Personnel costs	(1,694)	(1,720)	(1,720)	(26)
Supplies and consumables	(404)	(619)	(619)	(215)
Net cash flows from operating activities	12 <u>388</u>	<u>(45)</u>	<u>(45)</u>	<u>(433)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(117)	(140)	(40)	23
Net cash flows from investing activities	<u>(117)</u>	<u>(140)</u>	<u>(40)</u>	<u>23</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Equity investment	430	430	330	-
Net cash flows from financing activities	<u>430</u>	<u>430</u>	<u>330</u>	<u>-</u>
Net increase in cash and cash equivalents				
Cash and cash equivalents at beginning of period	-	-	-	-
Cash and cash equivalents at end of period	<u>701</u>	<u>245</u>	<u>245</u>	<u>(456)</u>
<i>Supplemental disclosure for cash flow information:</i>				
Property, plant and equipment transferred from Portfolio of Legal Affairs	2	-	-	(2)
Liabilities transferred from Portfolio of Legal Affairs	<u>220</u>	<u>-</u>	<u>-</u>	<u>(220)</u>

The accounting policies and notes on pages 9-24 form part of these financial statements.

**OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Description and principal activities

The Office of the Director of Public Prosecutions ("DPP") is a Government owned entity as defined by section 2 of the *Public Management and Finance Law (2010 Revision)* and it is domiciled in the Cayman Islands.

The Cayman Islands Constitution Order 2009 (s.57) for the first time created the independent office of the Director of Public Prosecutions. The primary function under this office is to institute and undertake criminal proceedings in the Cayman Islands courts, a function that was previously ascribed to the Attorney General.

The appointment of the Director of Public Prosecution occurred on May 1, 2011. This appointment formally brought into force the constitutional role of the Director of Public Prosecution. As a result, the Office of the Director of Public Prosecution is in its own right a civil service entity recognized under both the *Public Management and Finance Law (2011 Revision)* and the *Public Service Management Law (2011 Revision)*.

The principal office of the DPP is located on the third floor, BERMUDA House, Dr. Roys Drive, George Town, Grand Cayman. As of 30 June 2012 the DPP had 19 employees.

Note 1: Significant Accounting Policies

These financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board using the accrual basis of accounting. Where additional guidance is required, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board are used.

There are no known accounting standards that have been adopted by the IPSAS Board for use in future years that will have a significant impact on these financial statements other than enhanced disclosures.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of Preparation

These financial statements have been prepared on a going concern basis and the accounting policies set out below have been applied consistently to all periods presented. The financial statements are presented in Cayman Islands dollars and the measurement base applied to these financial statements is the historical cost basis.

**OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Note 1: Significant Accounting Policies (continued)

(a) Basis of Preparation (continued)

Changes in Accounting Policies

When presentation or classification of items in the financial statements is amended or accounting policies are changed, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

The presentation of the prior year financial statements has been changed to include a comparison of actual amounts with amounts in the original and final budget as required by IPSAS 24 including explanations of material difference between original budget and actual amounts.

The details and presentation of the Statement of Changes in Net Worth has been changed to show greater detail and to reflect changes in accounting policies and corrections of errors and omissions.

(b) Reporting Period

The reporting period is the year ended 30 June 2012.

(c) Budget Amounts

The 2011/12 original budget amounts were prepared using the accrual basis of accounting and the accounting policies have been consistently applied with the actual financial statement presentation. The 2011/12 original budget was presented in the 2011/2012 Annual Budget Statement of the Government of the Cayman Islands and approved by the Legislative Assembly on the 28 June 2011

(d) Judgments and Estimates

The preparation of financial statements is in conformity with International Public Sector Accounting Standards that requires judgments, estimates, and assumptions affecting the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the reporting period that is affected by those revisions. As at 30 June 2012, no reliable fair value estimate of contributed goods and services provided to the DPP by Government entities could be made and therefore no estimated amounts are recorded in these financial statements.

**OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Note 1: Significant Accounting Policies (continued)

(e) Revenue

Revenue is recognized in the accounting period in which it is earned. Revenue received but not yet earned at the end of the reporting period is recognized as a liability (unearned revenue).

The DPP derives its revenue through the provision of services to Cabinet, to other agencies in government and to third parties. Revenue is recognized at fair value of services provided.

(f) Expenses

Expenses are recognized when incurred on the accrual basis of accounting. In addition, an expense is recognized for the consumption of the estimated fair value of contributed goods and services received, when an estimate can realistically be made.

(g) Operating Leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under the operating leases are recognised as expenses on a straight-line basis over the lease term.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash in-transit and bank accounts with a maturity of no more than three months at the date of acquisition.

When there is objective evidence that a financial asset or group of financial assets is impaired the losses are recognized as a loss in the Statement of Financial Performance.

(i) Prepayments

The portion of recognized expenditure paid in advance of receiving services has been recognized as a prepayment.

(j) Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation. Items of property, plant and equipment are initially recorded at cost. Where an asset is acquired for nil or nominal consideration, the asset is recognized initially at fair value, where fair value can be reliably determined, and as revenue in the Statement of Financial Performance in the year in which the asset is acquired.

Depreciation is expensed on a straight-line basis at rates stipulated below to allocate the cost or valuation of an item of property, plant and equipment (other than land); less any estimated residual value, over its estimated useful life. Leasehold improvements are depreciated either over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is shorter.

**OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Note 1: Significant Accounting Policies (continued)

(j) Property, Plant and Equipment (continued)

<u>Asset Type</u>	<u>Estimated Useful life</u>
• Leasehold Improvements	5 years
• Office equipment and furniture	10 years
• Library books	10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at year end. Assets that are subject to amortization are reviewed for impairment whenever events of changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amounts. The recoverable amount is the higher of the asset's fair value less costs to sell and its value for use in service.

Disposals

Gains and losses on disposals of property, plant and equipment are determined by comparing the sale proceeds with the carrying amount of the asset. Gains and losses on disposals during the year are included in the Statement of Financial Performance.

(k) Employee Benefits

Employee entitlements to salaries and wages, annual leave, long service leave, retiring leave and other similar benefits are recognised in the Statement of Financial Performance when they are earned by employees. Employee entitlements to be settled within one year following the year-end are reported as current liabilities at the amount expected to be paid.

Pension contributions for employees of the DPP are paid to the Public Service Pension Fund and administered by the Public Service Pension Board (the "Board"). Contributions of 12% - employer 6% and employee 6% are made to the fund by the DPP.

Prior to 1 January 2000, the Board operated a defined benefit scheme. With effect from 1 January 2000, the Board continued to operate a defined benefit scheme for existing employees and a defined contribution scheme for all new employees. Obligations for contribution to defined contribution retirement plans are recognised in the Statement of Financial Performance as they are earned by employees. Obligations for defined benefit retirement plans are centralized in the Government and therefore, reported in the Consolidated Financial Statements for the Entire Public Sector of the Cayman Islands Government.

**OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Note 1: Significant Accounting Policies (continued)

(l) Financial Instruments

The DPP is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short term deposits, trade and accounts receivables and trade and accounts payable, all of which are recognized in the Statement of Financial Position.

Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable. Financial assets comprise of cash and cash equivalents and receivables.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial instruments comprise of accounts payable and accrued expenses.

Recognition

The DPP recognizes financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in fair value of the assets and liabilities are recognized in the Statements of Financial Performance.

Measurement

Financial instruments are measured initially at cost which is the fair value of the consideration given or received. Subsequent to initial recognition all financial assets are recorded at historical cost, which is considered to approximate fair value due to the short-term or immediate nature of these instruments.

Financial liabilities are subsequently measured at amortised cost, being the amount at which the liability was initially recognized less any payment plus any accrued interest of the difference between that initial amount and the maturity amount.

De-recognition

A financial asset is derecognised when the DPP realizes the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or expired.

(m) Provisions and Contingencies

Provisions are recognised when an obligation (legal or constructive) is incurred as a result of a past event and where it is probable that an outflow of assets embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Note 1: Significant Accounting Policies (continued)

(m) Provisions and Contingencies (continued)

Contingent liabilities are not recognised but are disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised but are disclosed in the financial statements when an inflow of economic benefits is virtually certain that the benefits will be realised.

n) Foreign Currency

Foreign currency transactions are recorded in Cayman Islands dollars using the exchange rate in effect at the date of the transaction. Foreign currency gains or losses resulting from settlement of such transactions are recognized in the Statement of Financial Performance.

At the end of the reporting period the following exchange rates are to be used to translate foreign currency balances:-

- Foreign currency monetary items are to be reported in Cayman Islands dollars using the closing rate at year-end date;
- Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported in Cayman Islands dollars using the exchange rate at the date of the transaction; and
- Non-monetary items that are carried at fair value denominated in a foreign currency are reported using the exchange rates that existed when the fair values were determined.

(o) Comparative Figures

The presentation of the prior year financial statements has been changed to include a comparison of actual amounts with amounts in the original and final budget. Comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

(p) Revenue from Non-Exchange Transactions

The DPP receives various services from other government entities for which payment is made by the Cayman Islands Government. These services include but are not limited to computer repairs and software maintenance by the computer services department and human resources management by the Portfolio of the Civil Service. The DPP has designated these non-exchange transactions as Services in-Kind as defined under IPSAS 23 - Revenue from Non-Exchange Transactions. When fair values of such services can be reliably estimated then the non-exchange transaction is recorded as an expense and an equal amount is recorded in other income as a service in-kind. Where services in-kind offered are directly related to construction or acquisition of a fixed asset, such service in-kind is recognized in the cost of the fixed asset.

**OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Note 2: Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank accounts in the name of DPP maintained at Royal Bank of Canada. As at 30 June 2012 the DPP held no restricted cash balances. No interest was earned during the year on the amounts held in these bank accounts.

Description	Foreign Currency	Exchange Rate	Actual Current Year
	\$000		CI\$000
CI\$ Operational Current Account	544	1.000	558
Payroll Current Account	143	1.000	143
TOTAL			701

Note 3: Trade receivables and other receivables

At year end all overdue receivables have been assessed and appropriate provisions made. The provision for doubtful debts has been calculated based on expected losses for the DPP and review of specific debtors.

Trade Receivables	Actual Current Year	Final/Original Budget	Variance (Final vs. Actual)
	CI\$000	CI\$000	CI\$000
Outputs to Cabinet	162	245	83
Outputs to other government agencies	-	-	-
Less: provision for doubtful debts	-	-	-
Total trade receivables	162	245	83

As of 30 June 2012, other receivables composed of:

Other Receivables	Actual Current Year	Final/Original Budget	Variance (Final vs. Actual)
	CI\$000	CI\$000	CI\$000
Advances (Salary, Official Travel, etc)	-	-	-
Interest receivable	-	-	-
Other	59	-	(59)
Total other receivables	59	-	(59)

**OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Note 3: Trade receivables and other receivables (continued)

As at 30 June 2012, the ageing analysis of trade receivables and other receivables are as follows:

	Trade Receivables CIS\$000	Other Receivables CIS\$000	Impairment CIS\$000	Net Receivables CIS\$000
Current	162	59	-	221
Past due 1-30 days	-	-	-	-
Past due 31-60 days	-	-	-	-
Past due 61 and above	-	-	-	-
Total	162	59	-	221

As of June 30, 2012, accounts receivable and other receivable are all due within one year from financial position date.

Note 4: Property, plant and equipment

	As at 30 June 2012			
	Furniture and fittings \$000	Office equipment \$000	Other Assets \$000	Total \$000
<u>Cost</u>				
At 1 July 2011	-	-	-	-
Additions	17	3	100	120
Disposals/transfers	-	-	-	-
At 30 June 2012	17	3	100	120
<u>Accumulated depreciation</u>				
At 1 July 2011	-	-	-	-
Depreciation charge for the year	1	2	10	13
Disposals/transfers	-	-	-	-
At 30 June 2012	1	2	10	13
Net book value at 30 June 2012	16	1	90	107

**OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS-
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Note 4: Property, plant and equipment (continued)

As of 30 June 2012 and other assets composed of:

	2011-12 Cost	2011-12 Accumulated Depreciation	2011-12 Net book Value
	CIS000	CIS000	CIS000
Library books	1	-	1
Leasehold improvements	99	10	89
Total other assets	100	10	90

Note 5: Trade payables, other payables and accruals

	Actual Current Year	Final/Original Budget	Variance (Final vs. Actual)
	CIS000	CIS000	CIS000
Creditors	-	-	-
Creditors other government agencies	355	20	(335)
Accrued Expenses	306	70	(236)
Total trade payables, other payables and accruals	661	90	(571)

Trade and other payables are non-interest bearing and are normally settled on 30-day terms.

Note 6: Surplus payable

Surplus payable represents surplus of \$73K as at June 30, 2012. Under the *Public Management & Finance Law (2012 Revision)* section 39 (3)(f), DPP may "retain such part of its net operating surplus as is determined by the Financial Secretary". The Financial Secretary has not confirmed whether DPP can retain the surplus achieved during the year.

**OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Note 7: Employee entitlements

	Actual Current Year CI\$000	Final/Original Budget CI\$000	Variance (Final vs. Actual CI\$000)
<i>Current employee entitlements are represented by:</i>			
Annual Leave	83	100	17
Total current portion	83	100	17
<i>Non-current employee entitlements are represented by:</i>			
Retirement and long service leave	-	-	-
Total employee entitlements	83	100	17

The retirement and long-service leave entitlements are calculated based on current salary paid to those employees who are eligible for this benefit.

Note 8: Revenue from Non-Exchange Transactions

During the year ended 30 June 2012, the DPP received services in-kind in the form of computer repairs and software maintenance by the computer services department and human resources management by the Portfolio of the Civil Service. The fair value of these services cannot be determined and therefore no expense has been recognized in these financial statements.

Note 9: Revenue

Revenue type	Actual Current Year CI\$000	Final Budget CI\$000	Original Budget CI\$000	Variance (Final vs. Actual) CI\$000
Sale of outputs to Cabinet	2,647	2,647	2,570	-
Sale of outputs to other government agencies	-	-	-	-
Other	60	-	-	(60)
Total sales of goods and services	2,707	2,647	2,570	(60)

Other revenue includes amounts due from the Foreign Commonwealth Office and the Commonwealth Secretariat for a training workshop held during the year. The amount is to be off-set against training cost included in Supplies and consumables of \$147K.

**OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Note 10: Personnel costs

Description	Actual Current Year C1\$000	Final Budget C1\$000	Original Budget C1\$000	Variance (Final vs Actual) C1\$000
Salaries, wages and allowances	1,459	1,600	1,572	141
Health care	145	156	156	11
Pension	80	88	88	8
Other personnel related costs	16	4	4	(12)
Total personnel costs	1,700	1,848	1,820	(148)

Note 11: Supplies and consumables

Description	Actual Current Year C1\$000	Final Budget C1\$000	Original Budget C1\$000	Variance (Final vs Actual) C1\$000
Witness expense	175	158	108	(17)
Lease of property and equipment	148	160	160	12
Recruitment and training	148	14	14	(134)
Utilities	75	74	74	(1)
Purchase of services	64	55	55	(9)
Travel and subsistence	33	32	32	(1)
Supplies and materials	24	38	38	14
Interdepartmental expenses	20	20	20	-
General insurance	-	8	8	8
Total personnel costs	687	559	509	(128)

**OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Note 12: Reconciliation of net cash flows from operating activities to surplus

Description	Actual Current year	Final/Original Budget	Variance (Final vs. Actual)
	CI\$000	CI\$000	CI\$000
Surplus from ordinary activities	73	-	(73)
Non-cash movements			
Depreciation expense	13	40	27
Changes in current assets and liabilities:			
Increase in receivables	(162)	(275)	(113)
Increase in other receivables	(59)	-	59
Increase in other payables and accruals	523	190	(333)
Net cash flows from operating activities	388	(45)	(433)

Note 13: Commitments

Type	One year or less	One to five Years	Over five Years	Total
	CI\$000	CI\$000	CI\$000	CI\$000
Operating Commitments				
Non-cancellable accommodation leases	153	613	-	766
Other non-cancellable leases	-	-	-	-
Non-cancellable contracts for the supply of goods and services	-	-	-	-
Other operating commitments	-	-	-	-
Total Operating Commitments	153	613	-	766

The DPP has medium to long term accommodation leases for the premises it occupies in George Town. The annual lease is for 5 years and expires the 30 June, 2017. The amounts disclosed above as future commitments are based on the current rental rates.

NOTE 14: Explanation of major variances against budget

Explanations for major variances for the DPP performance against the final budget are as follows:

Statement of financial position

Cash and cash equivalents

The actual year-end cash was higher than budget primarily because of the amount of \$335k due to the Portfolio of Legal Services for shared services.

**OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

NOTE 14: Explanation of major variances against budget (continued)

Statement of financial position (continued)

Trade receivables

The actual year-end trade receivables balance was lower than budget due to an overestimation in the budget.

Other receivables

The actual year-end other receivables represent amounts due from the Foreign Commonwealth Office and the Commonwealth Secretariat for a training workshop held during the year.

Property, plant and equipment

The increase in net property, plant and equipment over budget is primarily due to overestimation of depreciation.

Other payables and accruals

The increase in year-end other payables and accruals over budget is primarily due to the \$335 due to Portfolio of Legal Affairs for shared services during the year. In addition there was an increase of \$236 in accrual over budget as a result of timing of payments.

Surplus payable

This was not included in budget but represents excess of outputs over expenses for the year.

Statement of financial performance

Sale of outputs to other

This revenue represents accrual for funding to offset the costs associated with the training workshop conducted during the year.

Personnel costs

The decrease in personnel costs to final budget is primarily due to the non-fulfillment of a budgeted position or payment by another Ministry. These reductions were however offset the 3.2% reinstatement of COLA from December 2011.

Supplies and consumables

The increase in actual to budget is primarily due to increases in recruitment and training of \$134k and witness expense of \$17k. These were however offset by reductions in supplies and materials of \$14k and lease of property of \$12k.

**OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

NOTE 14: Explanation of major variances against budget (continued)

Statement of Financial Performance (continued)

Supplies and consumables (continued)

The Office of the Director of Public Prosecution conducted a training workshop during the year for which they received funding of \$60k to offset the associated costs. This training workshop was not budgeted for.

Witness expense represent costs associated with expert advice and court appearances which would vary depending on the type and number of cases.

Decrease in supplies and materials are primarily due to the decrease in purchase of expensed assets of \$15k versus a budget of \$20k.

Depreciation

The decrease in actual to budget is due to an overestimation in the budget.

Litigation costs

Professional fees are budgeted as contingencies for all criminal prosecutions and would vary depending on the type and number of cases.

NOTE 15: Related party and key management personnel disclosures

Related party disclosure

The DPP is a wholly owned entity of the Government from which it derives a major source of its revenue. The DPP and its key management personnel transact with other government entities on a regular basis. These transactions were provided free of cost during the financial year ended 30 June 2012 and were consistent with normal operating relationships between entities and were undertaken on terms and conditions that are normal for such transactions.

Key management personnel

Key management personnel, defined as Ministers of the Government, are also considered to be related parties.

There is one full-time equivalent personnel considered at the senior management level. The total remuneration includes: regular salary, allowances, pension contributions and health insurance contributions. Total remuneration for senior management in 2012 was \$149k. There were no loans made to key management personnel or their close family members in 2011-12.

**OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

NOTE 16: Financial instrument risks

The DPP is exposed to a variety of financial risks including credit risk and liquidity risk. The DPP's risk management policies are designed to identify and manage these risks, to set appropriate risk limits and controls, and to monitor the risks and adhere to limits by means of up to date and reliable information systems. These risks are managed within the parameters established by the Financial Regulations (2010 Revision).

Credit risks

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the DPP. Financial assets which potentially expose the DPP to credit risk comprise cash and cash equivalents and accounts receivable.

The DPP is exposed to potential loss that would be incurred if the counterparty to the bank balances fails to discharge its obligation to repay. All bank balances are with one financial institution located in the Cayman Islands which management considers to be financially secure and well managed.

The DPP is also exposed to a significant concentration of credit risk in relation to accounts receivable, significant of which are due from other Government entities. No credit limits have been established. As at 30 June 2012, no provision for doubtful debts has been made on these receivable as none of these accounts are impaired and management considers these debts to be recoverable in full.

The carrying amount of financial assets recorded in the financial statements represents the DPP's maximum exposure to credit risk. No collateral is required from debtors.

Liquidity risk

Liquidity risk is the risk that the DPP is unable to meet its payment obligations associated with its financial liabilities when they are due.

The ability of the DPP to meet its debts and obligation is dependent upon its ability to collect the debts outstanding to the DPP in a timely basis. In the event of being unable to collect its outstanding debts, it is expected that the Government would temporarily fund any shortfalls the DPP would have with its own cash flows. As at 30 June 2012, all of the financial liabilities were due within three months of the year end dates.

**OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2012**

NOTE 17: Financial instruments – fair values

As at 30 June 2012, the carrying values of cash and cash equivalents, accounts receivable, accounts payable and employee entitlements approximate their fair values due to their relative short-term maturities.

Fair values are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions, economic conditions and other factors could cause significant changes in fair value estimates.

NOTE: 18 Appropriations used

Appropriation Description (including Output number and name)	Final Budget Amount Appropriated CI\$000	Original Budget Amount Appropriated CI\$000	Appropriation used CI\$000	Variance CI\$000
DPA 1 Prosecution and International Co-operation.	2,647	2,570	2,647	-
Total	2,647	2,570	2,647	-