



COURTS SERVICE
An tSeirbhís Chúirteanna

REPORT AND FINANCIAL STATEMENTS OF THE OFFICE OF THE
ACCOUNTANT OF THE COURTS OF JUSTICE

FOR YEAR ENDED 30 SEPTEMBER 2009





CONTENTS

	PAGE
INVESTMENT COMMITTEE AND OTHER INFORMATION	2-3
BACKGROUND INFORMATION	4-5
FOREWORD BY THE CHAIRMAN OF THE INVESTMENT COMMITTEE	6
INVESTMENT COMMITTEE	7
REPORT OF THE ACCOUNTANT OF THE COURTS OF JUSTICE	8-15
THE ROLE OF THE OFFICE OF THE WARDS OF COURTS SERVICE	16
INVESTMENT MANAGER'S REPORT	17-19
STATEMENT OF ACCOUNTANT'S RESPONSIBILITIES	20
INDEPENDENT AUDITORS' REPORT OF THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE	21-22
STATEMENT OF ASSETS AND LIABILITIES	23
STATEMENT OF OPERATIONS	24
STATEMENT OF CHANGES IN NET ASSETS	25
NOTES TO THE FINANCIAL STATEMENTS	26-44
HIGH COURT FUNDS	45-47
CIRCUIT COURT FUNDS	48-50
DISTRICT COURT FUNDS	51-53



INVESTMENT COMMITTEE AND OTHER INFORMATION

INVESTMENT COMMITTEE

Judge Richard Johnson,
President of the High Court- Retired 27 October 2009

Judge Nicholas Kearns,
President of the High Court – Appointed 28 October 2009

Judge Katherine Delahunt
(Circuit Court Judge)

Judge Cormac Dunne
(District Court Judge)

Sean Quigley,
The Accountant of the Courts of Justice and Director of Finance

Noel D. Doherty,
The Registrar, Office of the Wards of Court

John Mahon,
Courts Service

Fintan Murphy,
County Registrar, Mayo

Denise Mullins,
Head of Court Funds, Accountant's Office – Appointed 20 October 2008

John Corrigan,
Independent Expert, National Treasury Management Agency –
Appointed 20 October 2008

Paul Farrell,
Independent Expert – Appointed 20 October 2008

John Molloy,
Chief Clerk, Dublin Metropolitan District Court - Retired 7 July 2009

REGISTERED OFFICE

Office of the Accountant of the Courts of Justice
Phoenix House
15 – 24 Phoenix Street North
Smithfield
Dublin 7.

INVESTMENT MANAGER

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State Street Global Advisors
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United Kingdom.



**CUSTODIAN AND
ADMINISTRATOR**

JP Morgan Admin Services (Ireland) Ltd
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INVESTMENT ADVISOR

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Dublin 2.

LEGAL ADVISORS

A & L Goodbody
IFSC
North Wall Quay
Dublin 1.

McCann Fitzgerald
Riverside One
Sir John Rogerson's Quay
Dublin 2.

AUDITORS

Deloitte & Touche
Chartered Accountants
Deloitte & Touche House
Earlsfort Terrace
Dublin 2.



BACKGROUND INFORMATION

THE COURTS AND COURT FUNDS:

The Courts have a custodial role in relation to funds that are lodged in court pursuant to Court Orders or in compliance with legislative requirements. The main primary and subordinate legislation governing the receipt, management and investment of court-controlled funds is as follows:

- Court Officers Act 1926
- The Trustee (Authorised Investments) Act 1958 and the Trustee (Authorised Investments) Orders made thereunder
- The Rules of the Superior Courts
- The Rules of the Circuit Court
- The Rules of the District Court

The categories of funds held by the Courts include, principally:

- (a) Wards of Court; the funds of persons taken into wardship are lodged in Court
- (b) Minors; financial awards made by the Courts to persons under 18 will have their award lodged in Court until they reach the age of majority. Where a long-term care regime is considered necessary, a minor may be made a Ward of Court
- (c) Lodgements by Parties to Court Proceedings; a party to civil court proceedings may lodge money in court with a view to satisfying the claim of another party to the proceedings.

Other funds held by the Court include:

- Funds lodged by Trade Unions, Insurance Companies and Auctioneers
- Trustee matters (proceeds of trusts directed by the Court to be lodged in court)
- Unclaimed dividend in Company liquidations
- Proceeds of compulsory land purchases where the beneficiary is unknown
- Lodgements under the Land Clauses Act 1845



THE ACCOUNTANT OF THE COURTS OF JUSTICE:

The Accountant's Office and the position of the Accountant of the Courts of Justice was established, shortly after the foundation of the State, under the Court Officers Act 1926. The Act stipulates that the Accountant shall perform such functions as shall be conferred on or assigned by statute or rule of court and in particular shall perform and fulfil in relation to the High Court, the Supreme Court and the Chief Justice all such duties and functions as were formerly performed and fulfilled by the Accountant General of the Supreme Court of Judicature in Ireland in relation to that Court and in relation to the Lord Chancellor for Ireland. Currently the Accountant has responsibility for the management and investment of funds amounting to €1.053 billion.

The funds managed by the Accountant are funds that are held under the control of the Courts and are managed in a fiduciary capacity on behalf of beneficiaries, who include various categories of litigant, persons who are Wards of Court and Minors who have been awarded damages by the Courts. Funds under the control of the Courts are required by law to be invested in accordance with the Trustee (Authorised Investments) Act 1958 and the orders made thereunder.



FOREWORD BY THE CHAIRMAN OF THE INVESTMENT COMMITTEE

I am pleased to present this Annual Report and Financial Statements of the Office of the Accountant of the Courts of Justice in respect of the year ended 30 September 2009.

The financial period under review commenced with very significant turbulence in the world financial markets continuing to impact on the investment performance of court funds. These unprecedented conditions continued for the first six months of the year. I am pleased to report that stability returned to financial markets in the second half of the year and this brought very welcome improvement in investment performance of court funds.

Investment performance during the year ended 30 September 2009 has been quite satisfactory, in the circumstances, with overall average annualised returns across all strategies of +3.4% (-4.23% last year). In the overall context of significant volatility in financial markets the performance of court funds in 2009 represents a very satisfactory outcome.

Overall very strong investment performance has been exhibited by court funds since the current investment strategies were established in December 2003. The very strong accumulated investment performance since the new investment funds were established has cushioned court funds from the worst impacts of the financial crisis.

The Investment Committee met 10 times during the period under review and in conjunction with our investment advisors, monitor investment performance and compliance with investment strategies. The Committee has been reviewing the investment strategies during the year to ensure that they continue to be appropriate in meeting the needs of beneficiaries.

I would like to acknowledge the contribution made by my predecessor the Hon Mr. Justice Richard Johnston who retired in October 2009. As the Chairman of the Investment Committee he has played a valuable role in overseeing the arrangements for the investment and management of court funds over the past three years.

I would like to acknowledge the excellent contribution of staff in the Accountants Office throughout the year.

Nicholas Kearns

*President of the High Court
Chairman of the Investment Committee*

26 November 2009



INVESTMENT COMMITTEE

The Investment Committee comprises members of the judiciary, court officers, the Director of Finance and independent experts. The Committee is chaired by the President of the High Court. Its role is advisory and its main function is to devise investment policy for Court Funds and to oversee the implementation of recommendations received from its' investment advisors, and to ensure compliance with best practice in the management of court funds.

The Committee meets on a regular basis and it conducted 10 meetings during the year to 30 September 2009. Its membership is as follows:

- Judge Richard Johnson, President of the High Court, Chairperson * Retired 27 October 2009
- Judge Katherine Delahunt, Circuit Court
- Judge Cormac Dunne, District Court
- Sean Quigley, Director of Finance/Accountant of the Courts of Justice
- Denise Mullins, Head of Court Funds, Accountant's Office
- Noel D. Doherty, Registrar, Office of Wards of Court
- John Mahon, Principal Officer, The Courts Service
- Fintan Murphy, County Registrar, Mayo
- John Molloy, Chief Clerk, Dublin Metropolitan District – Retired 7 July 2009
- John Corrigan, Independent Expert, National Treasury Management Agency
- Paul Farrell, Independent Expert.

Ms Deborah Reidy of Hewitt Associates, as Investment Advisor for the investment of Court Funds, is in attendance for all Investment Committee meetings.

On the 27 October 2009, The Hon. Mr. Justice Richard Johnson retired from his position as President of the High Court and therefore also retired as the Chairperson of the Investment Committee. On the 28 October 2009, The Hon. Mr. Justice Nicholas Kearns was appointed President of the High Court.



REPORT OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

Court funds are held in trust by the Courts. The Courts Service in accordance with the Courts Service Act 1998 is responsible for the management and administration of the Courts and provides support services for judges. It is in this capacity that the Courts Service has a role in the management and investment of court funds. These funds are invested in line with the provisions of the Trustee (Authorised Investments) Act, 1958 and subsequent orders.

The turbulence in the world financial markets, which had commenced in the previous financial year continued into the year under review. The year could best be described as a year of two halves, with very significant turbulence on financial markets having a negative impact on court funds in the first six months, however in the second half of the year court funds experienced significant positive performance as some stability and growth returned to financial markets.

Overall very strong investment performance has been exhibited by court funds since the current investment strategies were established in December 2003. The Courts Service operates a very conservative investment policy, with a significant element (77%) of funds held in cash based assets and bonds. There is only 23% exposure to equities. The very strong accumulated investment performance since the new unitised funds were established has cushioned court funds from the worst impacts of the financial crisis. As can be seen from Table 1, all courts funds are showing positive cumulative investment returns since inception.

Investment performance during the year ended 30 September 2009 has been quite satisfactory, in the circumstances, with overall average annualised returns across all strategies of +3.4% (-4.23% last year). The recovery in unit prices has continued after the year end. In the overall context of significant volatility in financial markets the performance of court funds in 2009 represents a very satisfactory outcome.

It is almost six years since court funds were first invested under the spectrum investment arrangements established in 2003. It is important to put the investment performance reflected in the current financial statements in context. Despite the impact on investment performance of extreme turbulence over the past 18 months, caused by the credit crisis, the cumulative investment performance for all court funds is positive. As can be seen from Table 1, cumulative investment performance since the new unitised funds were established in December 2003 (the Cash Fund was established in June 2006) ranged from 7.46% for the Cash Fund to 25.68% for the Growth Fund. The Courts Service is currently undertaking a comprehensive review of all aspects of the management and investment of court funds. This review, which is being undertaken in conjunction with our investment advisors, will be completed shortly.

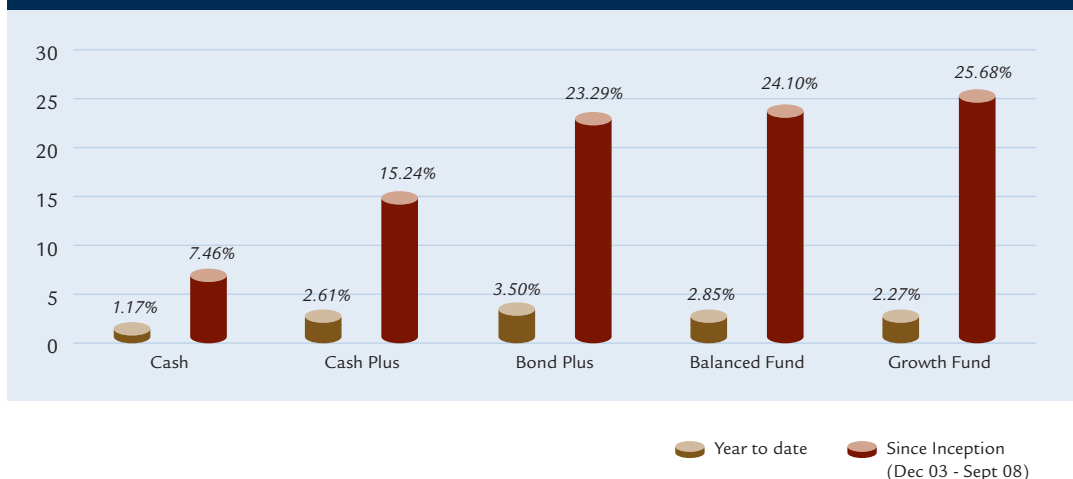
Total assets managed by the Accountant's Office increased to €1.053billion at the end of September 2009, up €20m on the previous year. The increase in the value of assets managed by the Accountants Office to €1.053billion at 30 September 2009 from €1.033billion at 30 September 2008 is attributable to an increase in capital transactions of €2m (i.e. excess receipts over disbursements) and a net increase, in court funds from investment activities of €18m. Of the total assets managed by the Office €820m were invested in Spectrum Funds. Also included in the total assets managed by the Office was €195 million placed on deposit with various financial institutions. The increase of funds on deposit is as a result of the Investment Committee decision taken in November 2008 to temporarily suspend investing in the Cash and Spectrum funds due to the volatility in world markets.



Investment income from deposit interest and dividends decreased during the year. This was mainly as a result of the reduction in deposit interest rates during the year and a substantial reduction in dividend income due to the extreme market conditions during 2009.

During the course of the year a programme was agreed with our fund managers to reduce volatility in the GRU Cash Fund. This has been completed.

Table 1 – Fund Performance (Net of Fees)
Spectrum Fund Investment



***Note: The Cash Fund only commenced in June 2006**

We continue to proactively manage the operations of the Accountants Office constantly seeking opportunities to improve customer service and performance. Good progress is continuing to be made in the use of electronic funds transfer (EFT) and it is intended to expand the use of electronic transfer of funds. At 30 September 2009, 44% of payments issued were by EFT.

During the year 53,000 financial transactions (61,000 y/e 30 September 2008), with a monetary value in excess of €1.005 billion (€929m y/e 30 September 2008), were processed by the Accountant's Office. The decrease in the number of transactions processed in 2009, was due to the completion of the take-on of the Circuit and District Court funds in 2008.

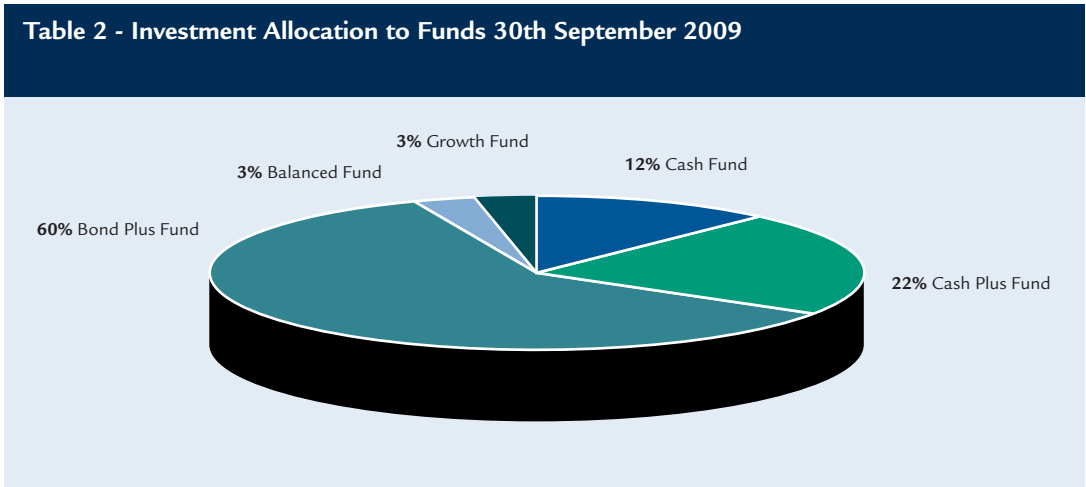


ASSET ALLOCATION:

The investment decision takes account of each beneficiaries particular circumstances, and are allocated to one of the investment strategies on the basis of a number of criteria, including;

- the age of the beneficiary
- life expectancy
- the sum to be invested
- inflation, and
- the level of anticipated annual expenditure, where appropriate

The allocation decision making process is supported by an investment modelling tool. All cases are reviewed periodically, and if the beneficiary’s circumstances change, the strategy may be varied accordingly. Based on the application of these criteria the following chart, Table 2, represents the allocation of funds to each strategy at the end of September 2009.



In relation to the BIAM Funds, the underlying asset classes in which the funds are invested are represented in Table 3.



Table 3 - Asset Class Allocation for BIAM Funds

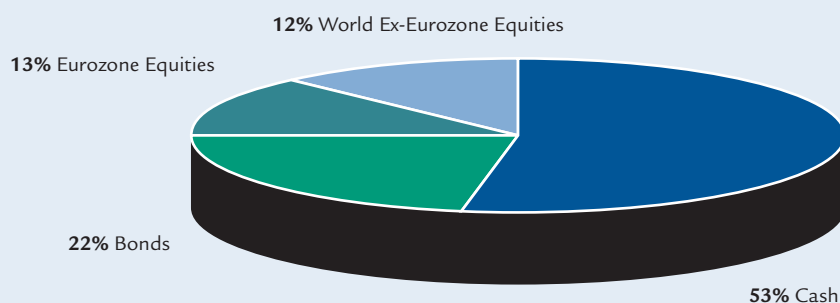


Table 4 below outlines the asset mix of the five strategies as at 30 September 2009 as a result of the Investment Committee decision to cease re-balancing the funds to their initial weightings. At the Investment Committee meeting on the 19 October 2009, the committee approved the re-balancing of the assets to their initial weightings, depicted in Table 5. As indicated in the tables below as at the 30 September 2009 Court Funds were slightly over weight on equities and underweight on Cash and Bonds in accordance to the initial proposed weightings.

Table 4 – Asset Mix of Spectrum Funds as at the 30 September 2009

Spectrum Fund Asset Class	Cash Strategy 0	Cash Plus Fund Strategy 1	Bond Plus Fund Strategy 2	Balanced Fund Strategy 3	Growth Fund Strategy 4
Cash	100%	78.74%	37.24%	17.93%	0%
Bonds		15.27%	28.89%	29.77%	31.51%
Euro Equities		3.08%	17.40%	25.43%	35.21%
World ex Euro Equities		2.91%	16.47%	26.87%	33.28%
Total	100%	100%	100%	100%	100%



Table 5 – Initial weightings of the Asset Mix of Spectrum Funds

Spectrum Fund Asset Class	Cash Strategy 0	Cash Plus Fund Strategy 1	Bond Plus Fund Strategy 2	Balanced Fund Strategy 3	Growth Fund Strategy 4
Cash	100%	80%	40%	20%	0%
Bonds		15%	30%	32%	35%
Euro Equities		2.5%	15%	24%	32.5%
World ex Euro Equities		2.5%	15%	24%	32.5%
Total	100%	100%	100%	100%	100%

INVESTMENT FUNDS

The risk profile of each Spectrum Fund is outlined below:

STRATEGY 0 – SPECTRUM CASH FUND:

This is the lowest risk strategy available in the Courts Service and is aimed at maintaining the value of the invested capital. The Cash Fund is primarily used where funds are expected to be invested for a short period of time.

STRATEGY 1 – SPECTRUM CASH PLUS FUND:

This is a low risk strategy aimed primarily at maintaining the value of the invested capital but offering the potential for returns in excess of cash assets.

STRATEGY 2 – SPECTRUM BOND PLUS FUND:

The objective of this strategy is to maintain the stability of the capital sum while also providing a moderate level of income growth.



STRATEGY 3 – SPECTRUM BALANCED FUND:

The Balanced Fund is designed to achieve a combination of reasonable income and sound capital growth over the medium to long term. This fund had a 52.3% equity content at the year end. The returns may be subject to market variations and there is a risk that the value may fall, particularly over short-term periods.

STRATEGY 4 – SPECTRUM GROWTH FUND:

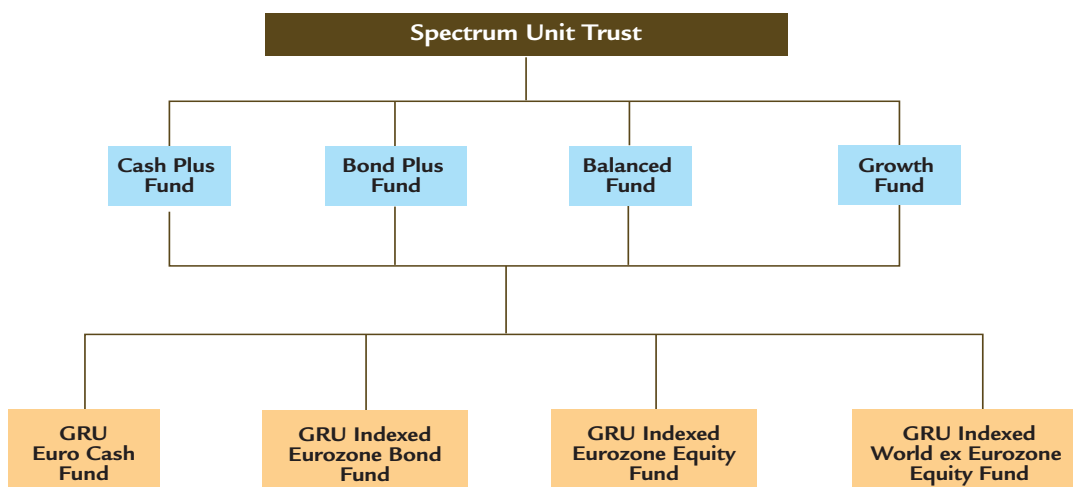
The Growth Fund is primarily designed to generate capital appreciation while maintaining a high level of risk control. This fund had a 68.49% equity content and 31.51% bonds at the year end. Returns may be subject to market variations, particularly over short-term periods. Accordingly funds would only be invested in this fund where there is a reasonably long term investment time horizon.

Investment Approach

The investment strategy adopted by the Courts Service involves the management of bonds and equities on a passive basis, with cash being managed on an active basis. Bank of Ireland Asset Management (BIAM) and State Street Global Advisors (SSgA) are joint fund managers.

BIAM in response to the investment requirements for court funds and with the approval of the Irish Financial Services Regulatory Authority established the following investment structure (Table 6):

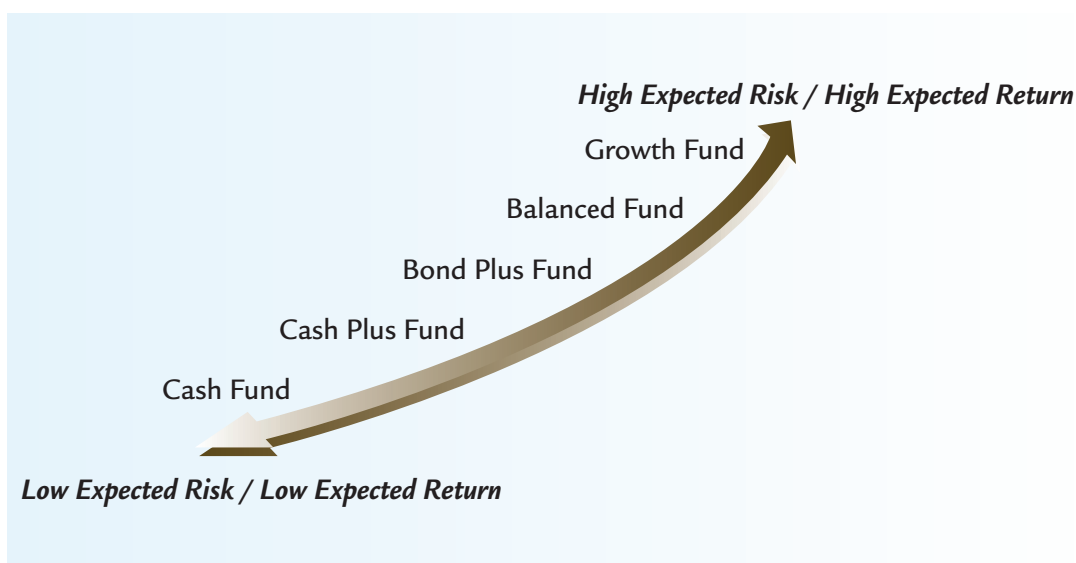
Table 6 – Investment Structure





In the BIAM Spectrum Unit Trust depicted in Table 6, the beneficiaries invest in the spectrum funds (highlighted in blue). These funds subsequently invest in the underlying market specific funds (highlighted in yellow) in the proportions outlined in Table 5. The Cash Fund invests 100% in the BIAM GRU Euro Cash Fund.

The following diagram illustrates how the five investment funds differ according to risk and return.



MANAGEMENT OF COURT FUNDS:

The following is an overview of the governance and management arrangements in place in respect of court funds:

- **Investment Committee:** An Investment Committee was established in 2002 to oversee the implementation of the arrangements approved by the Board for the management and investment of court funds. The membership of the Committee comprises representatives of the judiciary, court officers and independent external expertises. (See membership of the Committee on page 6). The Committee meets on a regular basis to monitor progress and to review reports from the Director of Finance, investment advisors and fund managers.
- **Investment Advisors:** Following a competitive, EU procurement process completed in December 2008, Hewitt Associates were appointed, as independent investment advisors for a three year period. Their responsibilities include the provision of advice on a range of matters related to the management and investment of court funds.
- **Fund Managers:** Following a competitive tendering exercise in 2003, in compliance with EU procurement regulations, the Courts Service appointed Bank of Ireland Asset Management and State Street Global Advisors as joint fund managers.



- **External Audit:** Arrangements were put in place for the audit of funds managed by the Accountant's Office. Deloitte and Touche are the current auditors.
- **Internal Audit:** The management of court funds is also subject to audit by our Internal Audit Unit.
- **Risk Management:** As part of the risk management policy and framework implemented by the Courts Service the management of court funds is subject to regular monitoring and review to ensure that all major risks are adequately managed.
- **Central Funds Office:** Following changes to Circuit and District Court Rules the Accountant's Office has the legal authority to manage and invest funds from both these jurisdictions, subject to the appropriate court order having been made. Legislative proposals have been submitted to the Department of Justice, Equality and Law Reform to establish a Central Funds Office that will among other things provide for the audit of these funds by the Comptroller and Auditor General.

I would like to thank the staff in the Accountants Office for the excellent work done during the year and who have contributed significantly to delivering an efficient service to a diverse mix of clients. Considerable time has been spent during the year in responding to requests for information from beneficiary representatives and others regarding the investment performance of court funds. I would also like to acknowledge the support provided by other business units in the Courts Service and external service providers that have enabled the Accountants Office achieve its objectives during the year.

Sean Quigley
Accountant of the Courts of Justice

11 December 2009



THE ROLE OF THE OFFICE OF WARDS OF COURT

A significant amount of funds managed by the Accountant relate to individuals who are wards of court and whose affairs are managed by the Office of the Wards of Court. The following is a brief overview of the work of the Office.

There are many people who, due to illness or accident, lose the ability to make decisions for themselves; there are many others who are born with an intellectual disability and are never able to look after their own affairs.

The Wards of Court system allows for substitute decision making so that the Court may make decisions necessary for the protection of both the person and the property of those who do not have full mental capacity. The principle underlying the Wardship jurisdiction is that the Court acts in the same way as a prudent parent would act regarding the welfare of a child.

The Wardship jurisdiction, although provided for by legislation and rules of court, is not limited by statute and is a jurisdiction exercised by the Court subject only to the provisions of the Constitution. Therefore, the Court has extremely wide powers and duties in relation to persons under disability. The jurisdiction is vested in the President of the High Court and, accordingly, he has the responsibility for the management of affairs of Wards of Court. The day to day management is delegated by him to the Registrar and staff of the Wards of Court Office. A Committee, usually a member of the Ward's family, is appointed by the Court and is asked to make recommendations in relation to matters such as the Ward's welfare, property and future residence.

Wardship usually arises in cases where a person with an intellectual disability has property that needs to be applied for his or her maintenance and benefit. For example, a house may have to be sold or funds may have to be withdrawn from a bank account to pay for nursing home care. Following a sale or closure of bank accounts, funds belonging to Wards are lodged in Court and held under the control of the Accountant of the Courts of Justice. The Accountant is responsible for providing accounting and investment services on behalf of Wards of Court. The Registrar determines the appropriate investment strategy for each case. The decision on the appropriate strategy is chosen by the Registrar having regard to the assets of the Ward and his or her ongoing financial needs. The funds are invested so that, where possible, they will provide for those needs for the remainder of the Ward's lifetime.

Minors, persons under eighteen years of age, are sometimes taken into Wardship. This may happen where a minor is entitled to a substantial amount of money arising from a Court award or from an inheritance. Again, the funds are invested at the direction of the Registrar in one of the four strategies. Regular payments are made to the parents or guardians of the minor. Upon reaching eighteen unless there is medical evidence to show mental incapacity, the minor is entitled to have the balance of the funds paid out.



INVESTMENT MANAGER'S REPORT

Performance of GRU Funds (Year ended 30 September 2009)				
	BIAM GRU Euro Cash Fund	BIAM GRU Eurozone Bond Fund	BIAM GRU Eurozone Equity Fund	BIAM GRU World Ex Eurozone Equity Fund
Portfolio Return	1.26%	12.18%	-1.10%	-6.34%
Benchmark Return	1.26%	12.24%	-1.51%	-6.45%
Difference	0.00%	-0.06%	+0.41%	+0.11%

Performance of Spectrum Funds (Year ended 30 September 2009)				
	BIAM Cash Plus Fund	BIAM Bond Plus Fund	BIAM Balanced Fund	BIAM Growth Fund
Portfolio Return	2.76%	3.62%	3.09%	2.54%
Benchmark Return	2.79%	3.91%	3.41%	2.81%
Difference	-0.03%	-0.29%	-0.32%	-0.27%

Distribution of Spectrum Funds at 30 September 2009				
	BIAM GRU Euro Cash Fund	BIAM GRU Eurozone Bond Fund	BIAM GRU Eurozone Equity Fund	BIAM GRU World Ex Eurozone Equity Fund
Spectrum Fund				
BIAM Cash Plus Fund	78.74%	15.28%	3.08%	2.90%
BIAM Bond Plus Fund	37.20%	28.90%	17.43%	16.47%
BIAM Balanced Fund	17.92%	29.75%	26.91%	25.42%
BIAM Growth Fund	0.00%	31.45%	35.25%	33.30%

Notes: The performance of the Spectrum Funds is gross of management fee.

The FTSE benchmarks for the BIAM GRU Indexed Eurozone Equity Fund and the BIAM GRU Indexed World ex Eurozone Fund have been adjusted by BIAM for irrecoverable dividend withholding tax.

Source: Datastream

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BIAM GRU EURO CASH FUND

Money markets experienced a turbulent year by their normally-sedate history. Banks had already proven reluctant to lend to one another amid concerns about what exposures to US subprime mortgages they might have and the Lehman collapse all but brought the inter-bank market to a standstill. Money market rates rose sharply in the immediate aftermath and the difference between the three-month euro LIBOR rate and the official ECB benchmark rate widened to over 200 basis points for a short time in early October.

The ECB did not sit on its hands in this environment and joined other central banks in aggressively targeting lower interest rates. However, it did so at a slower pace than its counterparts in the UK and US and stopped short of delivering official interest rates of 0.50% or below as is the case in those (and other) countries. Nonetheless, the ECB cut rates from 4.25% in October to 1% by June. Having implied that 1% represented a 'floor', the central bank then provided Eurozone banks with near-limitless one-year funding at the prevailing 1% rate. In the Eurozone region, three-month euro LIBOR ended September at 0.71%, 29 basis points below the prevailing 1% ECB rate.

The improvement in credit availability has also been noticeable in corporate bond markets, where credit spreads had blown significantly wider in 2008. Credit spreads have narrowed amid evidence that companies are able to raise funds from previously-frozen conditions. Government stress-testing of bank balance sheets and subsequent capital-raising by banks eased counter-party concerns and steadied concerns about systemic bank risks. There was a significant tightening in bank FRN spreads as risk appetite improved in the second half of the review period.

In February 2009, BIAM was mandated to dispose of the non-senior bank holdings within the portfolio. This exercise was largely completed over the summer and finalised by September.

BIAM GRU EUROZONE BOND FUND

The benchmark for this fund is the Merrill Lynch over 5 Yr. EMU Direct Government Bond Index. The fund is passively managed against this benchmark. The benchmark return was 12.24% for the twelve months under review. The performance of the fund was 12.18% over the period. The fund underperformed the benchmark by 6 basis points.

BIAM GRU WORLD EX EUROZONE EQUITY FUND

The benchmark for this fund is the FTSE World Developed Ex Eurobloc Index. The fund is passively managed against this benchmark. The benchmark return was -6.45% for the twelve months under review. The performance of the fund was -6.34% over the period. The fund outperformed the benchmark by 11 basis points. Performance data is net of custody and other expenses, including trustee and audit fees. The benchmark return is the relevant FTSE index return adjusted by BIAM for irrecoverable dividend withholding tax. The gross benchmark return for the period was -5.61%



BIAM GRU EUROZONE EQUITY FUND

The benchmark for this fund is the FTSE Eurobloc Index. The fund is passively managed against this benchmark. The benchmark return was -1.51% for the twelve months under review. The performance of the fund was -1.10% over the period. The fund outperformed the benchmark by 41 basis points. Performance data is net of custody and other expenses, including trustee and audit fees. The benchmark return is the relevant FTSE index return adjusted by BIAM for irrecoverable dividend withholding tax. The gross benchmark return for the period was -0.51%

Bank of Ireland Asset Management Limited

November 2009



STATEMENT OF ACCOUNTANT'S RESPONSIBILITIES

STATEMENT OF ACCOUNTANT'S RESPONSIBILITIES

The Office of the Accountant of the Courts of Justice and the position of Accountant was established under Sections 15 and 16 respectively of the Court Officers Act 1926. The Accountant is required by Order 77, Rule 83 of the Superior Court Rules to prepare an account on or before the 31 March showing the total amount of funds paid or transferred into and out of Court in the year ended on the 30 September in the preceding year. The account must also show the balance of funds in Court at the commencement and close of the year. Copies of the account are required to be forwarded to the Minister for Justice, Equality and Law Reform and the Minister for Finance. The basis of preparation and the accounting policies are set out on page 26.

STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL

The Accountant acknowledges his responsibility for ensuring that an effective system of internal financial control is maintained in relation to the operation of the Accountants Office.

The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorized and properly recorded and that material errors or irregularities are either prevented or would be detected in a timely manner.

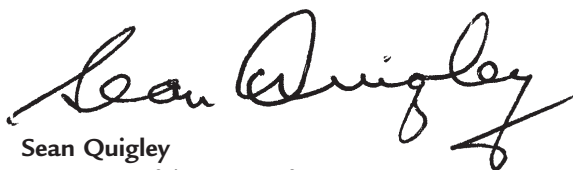
Key Control Procedures

I confirm that a control environment containing the following elements is in place:

- formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action
- there are clearly defined roles and responsibilities

There are procedures for reporting significant control failures to the Investment Committee, Finance Committee and the Audit Committee and ensuring that corrective action is taken

Under the governance arrangements established by the Courts Service Board there is an internal audit function which operates in accordance within an approved charter. One of the key functions of the internal audit unit is to report on the adequacy and effectiveness of the system of internal controls operated by the Accountant's Office.



Sean Quigley
Accountant of the Courts of Justice

11 December 2009



INDEPENDENT AUDITORS' REPORT OF THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

We have audited the financial statements of The Office of the Accountant of the Courts of Justice for the year ended 30 September 2009 which comprise the Statement of Assets and Liabilities, the Statement of Operations and Statement of Changes in Net Assets and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Accountant in accordance with the Rules of Superior Courts, Order 77, Rule 83. Our audit work has been undertaken so that we might state to the Accountant those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Accountant, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE ACCOUNTANT AND AUDITORS

The Accountant is responsible for preparing the Annual Report, including as set out in the Statement of Accountants' Responsibilities, the preparation of the financial statements in accordance with the Rules of Superior Courts, Order 77, Rule 83. Our responsibility, as independent auditor, is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, and are properly prepared in accordance with the Rules of the Superior Courts, Order 77, Rule 83.

We read the other information contained in the annual report for the above year as described in the contents section and considered whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies with the financial statements.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to The Office of the Accountant of the Courts of Justice's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we evaluated the overall adequacy of the presentation of information in the financial statements.



OPINION

In our opinion the financial statements:

- give a true and fair view, in accordance with the Rules of the Superior Courts, Order 77, Rule 83, of the state of the affairs of The Office of the Accountant of the Courts of Justice as at 30 September 2009 and of the result for the year then ended.

We have obtained all the information and explanations we considered necessary for the purpose of our audit. In our opinion proper books of account have been kept by the company. The statement of assets and liabilities and statement of operations account are in agreement with the books of account.

Chartered Accountants and Registered Auditors

Dublin

14 December 2009

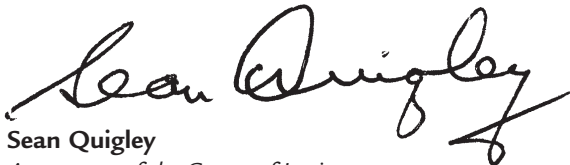


STATEMENT OF ASSETS AND LIABILITIES

AT 30 SEPTEMBER 2009

	Notes	30/9/2009 €	30/9/2008 €
INVESTMENT ASSETS			
Investments	4	1,035,531,238	1,020,772,928
CURRENT ASSETS			
Debtors	5	18,047,633	12,964,732
Bank	6	416,595	766,834
TOTAL CURRENT ASSETS		18,464,228	13,731,566
CURRENT LIABILITIES			
Creditors	7	(486,243)	(1,481,262)
TOTAL LIABILITIES		(486,243)	(1,481,262)
NET CURRENT ASSETS		17,977,985	12,250,304
TOTAL NET ASSETS		1,053,509,223	1,033,023,232
Represented by:			
Funds held for beneficiaries	8	1,053,509,223	1,033,023,232

The financial statements were approved by the Accountant on 11 December 2009.



Sean Quigley
Accountant of the Courts of Justice

11 December 2009

See accompanying notes to financial statements

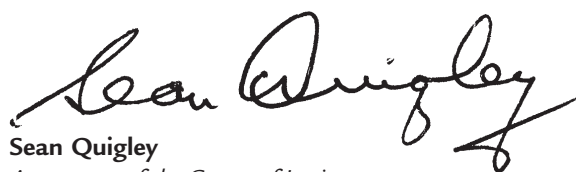


STATEMENT OF OPERATIONS

FOR THE YEAR ENDED 30 SEPTEMBER 2009

	Notes	30/9/2009 €	30/9/2008 €
NET REALISED AND UNREALISED GAINS/(LOSSES)			
Net realised gains on investments disposed of during the year	10	3,244,912	10,164,057
Net unrealised gains/(losses) on investments	11	14,117,285	(87,733,704)
Losses realised on transfers from funds		(208,919)	(291,211)
NET REALISED AND UNREALISED GAINS/(LOSSES)			
		17,153,278	(77,860,858)
Investment income	12	2,139,042	3,842,593
		19,292,320	(74,018,265)
Expenses	13	(1,376,765)	(1,302,133)
INCREASE/(DECREASE) IN NET ASSETS FROM OPERATIONS			
		17,915,555	(75,320,398)

The financial statements were approved by the Accountant on 11 December 2009.



Sean Quigley
Accountant of the Courts of Justice

11 December 2009

See accompanying notes to financial statements



STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 30 SEPTEMBER 2009

	30/9/2009 €	30/9/2008 €
INCREASE/(DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS		
Investment income less expenses	762,277	2,540,460
Net realised gains on investments	3,244,912	10,164,057
Net unrealised gains/(losses) on investments	14,117,285	(87,733,704)
Losses realised on transfers from funds	(208,919)	(291,211)
INCREASE/(DECREASE) IN NET ASSETS FROM OPERATIONS	17,915,555	(75,320,398)
CAPITAL TRANSACTIONS		
Receipts	194,371,464	255,543,129
Disbursements	(191,801,028)	(168,952,199)
INCREASE IN NET ASSETS FROM CAPITAL TRANSACTIONS	2,570,436	86,590,930
Increase in net assets	20,485,991	11,270,532
Net assets at beginning of year	1,033,023,232	1,021,752,700
NET ASSETS AT END OF YEAR	1,053,509,223	1,033,023,232

See accompanying notes to financial statements



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2009

1. GENERAL – LEGAL STATUS

The Court Funds are managed in a fiduciary capacity on behalf of beneficiaries by the Accountant of the Courts of Justice. The main primary and subordinate legislation governing the receipt, management and investment of Court controlled funds is as follows:

- Court Officers Act 1926
- The Trustee (Authorised Investments) Act, 1958 and the Trustee (Authorised Investments) orders made thereunder
- The Rules of the Superior Courts
- The Rules of the Circuit Court
- The Rules of the District Court

2. ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements have been prepared in accordance with accounting standards generally accepted in Ireland.

(b) Valuation of Investments

Listed investments and investments in unitised funds are valued at their bid price where they are quoted on a recognised stock exchange. Insurance policies are valued at their surrender value as confirmed independently by the insurance companies. Other investments are valued at their deposit value including interest accrued at year-end.

(c) Income

Interest and dividend income is recorded on an accruals basis.

(d) Realised gains and losses

Investment transactions are recorded on a trade date basis. Realised gains or losses on sales of traded securities are calculated on a first in, first out basis. Realised gains or losses on sales of investments in unitised funds are calculated on an average basis. Realised and unrealised gains or losses on investments are recorded in the statement of operations.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(e) Expenses

Expenses are accounted for on an accruals basis. Expenses are charged to the statement of operations, except for expenses incurred on the acquisition of an investment, which are included in the cost of such investments.

Expenses relating to the managing of the unitised funds are charged to the net realised and unrealised gains on investments.

3. FEES AND EXPENSES

3.1 Court Fees:

The legal responsibility discharged by the courts, which requires that funds and other assets held in trust on behalf of and for the benefit of beneficiaries are managed appropriately, is a very onerous one. Many of the beneficiaries are among the most vulnerable members of society, for example persons who are wards of court, and others who are minors under the age of 18 years. To ensure that the Courts Service discharges its responsibility in supporting the courts and the judiciary in respect of these funds it is necessary to have in place appropriate resources and systems to manage these funds. This also includes the engagement of external resources, for example in the form of investment advisors, auditors and fund managers. As a contribution towards the costs of these operations, court fees and other charges are applied to the various transactions associated with the management of court funds. These charges are approved by the Minister for Justice, Equality and Law Reform and the Minister for Finance and are contained in the Supreme and High Court Fees Orders.

Fees amounting to €1.283m (2008: €1.227m) have been charged as a result of transactions processed in the Accountants Office during the year ended 30 September 2009. In addition to these fees, €0.093m (2008: €0.066m) in respect of court percentages was charged on funds held on behalf of Wards of Court



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.2 Investment Management Fees:

A scale of investment management fees were agreed with Bank of Ireland Asset Management and State Street Global Advisors and incorporated in the Investment Management Agreement (Note 11).

The average investment management fee on the court funds in the period under review was as follows:

Cash:	0.15% (2008: 0.11%) Net Asset Value calculated weekly
Cash Plus:	0.15% (2008: 0.13%) Net Asset Value calculated weekly
Bond Plus:	0.11% (2008: 0.11%) Net Asset Value calculated weekly
Balanced:	0.22% (2008: 0.25%) Net Asset Value calculated weekly
Growth:	0.22% (2008: 0.27%) Net Asset Value calculated weekly

3.3 Administration and Custodian Fees:

These are transaction fees charged by the Administrator and Custodian (Note 10 and 11).

The administration and custodian fee on each of the funds in 2009 was as follows:

Cash:	0.01% (2008: 0.01%) Net Asset Value calculated weekly
Cash Plus:	0.01% (2008: 0.01%) Net Asset Value calculated weekly
Bond Plus:	0.01% (2008: 0.01%) Net Asset Value calculated weekly
Balanced:	0.01% (2008: 0.01%) Net Asset Value calculated weekly
Growth:	0.01% (2008: 0.01%) Net Asset Value calculated weekly



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. INVESTMENTS

	30/9/2009 €	30/9/2008 €
BIAM Unitised funds	820,474,896	952,142,927
Managed funds	4,220,825	7,088,804
Equities	13,548,212	15,651,273
Government bonds	1,400,560	4,326,977
Deposit accounts	194,946,479	39,564,400
An Post Saving Certificates	251,181	1,125,365
Insurance policies	689,085	873,182
Portfolio of Investments	1,035,531,238	1,020,772,928

5. DEBTORS

	30/9/2009 €	30/9/2008 €
Court amounts awarded not yet received	17,611,433	12,476,939
Accrued Income	436,200	487,793
	18,047,633	12,964,732

Accrued income includes dividends receivable and accrued interest on deposit accounts in 2009 which was recorded in accordance with generally accepted accounting principles.

6. BANK

	30/9/2009 €	30/9/2008 €
Cash at Bank	416,595	766,834



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. CREDITORS

	30/9/2009 €	30/9/2008 €
Creditors	-	507,188
Exit tax payable	486,243	974,074
	486,243	1,481,262

8. FUNDS HELD FOR BENEFICIARIES

	30/9/2009 €	30/9/2008 €
Amounts held for wards of court	664,301,074	635,525,998
Amounts held for minors	262,722,177	247,630,015
Amounts held for pending further order cases	70,266,736	83,621,028
Amounts held for charitable bequests	9,285,161	10,497,883
Amounts held for lodgements with defence	23,923,214	30,180,199
Other	23,010,861	25,568,109
	1,053,509,223	1,033,023,232

9. FINANCIAL RISK MANAGEMENT

INVESTMENT RISKS

The investments managed by the Accountant's Office are managed by appointed professional managers adopting agreed investment strategies. Risk is inherent in any investment strategy. Bank of Ireland Asset Management Limited ("BIAM") acts as the Investment Manager to the BIAM Spectrum Unit Trust and the BIAM Gross Roll Up Unit Trust (BIAM Unitised funds) pursuant to the Investment Management Agreement.

State Street Global Advisors Limited ("SSGA") acts as the Investment Manager to the BIAM GRU Eurozone Equity Fund, the BIAM GRU World Ex Eurozone Equity Fund and the BIAM GRU Eurozone Bond Fund pursuant to the Investment Advisory Agreement with Bank of Ireland Asset Management Limited.

In pursuing its investment objectives and policies, the Funds are exposed to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk that could result in a reduction in the Funds' net assets.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Funds' overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Funds' financial performance.

The risks, and the Investment Manager's approach to the management of the risks, are as follows.

MARKET RISK

(a) Market price risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Funds' securities are susceptible to market price risk arising from uncertainties about future prices of the instruments. The investment manager considers the asset allocation of the funds in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the investment objectives. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

The Investment Manager seeks to moderate market price risk within the Fund by adhering to the investment restrictions outlined in the Prospectus and related Supplements. These investment restrictions ensure that the Fund is appropriately diversified and not overly concentrated within particular investments.

The asset allocation criteria used by the Investment Manager also ensures that the assets within the fund are invested across different economic zones and investment sectors.

BIAM Spectrum Unit Trust

The BIAM Spectrum Unit Trust Funds invest in a combination of the BIAM Gross Roll Up Unit Trust Funds based on specific investment objectives for each of the Funds.

The Investment Manager monitors the current investment profile of the Funds and compares the Funds' current positions against targeted or ideal positions. Any material divergence from targeted or ideal positions are remedied on a quarterly basis.

The following analysis explains the impact that a 20% movement in the relevant benchmark index (calculated in euro terms) at 30 September 2009 and 30 September 2008, with all other variables held constant, would have on the net assets attributable to holders of redeemable participating units of the various Funds.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Fund Name	Benchmark Index	% Change in Fund Net Assets As at 30 September 2009	% Change in Fund Net Assets As at 30 September 2008
BIAM Balanced Fund	Customised Index	19.929%	20.080%
BIAM Bond Plus Fund	Customised Index	19.927%	20.071%
BIAM Cash Plus Fund	Customised Index	19.967%	0.972%
BIAM Growth Fund	Customised Index	20.001%	20.051%

* The indices include the FTSE Eurobloc Index, the FTSE World Developed ex Eurobloc Index and the Merrill Lynch over 5 yr. EMU Direct Government Bond Index.

For example, the above analysis shows that if the BIAM Balanced Fund Customised Index in euro terms at 30 September 2009 had increased by 20%, with all other variables held constant, this would have increased net assets attributable to holders of redeemable participating units of the BIAM Balanced Fund by approximately 19.929%.

Conversely, if the if the BIAM Balanced Fund Customised Index terms had decreased by 20%, with all other variables held constant, this would have decreased net assets attributable to holders of redeemable participating units of the BIAM Balanced Fund by approximately 19.929%.

BIAM GRU Euro Cash Fund

The Investment Manager monitors the current investment profile of the Funds and compares the Funds' current positions against targeted or ideal positions on a daily basis. Any material divergence from targeted or ideal positions are remedied immediately.

The Investment Manager invests the Funds' assets in such a manner as to minimise the performance tracking error against the underlying benchmark index.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

BIAM GRU Eurozone Equity Fund

The BIAM GRU Eurozone Equity Fund seeks to track as closely as reasonably possible the performance of the FTSE Eurobloc Index. The Index is a market capitalisation-weighted benchmark of equity securities listed or traded on Regulated Markets in the Eurozone comprising approximately 260 stocks in the Index which are weighted by the total market capitalisation of the countries comprised in the Index, and by the market capitalisation of stocks within individual countries.

BIAM GRU World Ex Eurozone Equity Fund

The BIAM GRU World Ex Eurozone Equity Fund seeks to track as closely as reasonably possible the performance of the FTSE World Developed ex Eurobloc Index. The Index is comprised of approximately 1,650 stocks which are weighted by the total market capitalisation of stocks of the countries comprised in the Index and by the market capitalisation within individual countries.

BIAM GRU Eurozone Bond Fund

The BIAM GRU Eurozone Bond Fund seeks to track as closely as reasonably possible the performance of the Merrill Lynch over 5 Yr. EMU Direct Government Bond Index. The Index is a market capitalisation-weighted benchmark of approximately 120 fixed rate Euro denominated investment grade debt securities of Eurozone Governments with maturities, at the time of the investment, of greater than 5 years.

The Investment Manager monitors the current investment profile of the Funds and compares the Funds' current positions against the index positions on a daily basis.

Any divergence from the index positions that will result in a material tracking error, after taking into account any relevant transaction costs, are remedied immediately.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The following analysis explains the impact that a 20% movement in the relevant benchmark index (calculated in Euro terms) at 30 September 2009 and 30 September 2008, with all other variables held constant, would have on the net assets attributable to holders of redeemable participating units of the various Funds.

Fund Name	Benchmark Index	% Change in Fund Net Assets as at 30 September 2009	% Change in Fund Net Assets as at 30 September 2008
BIAM GRU <i>Euro Cash Fund</i>	N/a	20.000%	20.000%
BIAM GRU <i>Eurozone Equity Fund</i>	FTSE Eurobloc Index	19.970%	19.957%
BIAM GRU World <i>Ex Eurozone Equity Fund</i>	FTSE World Developed ex Eurobloc Index	20.006%	19.993%
BIAM GRU <i>Eurozone Bond Fund</i>	Merrill Lynch over 5 Yr. EMU Direct Government Bond Index	19.750%	19.763%

For example, the above analysis shows that if the FTSE Eurobloc Index in Euro terms at 30 September 2009 had increased by 20%, with all other variables held constant, this would have increased net assets attributable to holders of redeemable participating units of the BIAM GRU Eurozone Equity Fund by approximately 19.97%.

Conversely, if the FTSE Eurobloc Index in Euro terms had decreased by 20%, with all other variables held constant, this would have decreased net assets attributable to holders of redeemable participating units of the BIAM GRU Eurozone Equity Fund by approximately 19.97%.

The Office of the Accountant of the Courts of Justice internally manages a portfolio of investments (“internally managed funds”) that includes:

- Managed Funds
- Equities
- Government Bonds
- Deposit accounts
- An Post Saving Certificates
- Insurance policies



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The internally managed funds make up 20.8% (2008: 6.7%) of the overall investment portfolio. The managed funds, equities and government bonds are valued at market value and invested in liquid markets. These investments are exposed to market price risk. Management internally manage these investments on a weekly basis.

(b) **Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

BIAM Spectrum Unit Trust

The Funds invest all of their assets in the underlying BIAM Gross Roll Up Unit Trust.

All of the Sub-Funds within the BIAM Gross Roll Up Unit Trust are denominated in euro, the base currency of the Funds. The Funds therefore do not have any direct currency risk exposure.

All of the Funds are however indirectly exposed to currency risks through their investment in the BIAM GRU World ex Eurozone Equity Fund.

BIAM Gross Roll Up Unit Trust

The BIAM GRU Euro Cash Fund, BIAM GRU Eurozone Equity Fund and BIAM GRU Eurozone Bond Fund are not exposed to any foreign currency risks as all of the assets and liabilities are denominated in euro, the functional currency of the Funds.

All of the BIAM GRU World Ex Eurozone Equity Fund assets, liabilities and income are denominated in currencies other than euro, the functional currency of all of the Funds. The significant currencies are US Dollar, British Pound, Japanese Yen, Australian Dollar, Canadian Dollar and Swiss Franc. It is, therefore, exposed to currency risk as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates. Income denominated in foreign currencies is converted to euro on receipt.

The investment objective of the Fund is to track as closely as reasonably possible the performance of the FTSE World Developed ex Eurobloc Index. The Investment Manager does not seek to manage the foreign currency exposure within the Fund and does not engage in any foreign currency hedging activities.

There were no material changes to the Funds' policies and processes for managing currency risk and the methods used to measure risk during the period.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The following table shows holdings in each of the currencies and the impact on NAV of a movement of 10% in any of these currencies at 30 September 2009.

Trading Currency	Traded Market Value EUR	% Holding	% Movement	Impact on NAV
US Dollar	55,596,033	54.78%	10.00%	5.48%
British Pound	11,666,376	11.50%	10.00%	1.15%
Japanese Yen	11,534,805	11.36%	10.00%	1.14%
Australian Dollar	4,712,383	4.64%	10.00%	0.46%
Canadian Dollar	4,688,215	4.62%	10.00%	0.46%
Swiss Francs	4,254,675	4.19%	10.00%	0.42%
Hong Kong Dollar	2,700,757	2.66%	10.00%	0.27%
South Korean Won	2,477,484	2.44%	10.00%	0.24%
Swedish Krona	1,426,942	1.41%	10.00%	0.14%
Singapore Dollar	872,273	0.86%	10.00%	0.09%
Danish Kroner	592,693	0.58%	10.00%	0.06%
Norwegian Krone	470,267	0.46%	10.00%	0.05%
Israeli New Shekel	427,275	0.42%	10.00%	0.04%
New Zealand Dollar	79,011	0.08%	10.00%	0.01%
Total	101,499,189			

The internally managed funds are all denominated in Euro, the functional currency of the financial statements and are therefore not exposed to any currency risk.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(c) Interest Rate Risk

A Fund's interest bearing financial assets and liabilities expose them to risk associated with the effects of fluctuations in the prevailing levels of market interest rates on their financial position and cash flows.

BIAM Spectrum Unit Trust

The Funds invest all of their assets in the underlying BIAM Gross Roll Up Unit Trust.

The Funds therefore do not have any direct interest rate exposure.

They are however indirectly exposed to interest rate risks through their investment in the BIAM GRU Euro Cash Fund and the BIAM GRU Eurozone Bond Fund.

The Funds did not employ leverage nor did they borrow for liquidity purposes during the year ended 30 September 2009 and 30 September 2008. The Funds were, therefore, not exposed to interest rate risk from unfavourable fluctuations in interest rates payable. The Investment Manager does not expect this position to change in the next reporting period.

BIAM Gross Roll Up Unit Trust

The BIAM GRU Euro Cash Fund and the BIAM GRU Eurozone Bond Fund hold interest-bearing assets and liabilities which expose them to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on their financial position and cash flows.

The investment objective of the BIAM GRU Eurozone Bond Fund is to track as closely as reasonably possible the performance of the Merrill Lynch over 5 Yr. EMU Direct Government Bond Index. The Investment Manager will therefore invest in such investments which will ensure that the performance of the fund tracks as closely as reasonably possible the performance of the underlying index. It does not directly seek to manage the interest rate risk exposure within the Fund.

Interest rate risk for the BIAM GRU Euro Cash Fund is managed, in part, by the investment selection process of the Investment Manager which includes predictions of future events and their impact on interest rates, diversification and duration. In accordance with Fund policy, the Investment Manager monitors the Fund's overall interest sensitivity on a daily basis.

The BIAM GRU Eurozone Equity Fund and the BIAM GRU World ex Eurozone Equity Funds do not hold interest-bearing securities and therefore no significant interest rate risk exposure arises in respect of these Funds.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

There were no material changes to the Funds' policies and processes for managing interest rate risk and the methods used to measure risk since the prior year end.

Interest rate sensitivity is measured by duration, being the measurement of what effect on the NAV of the fund a 100 basis point change in interest rates would have. The BIAM GRU Euro Cash Fund has a weighted average maturity of 108 days at 30 September 2009. All other funds are indexed.

The following table explains the % impact on the Net Assets of those Funds which hold interest bearing securities, assuming there is a 1% movement in interest rates.

Fund Name	% Change in Fund Net Assets assuming a 1% Movement in Interest Rates As at 30 September 2009	% Change in Fund Net Assets assuming a 1% Movement in Interest Rates As at 30 September 2008
BIAM GRU World ex Eurozone Bond Fund	9.033%	8.77%

Please note that the above table can be explained as stating that a 1% increase in interest rates would lead to a 9.033% fall in the Net Asset Value of the Fund and vice versa.

It is no longer appropriate to disclose a duration number for BIAM GRU Euro Cash Fund as the Fund now invests primarily in cash deposits. As at 30 September 2009, the Fund held 83.80% of its total investments in cash deposits. The Investment Manager does not expect this position to change in the next reporting period.

None of the Funds employed leverage or borrowed for liquidity purposes during the year ended 30 September 2009 and 30 September 2008, and no interest was payable during the year. The Funds were, therefore, not exposed to interest rate risk from unfavourable fluctuations in interest rates payable.

The income generating return on the internally managed funds, in particular the Deposit accounts and An Post Saving Certificates, will be exposed to interest rate fluctuation. However, this risk is seen as minimal.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(d) Credit Risk

The Funds take on exposure to credit risk, which is the risk that a counterparty or issuer will be unable to pay amounts in full when due.

BIAM Spectrum Unit Trust

The Funds invest all of their assets in the underlying BIAM Gross Roll Up Unit Trust.

The Funds have an indirect exposure to credit risk through their investment in the BIAM Gross Roll Up Unit Trust.

BIAM GRU Euro Cash Fund

The BIAM Fixed Income Desk and the BIAM Investment Support Unit monitor the current credit rating for all positions within the Funds on a daily basis to ensure that the Fund continues to meet the credit rating requirements and restrictions for the Fund as outlined in the fund documentation.

The BIAM Fixed Income Desk and the BIAM Investment Support Unit also ensure that there is appropriate investment diversification and that risk is not overly concentrated with a particular counterparty or issuer at any time.

BIAM GRU Eurozone Bond Fund

The Investment Manager monitors the current credit rating for all positions within the Fund on a daily basis to ensure that the Fund continues to meet the credit rating requirements and restrictions for the Fund as outlined in the fund documentation.

The Investment Manager also ensures that there is appropriate investment diversification and that risk is not overly concentrated with a particular counterparty or issuer at any time, while focussing on the core objective for the fund which is to track as closely as reasonably possible the performance of the Merrill Lynch over 5 Yr. EMU Direct Government Bond Index.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the balance sheet date.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The BIAM GRU Euro Cash Fund and the BIAM GRU Eurozone Bond Fund hold interest-bearing securities with the following credit exposures as at 30 September 2009 and 30 September 2008:

Fund Name	As at 30 September 2009		As at 30 September 2008	
	Investment Grade	Non-Investment Grade	Investment Grade	Non-Investment Grade
BIAM GRU Euro Cash Fund	100%	N/a	100%	N/a
BIAM GRU Eurozone Bond Fund	100%	N/a	100%	N/a

BIAM GRU Eurozone Equity Fund

BIAM GRU World ex Eurozone Equity Fund

The Funds takes on exposure to credit risk, which is the risk that a counterparty or issuer will be unable to pay amounts in full when due. The Funds' credit exposure comprises:

- the risk that cash, all held with JP Morgan at the reporting date, may be lost; and
- the risk that brokers may fail to pay for securities received from the Funds, or to deliver securities paid for by the Funds.

JP Morgan is rated "A" for long term debt by Standard & Poor's and the risk of it defaulting is considered negligible.

All transactions in listed securities are settled and paid for upon delivery by the Custodian using approved brokers.

All brokers have to be approved by the Investment Manager before the Funds' Investment Manager may deal with them, a process which involves obtaining and reviewing their annual accounts. The risk of default by brokers is considered minimal, as delivery of securities sold is only made once the broker has received payment and payment is made on a purchase once the securities have been received by the broker.

For these reasons, the Investment Manager considers that the risk that counterparties will fail to discharge their obligations to the Fund is low.

The credit risk for the internally managed funds is deemed minimal.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(e) **Liquidity Risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

BIAM Spectrum Unit Trust

The Funds invest all of their assets in the underlying BIAM Gross Roll Up Unit Trust.

All of the Funds are exposed to weekly dealing.

All redemptions of redeemable unit in the Funds are payable within 2 business days of the dealing day on which the redemption takes place.

The Investment Manager monitors the Funds' liquidity position on a daily basis. The Investment Manager reviews the current and future forecasted liquidity position of the Funds on a daily basis and ensures that any cash required to meet the settlement of redemption requests is generated as appropriate.

All of the Funds have the ability to borrow in the short term to ensure settlement. The Funds' Prospectus allows the Funds to borrow up to 10% of the Funds' net assets at any time for the account of any Funds and the Custodian may charge the assets of such Funds as security for any such borrowing, provided that such borrowing is only for temporary purposes.

All of the Funds do not generally borrow and had no borrowings as of the balance sheet date. (2008: Nil)

All of the Funds' financial liabilities are payable within one month.

The Funds invests all of their assets in investments that are traded in an active market and can be readily disposed of.

All of the Funds are exposed to weekly dealing. All redemptions of redeemable units in the Funds are payable within 2 business days of the dealing day on which the redemption takes place.

BIAM GRU Euro Cash Fund

The Investment Manager monitors the Fund's liquidity position on a daily basis. The monitoring of liquidity risk within the Fund is specifically carried out by the BIAM Investment Support Unit. The BIAM Investment Support Unit reviews the current and future forecasted liquidity position of the Fund on a daily basis and ensures that any cash required to meet the settlement of redemption requests is generated as appropriate.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

BIAM GRU Eurozone Equity Fund

BIAM GRU World Ex Eurozone Equity Fund

BIAM GRU Eurozone Bond Fund

The Investment Manager monitors the Funds' liquidity position on a daily basis. The Investment Manager reviews the current and future forecasted liquidity position of the Funds on a daily basis and ensures that any cash required to meet the settlement of redemption requests is generated as appropriate.

All of the Funds have the ability to borrow in the short term to ensure settlement. The Funds' Prospectus allows the Funds to borrow up to 10% of the Funds' net assets at any time for the account of any Funds and the Custodian may charge the assets of such Funds as security for any such borrowing, provided that such borrowing is only for temporary purposes.

All of the Funds do not generally borrow and had no borrowings as of the balance sheet date. (2008: Nil)

All of the Funds' financial liabilities are payable within one month except in respect of the following Funds as follows:

As at 30 September 2009		
Fund Name	Payable in 1 – 3 Months	Payable in 3 – 6 Months
BIAM GRU Euro Cash Fund	-	-
BIAM GRU Eurozone Equity Fund	-	-
BIAM GRU World ex Eurozone Equity Fund	18,914	-
BIAM GRU Eurozone Bond Fund	-	-

As at 30 September 2008		
Fund Name	Payable in 1 – 3 Months	Payable in 3 – 6 Months
BIAM GRU Euro Cash Fund	-	-
BIAM GRU Eurozone Equity Fund	41,180	-
BIAM GRU World ex Eurozone Equity Fund	139,106	-
BIAM GRU Eurozone Bond Fund	-	-



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For these reasons, the Investment Manager has assessed the risk of the Funds being affected by the lack of liquidity as low.

The internally managed funds are all in highly liquid markets and can be accessed at very short notice. Therefore, the liquidity risk is seen as minimal.

10. NET REALISED GAINS ON INVESTMENTS

	30/9/2009 €	30/9/2008 €
Realised gains on investments disposed of during the year	5,043,440	12,931,846
Less:		
Exit tax	(1,783,317)	(2,753,452)
Administration and custodian fee (Note 3.3)	(15,211)	(14,337)
Net realised gain on investments disposed of during the year	3,244,912	10,164,057

The Finance Act 2003 authorises the Courts Service to deduct at source and account for exit taxes arising from the disposal of investments. The tax is calculated at the rate of 28% and is payable to the Revenue.

11. NET UNREALISED GAINS/(LOSSES) ON INVESTMENTS

	30/9/2009 €	30/9/2008 €
Unrealised gains/(losses) on investments during the year	15,478,228	(86,226,979)
Less:		
Investment management fees (Note 3.2)	(1,040,340)	(1,136,731)
Administration and custodian fees (Note 3.3)	(45,353)	(77,526)
Miscellaneous managed funds' fees (i)	(275,250)	(292,468)
Net unrealised gains/(losses) on investments	14,117,285	(87,733,704)

(i) These fees include transaction charges, audit fees, safe-keeping fees, other professional fees, trustee fees and bank interest.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. INVESTMENT INCOME

	30/9/2009	30/9/2008
	€	€
Deposit interest	1,824,652	1,760,788
Dividends	253,411	1,929,887
Shares in lieu of dividends	(18,494)	37,915
Interest on other investments	42,579	105,937
Other	36,894	8,066
	<u>2,139,042</u>	<u>3,842,593</u>

Investment income is shown net of withholding tax. Deposit interest in 2009 and 2008 includes accrued deposit interest income in accordance with generally accepted accounting principles.

13. EXPENSES

	30/9/2009	30/9/2008
	€	€
Court fees (Note 3.1)	1,375,942	1,293,452
Brokers' fees	375	8,064
Bank charges	448	617
	<u>1,376,765</u>	<u>1,302,133</u>

14. OTHER INCOME

Other income is represented by inter alia, annuity income, sold right options and interest on late lodgements.

15. POST BALANCE SHEET EVENTS

There were no material post balance sheet events, which would require revision of the figures in the financial statements.



HIGH COURT FUNDS

SUPPLEMENTARY INFORMATION (NOT COVERED BY INDEPENDENT AUDITOR'S REPORT)

STATEMENT OF ASSETS AND LIABILITIES

AT 30 SEPTEMBER 2009

	30/9/2009 €	30/09/2008 €
INVESTMENT ASSETS		
Investments	933,299,414	916,066,047
CURRENT ASSETS		
Debtors	17,470,749	12,210,609
Bank	269,900	316,525
TOTAL CURRENT ASSETS	17,740,649	12,527,134
CURRENT LIABILITIES		
Creditors	(457,652)	(1,387,039)
TOTAL LIABILITIES	(457,652)	(1,387,039)
NET CURRENT ASSETS	17,282,997	11,140,095
TOTAL NET ASSETS	950,582,411	927,206,142
Represented by:		
Funds held for beneficiaries at year end	950,582,411	927,206,142



HIGH COURT FUNDS

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED 30 SEPTEMBER 2009

	30/9/2009 €	30/9/2008 €
NET REALISED AND UNREALISED GAINS/(LOSSES)		
Net realised gains on investments disposed of during the year	3,026,429	9,977,390
Net unrealised gains/(losses) on investments	12,247,877	(87,896,582)
Losses realised on transfers from funds	(208,919)	(291,211)
NET REALISED AND UNREALISED GAINS/(LOSSES)	15,065,387	(78,210,403)
Investment income	1,897,863	3,781,285
	16,963,250	(74,429,118)
Expenses	(1,376,091)	(1,301,668)
INCREASE/(DECREASE) IN NET ASSETS FROM OPERATIONS	15,587,159	(75,730,786)



HIGH COURT FUNDS

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 30 SEPTEMBER 2009

	30/9/2009 €	30/9/2008 €
INCREASE/(DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS		
Investment income less expenses	521,772	2,479,617
Net realised gains on investments	3,026,429	9,977,390
Net unrealised gains/(losses) on investments	12,247,877	(87,896,582)
Losses realised on transfers from funds	(208,919)	(291,211)
INCREASE/(DECREASE) IN NET ASSETS FROM OPERATIONS	15,587,159	(75,730,786)
CAPITAL TRANSACTIONS		
Receipts	179,880,729	205,058,180
Disbursements	(172,091,619)	(153,971,116)
INCREASE IN NET ASSETS FROM CAPITAL TRANSACTIONS	7,789,110	51,087,064
Increase/(Decrease) in net assets	23,376,269	(24,643,722)
Net assets at beginning of year	927,206,142	951,849,864
NET ASSETS AT END OF YEAR	950,582,411	927,206,142



CIRCUIT COURT FUNDS

SUPPLEMENTARY INFORMATION (NOT COVERED BY INDEPENDENT AUDITOR'S REPORT)

STATEMENT OF ASSETS AND LIABILITIES

AT 30 SEPTEMBER 2009

	30/9/2009 €	30/9/2008 €
INVESTMENT ASSETS		
Investments	98,402,200	100,598,156
CURRENT ASSETS		
Debtors	552,793	739,643
Bank	140,242	436,395
TOTAL CURRENT ASSETS	693,035	1,176,038
CURRENT LIABILITIES		
Creditors	(27,189)	(84,712)
TOTAL LIABILITIES	(27,189)	(84,712)
NET CURRENT ASSETS	665,846	1,091,326
TOTAL NET ASSETS	99,068,046	101,689,482
Represented by:		
Funds held for beneficiaries at year end	99,068,046	101,689,482



CIRCUIT COURT FUNDS

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED 30 SEPTEMBER 2009

	30/9/2009 €	30/9/2008 €
NET REALISED AND UNREALISED GAINS		
Net realised gains on investments disposed of during the year	208,712	177,804
Net unrealised gains on investments	1,801,089	136,195
NET REALISED AND UNREALISED GAINS	2,009,801	313,999
Investment income	240,207	46,189
	2,250,008	360,188
Expenses	(674)	(415)
INCREASE IN NET ASSETS FROM OPERATIONS	2,249,334	359,773



CIRCUIT COURT FUNDS

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 30 SEPTEMBER 2009

	30/9/2009 €	30/9/2008 €
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS		
Investment income less expenses	239,533	45,774
Net realised gains on investments	208,712	177,804
Net unrealised gains on investments	1,801,089	136,195
	<hr/>	<hr/>
INCREASE IN NET ASSETS FROM OPERATIONS	2,249,334	359,773
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CAPITAL TRANSACTIONS		
Receipts	14,120,630	48,890,922
Disbursements	(18,991,400)	(14,181,787)
	<hr/>	<hr/>
(DECREASE)/INCREASE IN NET ASSETS FROM CAPITAL TRANSACTIONS	(4,870,770)	34,709,135
	<hr/>	<hr/>
(Decrease) / Increase in net assets	(2,621,436)	35,068,908
Net assets at beginning of year	101,689,482	66,620,574
	<hr/>	<hr/>
NET ASSETS AT END OF YEAR	99,068,046	101,689,482
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DISTRICT COURT FUNDS

SUPPLEMENTARY INFORMATION (NOT COVERED BY INDEPENDENT AUDITOR'S REPORT)

STATEMENT OF ASSETS AND LIABILITIES

AT 30 SEPTEMBER 2009

	30/9/2009 €	30/9/2008 €
INVESTMENT ASSETS		
Investments	3,829,624	4,108,725
CURRENT ASSETS		
Debtors	24,091	14,480
Bank	6,453	13,914
TOTAL CURRENT ASSETS	30,544	28,394
CURRENT LIABILITIES		
Creditors	(1,402)	(9,511)
TOTAL LIABILITIES	(1,402)	(9,511)
NET CURRENT ASSETS	29,142	18,883
TOTAL NET ASSETS	3,858,766	4,127,608
Represented by:		
Funds held for beneficiaries at year end	3,858,766	4,127,608



DISTRICT COURT FUNDS

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED 30 SEPTEMBER 2009

	30/9/2009 €	30/09/2008 €
NET REALISED AND UNREALISED GAINS		
Net realised gains on investments disposed of during the year	9,771	8,863
Net unrealised gains on investments	68,319	26,683
NET REALISED AND UNREALISED GAINS	78,090	35,546
Investment income	972	15,119
	79,062	50,665
Expenses	-	(50)
INCREASE IN NET ASSETS FROM OPERATIONS	79,062	50,615



DISTRICT COURT FUNDS

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 30 SEPTEMBER 2009

	30/9/2009 €	30/9/2008 €
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS		
Investment income less expenses	972	15,069
Net realised gains on investments	9,771	8,863
Net unrealised gains on investments	68,319	26,683
INCREASE IN NET ASSETS FROM OPERATIONS	79,062	50,615
CAPITAL TRANSACTIONS		
Receipts	370,105	1,594,027
Disbursements	(718,009)	(799,296)
(DECREASE)/INCREASE IN NET ASSETS FROM CAPITAL TRANSACTIONS	(347,904)	794,731
(Decrease)/Increase in net assets	(268,842)	845,346
Net assets at beginning of year	4,127,608	3,282,262
NET ASSETS AT END OF YEAR	3,858,766	4,127,608



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