



An tSeirbhís Chúirteanna  
Courts Service

REPORT AND FINANCIAL STATEMENTS  
OF THE OFFICE OF  
THE ACCOUNTANT OF THE COURTS OF JUSTICE  
2015





The Office of the Accountant of  
The Courts of Justice

Report and Financial Statements  
for the year ended  
30<sup>th</sup> September 2015

**THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>th</sup> SEPTEMBER 2015**

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## THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

### INVESTMENT COMMITTEE AND OTHER INFORMATION

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**INVESTMENT COMMITTEE** Judge Nicholas Kearns, President of the High Court  
Judge Martin Nolan, Circuit Court (appointed 23 April 2015)  
Judge Leonie Reynolds, Circuit Court (resigned 23 April 2015)  
Judge Anthony Halpin, District Court  
Sean Quigley, The Accountant of the Courts of Justice and Head of Resource Management  
Denise Mullins, Head of Court Funds, The Courts Service  
James Finn, Registrar, Office of the Wards of Court  
John Mahon, Principal Officer, The Courts Service  
Fintan Murphy, County Registrar, Mayo  
Tom Ward, Chief Clerk, Dublin Circuit and District Courts  
Eugene O'Callaghan, Independent Member, National Treasury Management Agency  
Paul Farrell, Independent Member

**REGISTERED OFFICE** Office of the Accountant of the Courts of Justice  
Phoenix House  
15 – 24 Phoenix Street North  
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Dublin 7  
Ireland.

**INVESTMENT MANAGER** State Street Global Advisors Ireland Limited  
Two Park Place  
Upper Hatch Street  
Dublin 2  
Ireland.

**TRUSTEE** From 7<sup>th</sup> May 2015  
Northern Trust Fiduciary Services (Ireland) Limited  
Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland

To 6<sup>th</sup> May 2015  
State Street Custodial Services (Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE**  
**INVESTMENT COMMITTEE AND OTHER INFORMATION (CONTINUED)**

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**ADMINISTRATOR, REGISTRAR and TRANSFER AGENT**

From 7 May 2015  
Northern Trust International Fund Administration  
Services (Ireland) Limited  
Georges Court  
54 - 62 Townsend Street  
Dublin 2  
Ireland

To 6 May 2015  
State Street Fund Services (Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland.

**INVESTMENT ADVISOR**

Aon Hewitt  
Global Investment Practice  
Block D  
Iveagh Court  
Harcourt Road  
Dublin 2  
Ireland.

**LEGAL ADVISORS**

Matheson  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland.

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

**AUDITORS**

Grant Thornton  
Chartered Accountants and Registered Auditors  
24-26 City Quay  
Dublin 2  
Ireland.

## THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

### BACKGROUND INFORMATION

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#### 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 lodged in court)
- Unclaimed dividends in Company liquidations
- Lodgements under the Land Clauses Act 1845
- Funds lodged by the Residential Institutions Redress Board
- Insurance Compensation Fund

#### The Accountant of the Courts of Justice

The Accountant's Office and the position of the Accountant of the Courts of Justice (the "Accountant") were 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 €1.534 billion (2014: €1.473 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 and the rules of court.

## THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

### FOREWORD BY THE CHAIRMAN OF THE INVESTMENT COMMITTEE

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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<sup>th</sup> September 2015.

This year has been another challenging one for the management of Court Funds. Total investments managed by the Accountants Office at the year end grew to €1.534 billion (2014: €1.473 billion), an increase of €60.8 million or 4% on the previous year. This movement is attributable to a positive investment performance of €18.8 million and a net increase in capital transactions of €42 million (i.e. excess receipts over disbursements).

As you will appreciate the challenge of managing such a large portfolio of funds on behalf of some 19,500 beneficiaries, of which 2,700 are Wards of Court and 14,800 are Minors, requires ongoing and vigilant monitoring and management.

Major challenges addressed by the Investment Committee in the current year included the ongoing unprecedented low ECB interest rates, the volatility in equity markets, which has been partially attributed to the slowing growth in the Chinese economy, and the weakening exchange rate between the Euro and the US Dollar. Actions have been implemented to address these issues. The current environment remains extremely challenging for those investing in high quality cash or liquidity funds. During the year ended September 2015 we have seen some cash returns dip marginally into negative. This is a global, industry-wide trend and not something unique to the investment of Court Funds. In this context it has become increasingly difficult to guarantee "capital preservation", even in the lowest risk strategies. Many market commentators expect both growth and inflation to remain low over the medium-term given the fundamental economic challenges facing the Euro zone which means that the ECB programme will continue for at least another year.

In an attempt to mitigate the impact on beneficiaries, the Courts Service negotiated with SSGA, the investment manager for the Courts' Funds, a partial waiver of their fees on the Cash Fund in an attempt to negate the impact of negative interest rates. Also as a result of the ECB negative interests rates the Investment Committee approved changes to the investment protocol during the year which saw all case types with an investment time horizon of greater than 3 months moved to the Euribor Plus Fund. This fund is predominately a cash fund with the potential for higher gross yields than the Cash Fund, but it also has slightly higher volatility. The Committee also introduced a Target Volatility strategy during the year under review to help mitigate risk in periods of high volatility in equity markets. In November 2015 the Committee also approved a currency hedge on the Spectrum Growth Fund.

While those beneficiaries invested in the lowest risk funds will no doubt be disappointed with the returns being achieved by the Cash Fund and the Euribor Plus Fund, we do not believe that a move to any of the other higher yielding investment strategies, would be prudent or appropriate, unless the investment period is sufficiently long and aligned with the profile of the strategy.

The Committee continues to actively monitor this situation, in conjunction with its independent investment advisors, and will take further action where appropriate. The over-riding priority in relation to the cash investments is to ensure as far as possible that the capital sum awarded by the court is protected, and we will continue our work to ensure this is the case, however in the current environment, where interest rates can be negative, this can't be guaranteed. In addition to capital preservation, liquidity is also an important consideration. However the price to be paid for enhanced capital security and liquidity is reflected in the low return earned on the Cash Fund and other cash weighted funds in the year under review.

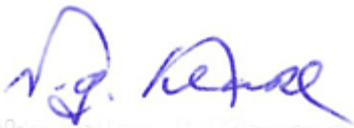
## THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

### FOREWORD BY THE CHAIRMAN OF THE INVESTMENT COMMITTEE

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The Investment Committee met five times during the period under review. In conjunction with our investment advisors the Committee monitored investment performance, compliance with investment strategies, and the ongoing suitability of the investment strategies. The Committee continues to seek opportunities for adding value and ensuring that the investment approach is at all times discharged in the best interests of beneficiaries. I would like to thank the Investment Committee for their hard work and dedication during the year.

I would also like to acknowledge the excellent contribution of staff in the Accountant's Office throughout the year.



**Nicholas J. Kearns**  
President of the High Court  
Chairman of the Investment Committee

**14<sup>th</sup> December 2015**

## THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

### INVESTMENT COMMITTEE

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The Investment Committee comprises members of the Judiciary, a County Registrar, Court Officers, Court Service Officials and independent external members. 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, 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 met on 5 occasions during the year to 30<sup>th</sup> September 2015. Its membership as at 30<sup>th</sup> September 2015 was as follows:

Judge Nicholas Kearns, President of the High Court, Chairperson  
Judge Martin Nolan, Circuit Court (appointed 23 April 2015)  
Judge Leonie Reynolds, Circuit Court (resigned 23 April 2015)  
Judge Anthony Halpin, District Court  
Sean Quigley, Head of Resource Management & Accountant of the Courts of Justice  
Denise Mullins, Head of Court Funds, The Courts Service  
James Finn, The Registrar, Office of the Wards of Court  
Fintan Murphy, County Registrar, Mayo  
John Mahon, Principal Officer, The Courts Service  
Tom Ward, Chief Clerk, Dublin Circuit and District Courts  
Eugene O'Callaghan, Independent Member, National Treasury Management Agency  
Paul Farrell, Independent Member

Ms Deborah Reidy, Aon Hewitt, who is the Investment Advisor for the investment of Court Funds, attended all Investment Committee meetings during the period under review.

## THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

### REPORT OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

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

As at the 30<sup>th</sup> September 2015, the total value of funds managed by the Accountant's Office was €1.534 billion (€1.473 billion, at 30<sup>th</sup> September 2014). This is further analysed between the three jurisdictions in Table 1 below. The increase in the total value of funds by €61 million or 4.1% is attributable to a net increase from investment performance of €18.8 million for the year (€62.7 million: 2014) and a net increase in net capital transactions of €41.9 million (€116.6 million: 2014) (i.e. net excess receipts over disbursements).

**Table 1: Total Net Assets under management by Jurisdiction as at 30<sup>th</sup> September 2015**

<i>Jurisdiction</i>	<i>Net Assets € at 30/09/2014</i>	<i>%</i>	<i>Net Assets € at 30/09/2015</i>	<i>%</i>	<i>% Increase in Net Assets</i>
<i>High Court</i>	1,340,569,155	91.02%	1,390,397,552	90.66%	+3.7%
<i>Circuit Court</i>	127,734,346	8.67%	134,616,440	8.78%	+5.4%
<i>District Court</i>	4,604,242	0.31%	8,677,356	0.56%	+88.4%
<b>Total</b>	<b>€1,472,907,743</b>	<b>100%</b>	<b>€1,533,691,348</b>	<b>100%</b>	<b>+4.1%</b>

The second half of the financial year experienced heightened volatility in equity markets, which resulted in some of the gains achieved in the first half of the year being eroded. This impacted the performance of the Growth Fund and to a lesser extent the Diversified Alternative Fund. Historically low and even negative interest rates have been the norm in recent years as a result of the ECB monetary policy. The latter has impacted the returns generated on Cash and Short-Term funds in general. The Cash Fund and Euribor Plus Fund had marginally negative returns for the year, after management fees were deducted. Despite the challenging year overall the investment performance has been satisfactory with an increase in assets of €18.8 million as a result of investment performance for the year ended 30<sup>th</sup> September 2015. As is shown in Table 7 investment performance for all investment strategies exceeded their respective benchmarks. In this regard the approach taken by the Investment Committee has proven to be successful and ensured that the performance of cash based funds remained positive for longer than would otherwise have been the case. Financial markets experienced a heightened level of volatility in the third and fourth quarters of the financial year to 30<sup>th</sup> September 2015, as equity markets weakened further. This was driven initially by concerns about the Eurozone as a result of problems in Greece, followed by concerns regarding the Chinese economy.

While volatility in financial markets continues to be a risk, the Investment Committee continued its proactive and prudent approach to the investment of court funds. During the year the Investment Committee, on the recommendation of our investment advisors, Aon Hewitt, approved the introduction of a Target Volatility Trigger (TVT) Strategy on the Diversified Fund and Growth Fund strategies. This came into effect on 28<sup>th</sup> April 2015. A currency hedge for the Growth Fund was implemented with effect from 4<sup>th</sup> November 2015.

THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

REPORT OF THE ACCOUNTANT OF THE COURTS OF JUSTICE (CONTINUED)

The aim of the Target Volatility Trigger (TVT) strategy is to adjust the allocation to equities at times of market stress and to provide a degree of protection to the beneficiaries while ensuring that they could still benefit from gains from equities. During the period under review the TVT was triggered on two occasions, in May and August 2015. This resulted in a reduced exposure to equities. The proceeds from the sale of equities are invested in cash until the markets improve. This caused the equity holding in the Diversified Fund to be reduced from the equity target allocation of 22.5% to 12%, and in the Growth Fund from 55% to 29%, as at 30<sup>th</sup> September 2015. The cash from the de-risking process was invested in the Euribor Plus Fund and thereby increased the target allocation for Cash from 50% to 60% for the Diversified Fund and from 0% to 26% allocation for the Growth Fund. Table 2 shows the benchmark allocations pre the application of the TVT interventions referred to above.

**Table 2: Target Composition Mix of the Investment Strategies since 1<sup>st</sup> October 2014 to 30<sup>th</sup> September 2015**

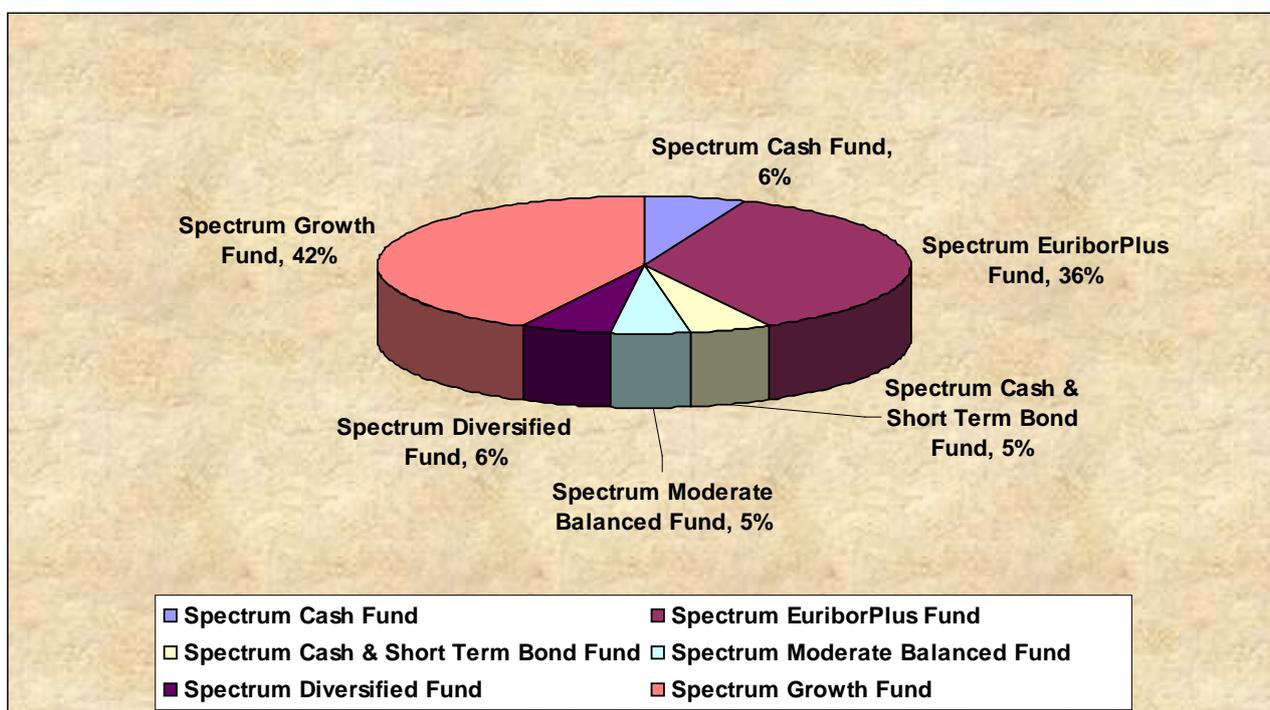
<i>SSGA Spectrum Fund</i>	<i>Cash Fund</i>	<i>Euribor Plus Fund</i>	<i>Cash &amp; Short Term Bond Fund</i>	<i>Moderate Balanced Fund</i>	<i>Diversified Fund</i>	<i>Growth Fund</i>
<i>SSGA GRU Cash</i>	100%					
<i>SSGA Euribor Plus Fund</i>		100%	70%	70%	50%	
<i>SSGA GRU Bond Index Fund</i>			30%	23%	27.5%	15%
<i>SSGA GRU Euro Index Equity Fund &amp; SSGA GRU World ex Euro Index Equity Fund</i>				7%	22.5%	55%
<i>SSGA Diversified Alternative Strategy</i>						15%
<i>SSGA Euro Aggregate Corporate Bond Index Fund</i>						15%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

### REPORT OF THE ACCOUNTANT OF THE COURTS OF JUSTICE (CONTINUED)

As at the 30<sup>th</sup> September 2015 in excess of €1.444 billion or 94% of the Accountant's Office total funds under management were invested in the SSGA Investment Strategies. An analysis of these funds by strategy is shown in Table 3 below. The total amount invested in the unitised funds can be further analysed between the High Court (€1.306 billion), Circuit Courts (€130 million) and District Courts (€8 million).

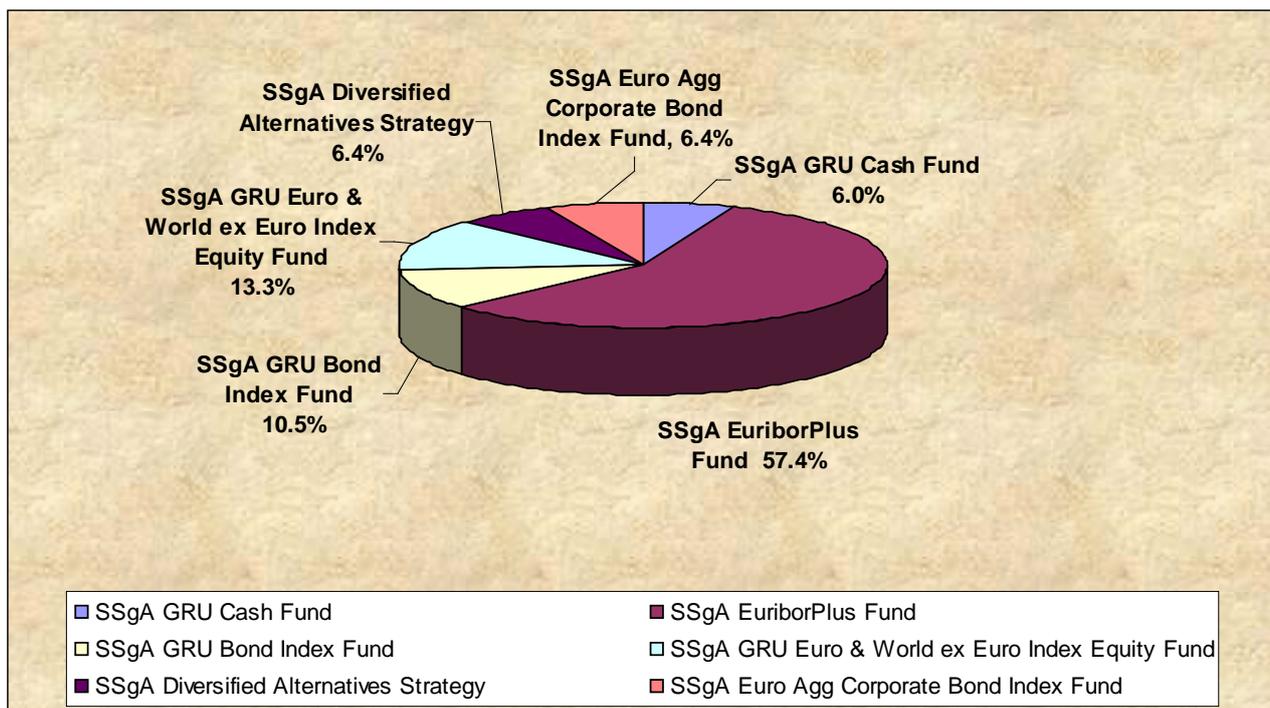
**Table 3: Percentage Allocation of Court Funds to each SSGA Investment strategy as at the 30<sup>th</sup> September 2015**



The Investment Committee continues to take a proactive and prudent approach to setting investment policy in relation to these funds. This approach has worked well over the past 12 years, whereby very good returns have been generated, while protecting court funds from the worst effects of the credit crisis in 2008. The investment approach is that all funds are invested in the appropriate strategies which in turn invest in the underlying assets identified in Table 2.

A significant element, 74% of funds invested in the SSGA investment strategies, are held in cash based assets, short term debt and bonds. There is 26% exposure to equities, corporate bonds and diversified alternatives. As indicated above the exposure to equities was significantly reduced during the year as a result of operating the Target Volatility Trigger (TVT) strategy. A detailed analysis of the underlying asset classes in which the SSGA funds are invested is represented in Table 4.

Table 4: SSGA Underlying Asset Class Allocation of Court Funds as at 30<sup>th</sup> September 2015



As a result of unprecedented low interest rates set by the European Central Bank (ECB) over recent years, it has become increasingly difficult to generate any return on cash. Based on the ECB's monetary policy over recent years, negative interest rates have become the norm for high quality short-term cash investments. During the first quarter of 2015, in a further attempt to stimulate the economy the ECB announced that it would finally begin to buy European bonds at a rate of €60bn per month until September 2016. One of the effects of this programme, which will see a significant increase in the amount of money in circulation, is that interest rates are likely to remain at current levels for some time into the future and could be reduced further by the ECB.

In this context it has become increasingly difficult to guarantee "capital preservation", even in the lowest risk strategies. Many market commentators expect both growth and inflation to remain low over the medium-term given the economic challenges facing the Euro zone which means that the ECB programme will continue until at least next year's target date.

In an attempt to mitigate the impact on beneficiaries, the Courts Service negotiated with SSGA, the investment manager for the Courts' Funds, a partial waiver of their fees on the Cash Fund in an attempt to prevent a negative return. However even with the management fee waiver in place the Cash Fund is now achieving marginally negative yields. As a result of the negative yields on the Cash Fund the Investment Committee approved changes to the investment protocol during 2015 which saw all case types with an investment time horizon of greater than 3 months moved to the Euribor Plus Fund. This fund is predominantly a cash fund with the potential for higher gross yields than the Cash Fund, but it also has slightly higher volatility.

While those beneficiaries invested in the lowest risk funds will no doubt be disappointed with the returns being achieved by the Cash Fund and the Euribor Plus Fund, we do not believe that a move to any of the other higher yielding investment strategies, would be prudent or appropriate, unless the investment period is sufficiently long and aligned with the profile of the strategy. Table 5 indicates the revised investment protocol from March 2015 for the investment of Minors funds.

THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

REPORT OF THE ACCOUNTANT OF THE COURTS OF JUSTICE (CONTINUED)

Table 5: Investment Protocol for the Investment of Minors Funds as at 30<sup>th</sup> September 2015

<i>Strategy</i>	<i>Time Horizon Minors Funds held in Court</i>
<i>Cash Fund</i>	Less than 3 months (17¼ years old or more)
<i>Euribor Plus Fund</i>	Between 3 months - 3 years (15 years old or over but less than 17¼)
<i>Cash &amp; Short Term Bond Fund</i>	Between 3 - 5 years (13 years old or over but less than 15)
<i>Moderate Balanced Fund</i>	Between 5 - 8 years (10 years old or over but less than 13)
<i>Diversified Fund</i>	More than 8 years (under 10 years old)

Due to the ECB monetary policy, resulting in very low and in some cases negative interest rates, which is likely to persist for the foreseeable future, it was decided to move a significant amount of funds from the Cash Fund to the Euribor Plus Fund. Given the likelihood of the Cash Fund producing negative returns, this was deemed a prudent approach in an attempt to protect beneficiaries' negative interest rates, in so far as possible. This position is reviewed on an on-going basis as the market environment changes. The current environment remains extremely challenging for those investing in high quality cash or liquidity funds. During the year ended September 2015 we have seen some returns dip marginally into negative. This is a global, industry-wide trend and not something unique to the investment of Court Funds. In this context it has become increasingly difficult to guarantee "capital preservation", even in the lowest risk strategies.

It has been accepted that the investment of Wardship cases can potentially be more complex, given the range of issues to be considered in making the investment decision. While for some Wardship cases a strategy wishing to maintain their level of invested capital may be appropriate, others may need a higher return than such a policy could deliver. For Wards of Court invested in the Growth Fund, who also have ongoing cash needs, a separate cash holding is maintained. As outlined above, these holdings are now being held in the Euribor Plus Fund. The amount is the equivalent to 3 years' estimated projected cash flow. This is reviewed annually by the Registrar for Wards of Court.

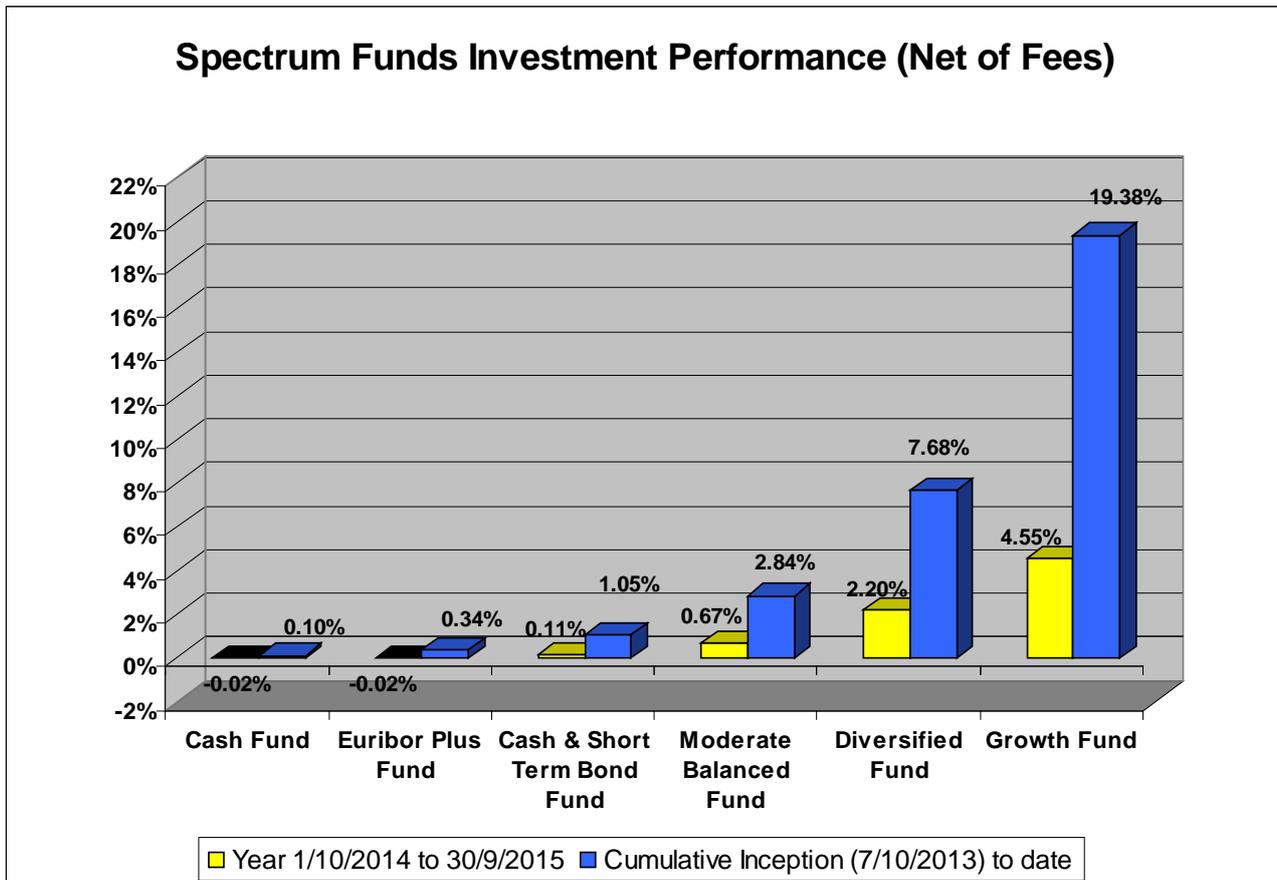
For all the other case types, for example cases Pending further Order and Redress Board cases, for which the Accountant is responsible, the protocol dictates that the funds be held in the Euribor Plus Fund.

At the 30<sup>th</sup> September 2015 the Accountants Office was managing €1.534 billion in a fiduciary capacity on behalf of more than 19,500 beneficiaries. 2,700 of these beneficiaries are persons who have been declared wards of court with funds valued at €1.054 billion as at 30<sup>th</sup> September 2015. A further 14,800 are minors with funds valued at €281 million. The remainder mostly consist of cases pending further court orders, residential redress board cases, lodgements with defence case types and the Insurance Compensation Fund.

**Investment Performance**

Table 6 shows the investment performance, net of fees, for all six strategies for the current financial year covering the period from 1<sup>st</sup> October 2014 to 30<sup>th</sup> September 2015 and the cumulative performance since inception of the new funds in October 2013. The net returns for the financial year were as follows; Cash Fund (-0.02%), Euribor Plus Fund (-0.02%), Cash and Short Term Bond Fund (+0.11%), Moderate Balanced Fund (+0.67%), Diversified Fund (+2.20%), and Growth Fund (+4.55%).

**Table 6: Spectrum Funds Annual Investment Performance (Net of Fees) to 30<sup>th</sup> September 2015**



The Cash and Euribor Plus Fund generated marginally negative returns of -0.02%, after management fees for the financial year. When account is taken of the investment objectives of for these funds and the unprecedented low ECB interest rates, this return was in line with expectations. One of the objectives when setting up the new strategies in October 2013 was to enhance returns for Minor cases in particular with medium to long term investment periods. The Cash & Short Term Bond Fund, the Moderate Balanced Fund and the Diversified Fund are investment strategies used to accommodate principally Minor’s funds with investment horizons of greater than 3 years. These funds also performed in line with expectations (see Table 7). It should be noted that all funds delivered performance in excess of their respective benchmarks. Returns for the Growth Fund for the year have been satisfactory at 4.55% (net of fees), given the high level of volatility in equity markets in the second half of the year. Please see pages 20-22 of the Investment Managers Report for further information regarding the financial markets.

THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

REPORT OF THE ACCOUNTANT OF THE COURTS OF JUSTICE (CONTINUED)

Table 7: Spectrum Funds Gross Returns v Benchmark

<i><b>SSGA Spectrum Portfolio Return</b></i>	<i><b>Cash Fund</b></i>	<i><b>Euribor Plus Fund</b></i>	<i><b>Cash &amp; Short Term Bond Fund</b></i>	<i><b>Moderate Balanced Fund</b></i>	<i><b>Diversified Fund</b></i>	<i><b>Growth Fund</b></i>
<i><b>Gross Return</b></i>	<b>0.034%</b>	<b>0.122%</b>	<b>0.254%</b>	<b>0.811%</b>	<b>2.345%</b>	<b>4.792 %</b>
<i><b>Fund Benchmark Return</b></i>	<b>-0.219%</b>	<b>0.03%</b>	<b>0.17%</b>	<b>0.74%</b>	<b>2.06%</b>	<b>4.408%</b>
<i><b>Out Perform Benchmark</b></i>	<b>0.253%</b>	<b>0.094%</b>	<b>0.087%</b>	<b>0.070%</b>	<b>0.286%</b>	<b>0.384%</b>
<i><b>Net Performance (after Fees) 1st Oct. 2014 to 30/9/2015</b></i>	<b>-0.02%</b>	<b>-0.02%</b>	<b>0.11%</b>	<b>0.67%</b>	<b>2.20%</b>	<b>4.55%</b>

Despite the unprecedented low interest rates and volatility in financial markets, overall the investment performance has been satisfactory, with an increase in assets of €18.8 million as a result of investment performance for the period under review.

**SSGA Spectrum Funds Structure**

State Street Spectrum Unit Trust (the “Trust”), formerly known as State Street Global Advisers Spectrum Unit Trust, an open-ended unit trust, was created by a Trust Deed dated 23 October 2003. The Trust is authorised by the Central Bank of Ireland (the “Central Bank”) pursuant to the provisions of the Unit Trusts Act, 1990. The Trust is structured as an umbrella fund, in that different sub-funds thereof may be established from time to time with the prior approval of the Central Bank. In addition, each sub-fund may have more than one unit class allocated to it. The assets of each sub-fund are separate from one another and are invested in accordance with the investment objectives and policies applicable to each sub-fund.

On 10 December 2003, the Trust launched the following four sub-funds (the “Funds”):

- State Street Spectrum Growth Fund (formerly called SSGA Spectrum Growth Fund)
- State Street Spectrum Euribor Plus Fund (formerly called SSGA Spectrum Euribor Plus Fund)
- State Street Spectrum Cash Fund (formerly called SSGA Spectrum Cash Fund)
- State Street Spectrum Cash and Short Term Bond Fund (formerly called SSGA Spectrum Cash and Short Term Bond Fund)

On 9 October 2013, the Trust launched the following two sub-funds (the “Funds”):

- State Street Spectrum Diversified Fund (formerly called SSGA Spectrum Diversified Fund)
- State Street Spectrum Moderate Balanced Fund (formerly called SSGA Spectrum Moderate Balanced Fund).

The base currency of all six Funds is Euro.

**SSGA Spectrum Funds Structure (continued)**

**Investment Objective**

**Spectrum Cash Fund:**

This is the lowest risk strategy available and is aimed primarily at beneficiaries with short term investment horizons. The fund seeks to maintain a high level of liquidity, preserve capital and stability of principal, and consistent with those objectives, earn current income and aims to provide a return in line with money market rates. The benchmark for the fund is the 1 Week Euro LIBID.

**Spectrum Euribor Plus Fund:**

This is a low risk strategy aimed primarily at beneficiaries wishing to maintain their level of invested capital with the potential for returns in excess of cash. The fund is aimed primarily at beneficiaries with an investment time horizon of between 9 months & 3 years. The fund seeks to generate returns in excess of the benchmark by investing in a diversified portfolio of high quality, Euro denominated money market instruments, short-term debt and debt related instruments. The benchmark for the fund is the BofA Merrill Lynch Euro Currency 3-Month LIBID Constant Maturity Index.

**Spectrum Cash & Short Term Bond Plus Fund:**

The objective of this strategy is primarily to maintain capital preservation with a moderate level of growth. This is to be achieved by investing in the SSGA GRU EMU Bond Index Fund and the SSGA Euribor Plus Fund. The fund is aimed primarily at beneficiaries with an investment time horizon of between 3-5 years. The benchmark for the fund is 70% 3 Month Euro LIBID and 30% Citi EMU Government Bond Index 1-3 Years.

**Spectrum Moderate Balanced Fund:**

The Moderate Balanced Fund is designed to achieve a moderate level of growth over the medium to long term. This is to be achieved by investing in the SSGA GRU EMU Bond Index Fund, the SSGA GRU Euro Index Equity Fund, the SSGA GRU World ex Euro Index Equity Fund and the SSGA Euribor Plus Fund. The fund is aimed primarily at beneficiaries with an investment time horizon of between 5-8 years. The benchmark for the fund is 7% FTSE All World Developed Index, 23% Citi EMU Government Bond Index 1-3 years and 70% 3 Month Euro LIBID.

**Spectrum Diversified Fund:**

The investment objective of the Diversified Fund is primarily to achieve a moderate level of growth over the medium to long term. This is to be achieved by investing in the SSGA GRU EMU Bond Index Fund, the SSGA GRU Euro Index Equity Fund, the SSGA GRU World ex Euro Index Equity Fund and the SSGA Euribor Plus Fund. The fund is aimed primarily at beneficiaries with an investment time horizon of more than 8 years. At the end of April 2015, the Spectrum Growth Fund implemented an equity target volatility trigger (TVT) overlay. TVT is a transparent process that aims to provide a measure of protection against significant falls in equity markets. TVT forecasts equity volatility and dynamically adjusts the equity exposure within the Spectrum Diversified Fund in periods of heightened volatility thus offering an element of protection to unit holders. The benchmark for the fund is 22.5% FTSE All World Developed Index, 27.5% Citi EMU Government Bond Index 1-3 years and 50% 3 Month Euro LIBID.

**Spectrum Growth Fund:**

The investment objective of the Growth Fund is primarily to achieve capital appreciation over the medium to long term while maintaining a high level of risk control. This is to be achieved by investing in the SSGA GRU EMU Bond Index Fund, the SSGA GRU Euro Index Equity Fund, the SSGA GRU World ex Euro Index Equity Fund, the SSGA Euro Corporate Bond index Fund and the SSGA Diversified Alternatives Strategy. At the end of April 2015, the Spectrum Growth Fund implemented an equity target volatility trigger (TVT) overlay. TVT is a transparent process that aims to provide a measure of protection against significant falls in equity markets. TVT forecasts equity volatility and dynamically adjusts the equity exposure within the Spectrum Growth Fund in periods of heightened volatility thus offering an element of protection to unit holders. Only Wards of Court funds are invested in this strategy where it is deemed that a stronger level of capital growth is required in order to provide for expenditure over the projected lifetime of the beneficiary. The benchmark for the fund is 55% FTSE All World Developed Index, 15% Citi EMU Government Bond Index 1-3 years, 15% Barclays Euro-Aggregate Corporate Bond Index and 15% EONIA (SSGA Diversified Alternatives Strategy).

## THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

### REPORT OF THE ACCOUNTANT OF THE COURTS OF JUSTICE (CONTINUED)

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#### GOVERNANCE ARRANGEMENTS

##### Management of Court Funds

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

- **Investment Committee:** The Investment Committee was established in 2002 to oversee the implementation of the arrangements approved by the Board of the Courts Service for the management and investment of Court Funds. The membership of the Committee comprises representatives of the judiciary, Court officers, Court Service officials, and independent external members. (See membership of the Committee on page 7). The Committee meets on a regular basis to monitor progress and to review reports from the Head of Resource Management, Investment Advisors and Investment Managers.
- **Investment Advisors:** Aon Hewitt currently provides independent investment advice to the Courts Service in relation to the management and investment of Court Funds. The role of the investment advisor is to provide professional, independent investment advice to the Investment Committee in determining appropriate investment policy and investment strategies to meet the needs of beneficiaries, and also to monitor investment performance and the performance of fund managers. Their responsibilities include the provision of advice on a range of matters related to the management and investment of court funds. They also support the Courts Service and Investment Committee in the selection and appointment of fund managers and custodians.
- **Investment Managers:** State Street Global Advisors Ireland Limited were re-appointed fund managers to the Trust in 2012. A new Investment Management Agreement was executed on 7<sup>th</sup> October 2013 with the establishment of six new investment strategies effective from 9<sup>th</sup> October 2013.
- **Fund Trustee:** Following the tender State Street Custodial Services (Ireland) Limited were appointed Trustee of all court funds invested in the unitised funds, effective 1 August 2013. On the 7<sup>th</sup> May 2015, the trustee services for the Trust moved to Northern Trust Fiduciary Services (Ireland) Limited. The Trustee takes into its custody or under its control all the assets of the Trust and holds them in safekeeping for the unitholders. The full duties of the Trustee are outlined in the Unit Trusts Act, 1990.
- **Fund Administrator, Registrar and Transfer Agent:** Following the tender, State Street Fund Services (Ireland) Limited were appointed Administrator to the Trust effective from 1 August 2013. On the 7<sup>th</sup> May 2015, Administrator, Registrar and Transfer Agent Services for the Trust moved to Northern Trust International Fund Administration Services (Ireland) Limited with responsibility to maintain the books and records of the Trust.
- **External Audit:** The annual financial statements of the Accountant of the Courts of Justice are audited by independent external auditors. Grant Thornton currently provides these external audit services. The annual financial statements are submitted to the Minister for Justice and Equality the Minister for Finance and the Minister for Public Expenditure and Reform, by 31<sup>st</sup> March each year. The audited financial statements can also be viewed on the Courts Service website at [www.courts.ie](http://www.courts.ie).
- **Internal Audit:** The Accountant's Office is also subject to audit by the Courts Service's 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 identified and adequately managed.

## THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

### REPORT OF THE ACCOUNTANT OF THE COURTS OF JUSTICE (CONTINUED)

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#### Governance Arrangements (continued)

- **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 are being considered by the Department of Justice and Equality that would see the establishment of a Central Funds Office that would among other things provide for the audit of these funds by the Comptroller and Auditor General.

#### OPERATIONAL OVERVIEW

##### Accountant's Office

During the year, 77,801 financial transactions (82,479 y/e 30<sup>th</sup> September 2014), with a monetary value in excess of €1.885 billion (€2.683 billion y/e 30<sup>th</sup> September 2014), were processed by the Accountant's Office. The demand on the resources in the Accountant's Office is continuing to increase and is expected to increase further in 2016 with the increase in activity on the Insurance Compensation Fund, due to the liquidation of Setanta Insurance Company and Lemma Europe Insurance Company Ltd. Over 97% of all payments processed in the Accountant's Office for the financial year under review were within the key performance indicators of 8 business days and 17 business days for account closures, set for the Accountant's Office. 60% of the payments processed, were issued electronically. It is also expected that during the course of 2016, elements of the Assisted Decision Making (Capacity) Act 2015 will be commenced. This will add further to the workload of the Accountants Office in the years ahead.

##### Insurance Compensation Fund

The Insurance Compensation Fund (the "Fund") was established under the Insurance Act 1964 (the Act) to make arrangements to meet certain liabilities of insolvent insurers. The Fund is maintained and administered under the control of the President of the High Court acting through the Accountant of the Courts of Justice. Since the introduction of the Insurance (Amendment) Act 2011 there has been significant activity by the Accountant's Office in managing the Fund. Amounts are paid from the Fund, with the approval of the High Court, in relation to an insurer in liquidation or administration, in respect of claims under policies issued by the insolvent insurer in circumstances where it seems unlikely that the claims can be met otherwise.

The Accountant of the Courts of Justice ('the Accountant') is, in respect of the amount paid out of the Fund, a creditor of the insolvent insurer which has received the funds. The Central Bank has responsibility for determining whether the Fund requires financial support and the level of contribution to be paid to the Fund by insurers. A levy came into effect on 1<sup>st</sup> January 2012. The Central Bank set the levy at the maximum 2% of the gross premiums paid. While the Act provides that insurers pay a levy, in practice the levy is charged to policyholders. This levy is payable by insurers to the Revenue Commissioners who have responsibility for its collection and subsequent transfer to the Fund. In accordance with Section 5 of the 1964 Act, in event that the Fund does not have sufficient funds to meet a payment approved by the High Court, the Minister for Finance may, on the recommendation of the Central Bank, advance monies to the Fund from the Central Fund to enable payments out of the Fund to be made.

The Accountant provides a financial statement on the Fund to the Department of Finance and the Central Bank annually which is published on the Department of Finance website at [www.finance.gov.ie](http://www.finance.gov.ie). The financial statements of the Accountant of the Courts of Justice record the receipts, payments out and investment of the Funds. During the year under review the Accountant's Office processed payments with a monetary value of €175.1million from the Fund. The total insurance levies receipted in the Accountants Office had a monetary value of €68.9million for the year ending 30<sup>th</sup> September 2015.

**THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE**

**REPORT OF THE ACCOUNTANT OF THE COURTS OF JUSTICE (CONTINUED)**

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**Insurance Compensation Fund (continued)**

**Setanta Insurance Company Ltd (in liquidation)**

Setanta Insurance went into liquidation in April 2014. While this company is based and regulated in Malta, all of its policies covered motor insurance risks in the Republic of Ireland. The Accountant has engaged with Deloitte, who represent the Maltese liquidator in Dublin, the Department of Finance, and our own legal advisors, to clarify and agree a number of legal and administrative procedures for claims to be processed on the Fund. The liquidator has indicated that there will be a considerable shortfall between the funds available from the liquidation and the value of claims, and therefore it has been agreed to make advance applications to the Fund before the liquidation process is completed. The Accountant will only make an application to the President of the High Court where he is satisfied that claims qualify under the provisions of the applicable legislation.

The Law Society challenged whether claims in respect of Setanta claims or indeed other insolvent insurers, should be paid from the ICF or by The Motor Insurers' Bureau of Ireland (MIBI). Following legal advice it was decided by the President of the High Court that the matter should be determined judicially to remove any uncertainty. A hearing before Judge Hedigan was held in Kilkenny in July 2015. This case, which involved The Law Society of Ireland v The Motor Insurers' Bureau of Ireland (MIBI), was to establish if the MIBI was liable to deal with claims when an insurance company goes into liquidation. The High Court decided that MIBI was liable for claims by third parties. MIBI appealed the judgement to the Court of Appeal and the judgement is expected in March 2016.

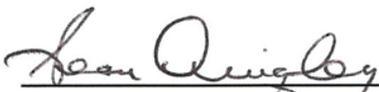
The outcome of the appeal case will have to be considered by the Accountant of the Court of Justice in conjunction with his legal advisors. Regardless of the outcome there are certain Setanta claims that are not affected by the on going court case. It is intended to bring these claims before the High Court at the first opportunity. The Accountant will not make any application to Court until this case has been finalised.

**Lemma Europe Insurance Company Ltd (in liquidation)**

Lemma was authorised to carry on business by the Financial Services Commission in Gibraltar and on 24<sup>th</sup> January 2013, the Supreme Court of Gibraltar ordered the appointment of a liquidator to Lemma. The Fund did not receive any applications to the Fund to which the Accountant was satisfied that the claims qualified under the provisions of the applicable legislation.

**Appreciation**

I would like to thank the staff in the Accountant's Office for the excellent work done during the year in managing the significant increase in the workload of the office. They have contributed significantly to delivering an excellent service to a diverse mix of clients. I would also like to acknowledge the support provided by other business units in the Courts Service, Investment Advisors, Investment Managers, other service providers, and the State Claims Agency, that have enabled the Accountant's Office achieve its objectives during the year.



Sean Quigley  
Accountant of the Courts of Justice

**Date: 14 March 2016**

## THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

### THE ROLE OF THE OFFICE OF THE WARDS OF COURT

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

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. The Office of Wards of Court and the post of Registrar of Wards of Court were established under the Courts (Supplemental Provisions) Act 1961. In accordance with this legislation and rules of Court, the Office and Registrar of Wards of Court have statutory responsibility for managing the affairs of persons who are Wards of Court. 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 where a person who lacks capacity 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 Registrar is responsible for directing the Accountant to invest Ward of Court funds in accordance with the Courts Service investment protocol, as advised by our Investment advisors, and for authorising the discharge of payments on behalf of Wards. The Registrar determines the appropriate investment strategy for each case in accordance with the Courts Service investment protocol. 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 Registrar is also responsible for directing the Accountant, where appropriate, to invest sufficient cash in a separate cash investment, which should meet the equivalent of three years forecast maintenance and other known payments.

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 available strategies. Regular payments are made to the parents or guardians of the minor. Upon reaching the age of eighteen unless there is medical evidence to show mental incapacity, the minor is entitled to have the balance of the funds paid out.

## THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

### INVESTMENT MANAGER'S REPORT

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#### Market Review

Equity markets embarked on something of a rollercoaster journey through the 12 months under review. Some of the ups and downs were specific to certain regions or sectors and, as a result, stock market outcomes varied around the world. Overall, as measured by the FTSE World Index, global equities generated a negative total return of -0.61% on a local currency basis, which translated into a modest gain of 0.83%. While healthcare and consumer sectors featured among the stronger market performers, a sustained fall in the oil price dampened sentiment towards the energy sector. Materials were similarly hit amid rising concerns about slowing growth in the Chinese economy and its potential implications on demand; industrial metals prices by a significant amount.

Notwithstanding those developing worries about China in the second half of the review period, the economic backdrop was generally supportive if not entirely convincing. At the turn of the year, expectations were for the US and UK economies to outpace those of the eurozone and Japan and that higher interest rates would naturally follow for the former two. In fact, the eurozone has actually topped expectations in building on Q1 GDP growth of 0.6% with a 0.4% expansion in Q2. This has been helped by a more confident consumer and a relatively weak euro that lifted export sales. The European Central Bank may claim some credit, having delivered a massive stimulus by cutting its benchmark interest rate to 0.05% and unleashing a €1.1 trillion quantitative easing programme early in 2015. The region's jobless rate moved lower at a glacial pace though to stand at a still-high 11% in August. Scepticism about Greece's ability to repay its debts remains, although agreement on a third bailout after fraught negotiations eased immediate investor concerns of a possible exit from the euro.

The US exhibited the hallmarks of an economy in good shape, albeit one that endured a weather-related setback in the opening quarter of 2015. With GDP growth in the second quarter improving at a faster than expected rate of 3.9% and unemployment falling to just 5.1% in August, the Federal Reserve was widely expected to raise interest rates in September for the first time in over nine years. The subsequent delay of that expected action rattled investors worried that growth may not be sufficiently strong to justify optimistic earnings expectations, which have been revised lower in recent months. The S&P 500 Index recorded a negative return -2.7% for the 12 months, with falling energy and materials sectors more than offsetting modest gains for utilities, healthcare and consumer sectors.

Greece's stock market fell nearly 40% in the year, but there was a wide dispersion of local currency returns in Europe; Ireland gained 26.5%, Germany was up 2%, France up 1% and Spain down nearly 12%. Most markets experienced a notable erosion of gains in latter months as Chinese concerns took centre-stage. Somewhat remarkably, China's Shanghai Composite Index rose almost 30% in the 12 months, despite tumbling 40% between mid-June and the end of September. Hong Kong's Hang Seng Index, where most international investors buy Chinese stocks fell 9.1% in the year. Japan's Nikkei Index was one of the stronger performers, posting a 7.5% local currency gain as yen weakness versus the US dollar bolstered exporter fortunes.

Fixed income markets experienced a year of two fluctuating fortunes, although nearly all developed sovereign bond markets recorded gains in the period. For the UK, US and Japan the downward trend in bond yields came to an end in late January as markets began to price in higher US and UK central bank rates. Eurozone bond yields continued to decline in the lead-up to, and launch of, the ECB's QE programme. By mid-April, German bonds out to nine years were yielding less than zero, with the benchmark 10-year yield falling to 0.05%. From this point, there was a heavy sell-off and 10-year yields shot back above 1.0%, in part due to Greek worries, before ending September at 0.59%. Similar-dated US and Japanese bond yields ended the review period at 2.04% and 0.36%, down from 2.49% and 0.53% respectively a year earlier. UK yields moved lower across the curve over the course of the 12 months, with two-yields falling from 0.83% to 0.57% and 10-year yields down from 2.43% to 1.76%. With UK inflation hovering around zero, the expected timeline for interest rate hikes by the Bank of England was continually pushed further out.

It was on currency markets where much of the China and emerging market narrative was particularly evident. Apart from the fact that China's move to devalue the yuan contributed to fears of competitive devaluations, or currency wars, growth concerns weighed heavily on commodity prices, which in turn hit the currencies of countries that are big exporters of basic resources. So while Brazil's stock market fell almost 17%, the country's currency fell by 33% against sterling.

## THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

### INVESTMENT MANAGER'S REPORT (CONTINUED)

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#### Market Review (continued)

Russia's rouble lost 35%, but it wasn't just Emerging Market currencies under pressure; Norway's krone fell 19% and the dollars of Australia, New Zealand and Canada lost 14%, 12% and 10% respectively on commodity-related worries.

<b>Fund</b>	<b>Gross Performance % for year ending 30 September 2015</b>	<b>Excess Performance % V's Benchmark</b>
SSGA Spectrum Cash Fund	0.034	0.253
SSGA Spectrum Euribor Plus Fund	0.122	0.094
SSGA Spectrum Cash & Short Term Bond Fund	0.254	0.087
SSGA Spectrum Moderate Balanced Fund	0.811	0.070
SSGA Spectrum Diversified Fund	2.345	0.286
SSGA Spectrum Growth Fund	4.792	0.384

#### Notes:

Portfolio returns of the Spectrum Funds are shown gross of fees.

1 year returns are for the year from 1<sup>st</sup> October 2014 to 30<sup>th</sup> September 2015 and are in Euro terms.

The benchmark for State Street Spectrum Growth Fund is a composite of 55% FTSE All World Developed Index, 15% Citi EMU Government Index 1-3 Years, 15% Barclays Capital Euro-Aggregate Corporate Bond Index and 15% EONIA.

The benchmark for State Street Spectrum Euribor Plus Fund is BofA Merrill Lynch Euro Currency 3 Month Libid Constant Maturity Index.

The benchmark for State Street Spectrum Cash Fund is 7-Day EUR Libid.

The benchmark for State Street Spectrum Cash and Short Term Bond Fund is a composite of 70% BofA Merrill Lynch Euro Currency 3-Month Libid Constant Maturity Index and 30% Citi EMU Government Bond Index 1-3 Years.

The benchmark for State Street Spectrum Diversified Fund is a composite of 50% BofA Merrill Lynch Euro Currency 3-Month Libid Constant Maturity Index, 22.5% FTSE All World Developed Index and 27.5% Citi EMU Government Bond Index 1-3 Years.

The benchmark for State Street Spectrum Moderate Balanced Fund is a composite of 70% BofA Merrill Lynch Euro Currency 3-Month Libid Constant Maturity Index, 7% FTSE All World Developed Index and 23% Citi EMU Government Bond Index 1-3 Years.

Source: Datastream

#### Performance and strategy review

##### State Street Spectrum Growth Fund

Over the year to 30<sup>th</sup> September 2015, the Fund outperformed its benchmark by 1.009% on a gross of fee basis. This was largely driven by the underlying "SSGA Diversified Alternatives" strategy which is constituted of 11 underlying funds investing in traditional and alternative asset classes and which strongly outperformed its EONIA benchmark. The beginning of the period was a strong period, for many of the asset classes within the SSGA Diversified Alternatives Strategy, thereby delivering high performance.

**Performance and strategy review (continued)**

A Target Volatility Trigger (TVT) monitoring was implemented on the equity portion of the State Street Spectrum Growth Fund on 28<sup>th</sup> April. The aim of this strategy is to reduce the volatility of the equity sleeve and reduce the impact of large market drawdowns. The approach taken by the manager is to forecast the volatility of the equity index and to allocate from equity to cash or vice versa in order to target a specific volatility for the overall equity. The TVT sleeve targets a volatility level of 12%. Due to rising volatility, the fund de-risked to 87% in equity in mid-May. Volatility forecasts remained somewhat higher than the TVT target through the summer and this broad allocation was maintained. The fund had a subsequent de-risking in late August as concerns surrounding the Chinese economy and global growth took hold and volatility stepped upwards. This higher volatility resulted in a further de-risk, this time to 53% in equity. The portfolio continued to remain with a similar equity level through the end of September.

**State Street Spectrum Cash and Short Term Fund, State Street Diversified Fund and State Street Moderate Balanced Fund**

The Funds performed broadly in line with their respective benchmarks during the year 1<sup>st</sup> October 2014 to 30<sup>th</sup> September 2015.

A Target Volatility Trigger (TVT) monitoring was implemented on the equity portion of the State Street Spectrum Diversified Fund on 28<sup>th</sup> April. The TVT sleeve targets a volatility level of 12%. Due to rising volatility, the fund de-risked to 87% in equity in mid-May. Volatility forecasts remained somewhat higher than the TVT target through the summer and this broad allocation was maintained. The fund had a subsequent de-risking in late August as concerns surrounding the Chinese economy and global growth took hold and volatility stepped upwards. This higher volatility resulted in a further de-risk, this time to 53% in equity. The portfolio continued to remain with a similar equity level through the end of September.

**State Street Spectrum Euribor Plus Fund**

State Street Spectrum Euribor Plus Fund invests substantially all of its assets in SSGA GRU Euribor Plus Fund.

The overall composition of SSGA GRU Euribor Plus Fund generally remained unchanged, maintaining sector allocations. Floating rate securities continue to be the major holding, which provide a higher return against Euribor, whilst minimizing interest rate risk. Although yields have fallen for fixed rate bonds we continue to add against the backdrop of a declining yield environment. Portfolio credit quality remained high throughout the period.

**State Street Spectrum Cash Fund**

State Street Spectrum Cash Fund invests substantially all of its assets in SSGA GRU Euro Cash Fund.

The overall composition of the SSGA GRU Euro Cash Fund remained broadly unchanged, maintaining sector allocations. Bank commercial paper and Certificate of Deposits ("CDs") continue to be the major holdings, while Asset-backed commercial paper issuance provided yield enhancement in the short-end of the interest rate curve. The portfolio managers remained cognizant of the ECB's dovish rhetoric and the subsequent negative rate environment, thus made efforts to ensure modest liquidity ratios were maintained, whilst managing a well-laddered and well-diversified portfolio of top-tier issuers at all times.

**State Street Global Advisors Ireland Limited  
October 2015**

## THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

### STATEMENT OF ACCOUNTANT'S RESPONSIBILITIES

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#### STATEMENT OF ACCOUNTANT'S RESPONSIBILITIES

The Office of the Accountant of the Courts of Justice (ACJ) 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<sup>st</sup> March showing the total amount of funds paid or transferred into and out of Court in the year ended on the 30<sup>th</sup> 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 and Equality, the Minister for Public Expenditure and Reform and the Minister for Finance. The basis of preparation and the accounting policies are set out on page 28.

The Accountant is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the office of the ACJ and of the results of the office of the ACJ for that period. In preparing those financial statements, the Accountant is required to:

- select suitable accounting policies for the ACJ Financial Statements and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the ACJ will continue in business.

#### Statement of Compliance

The financial statements have been prepared on a fair value basis. The financial statements of the Accountant of the Courts of Justice for the year ended 30<sup>th</sup> September 2015 have been prepared in accordance with the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), as required by Irish law.

#### 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 Accountant's 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, and
- there are clearly defined roles and responsibilities.

Under the governance arrangements established by the Courts Service Board, there is an Audit Committee and Internal Audit function, both of which operate in accordance within approved charters. The Audit Committee reviews this report and financial statements. 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

**Date: 14 March 2016**

**INDEPENDENT AUDITORS' REPORT TO 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<sup>th</sup> September 2015 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 18. The financial reporting framework that has been applied in their preparation is the Rules of Superior Courts, Order 77, Rule 83 and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the Accountant in accordance with the Rules of Superior Courts, Order 77, Rule 83.

**Respective responsibilities of the Accountant and auditors**

As explained more fully in the Statement of Accountant's Responsibilities, the Accountant is responsible for preparing the Annual Report and financial statements in accordance with the Rules of Superior Courts, Order 77, Rule 83 and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland). Our responsibility is to audit and express an opinion on the financial statements in accordance with the Rules of the Superior Courts, Order 77, Rule 83 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This included an assessment of: whether the accounting policies are appropriate to the Office of the Accountant of the Courts of Justice's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accountant; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Statement by the Chairman of the Investment Committee, the Accountant of the Courts of Justice's Report, the Investment Manager's Report, the Background Information and the Supplementary Information as described in the contents section to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

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 and Generally Accepted Accounting Practice in Ireland of the state of the affairs of the Office of the Accountant of the Courts of Justice as at 30<sup>th</sup> September 2015 and of its profit for the year then ended.

**Matters on which we are required to report**

- We have obtained all the information and explanations which we consider necessary for the purpose of our audit.
- In our opinion proper books of accounts have been kept by the Office of the Accountant of the Courts of Justice's.
- The financial statements are in agreement with the books of account.

In our opinion the information given in the Statement by the Chairman of the Investment Committee, the Accountant of the Courts of Justice's Report, the Investment Manager's Report, the Background Information and the Supplementary Information is consistent with the financial statements.



Grant Thornton  
Chartered Accountants and Registered Auditors  
Dublin 2, Ireland.

**Date:** 14 March 2016

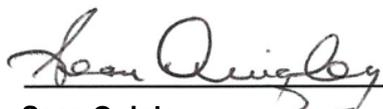
**THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE**

**STATEMENT OF ASSETS AND LIABILITIES  
AT 30 SEPTEMBER 2015**

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	<i>Notes</i>	30/9/2015 €	30/9/2014 €
<b>INVESTMENT ASSETS</b>			
Investments	4	1,500,050,470	1,440,915,855
<b>CURRENT ASSETS</b>			
Debtors	5	19,034,989	20,007,981
Bank	6	15,504,541	13,153,958
<b>TOTAL CURRENT ASSETS</b>		<u>34,539,530</u>	<u>33,161,939</u>
<b>CURRENT LIABILITIES</b>			
Creditors	7	(898,652)	(1,170,051)
<b>TOTAL CURRENT LIABILITIES</b>		<u>(898,652)</u>	<u>(1,170,051)</u>
<b>NET CURRENT ASSETS</b>		33,640,878	31,991,888
<b>TOTAL NET ASSETS</b>		<u>1,533,691,348</u>	<u>1,472,907,743</u>
 <b>Represented by:</b>			
Funds held for beneficiaries	8	<u>1,533,691,348</u>	<u>1,472,907,743</u>

The financial statements were approved by the Accountant on 14 March 2016.

  
**Sean Quigley**  
Accountant of the Courts of Justice

*See accompanying notes to financial statements*

THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015

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	Notes	30/9/2015 €	30/9/2014 €
<b>NET REALISED AND UNREALISED GAINS</b>			
Net realised gains on investments disposed of during the year	10	8,784,977	7,091,927
Net change in unrealised gains on investments	11	11,875,810	58,996,549
Net losses realised on transfers of assets	12	(6,507)	(1,642,374)
<b>NET REALISED AND CHANGE IN UNREALISED GAINS</b>		<u>20,654,280</u>	<u>64,446,102</u>
Investment income	13	218,687	364,179
		<u>20,872,967</u>	<u>64,810,281</u>
Expenses	14	(2,022,561)	(2,093,030)
<b>INCREASE IN NET ASSETS FROM OPERATIONS</b>		<u><u>18,850,406</u></u>	<u><u>62,717,251</u></u>

The financial statements were approved by the Accountant on 14 March 2016.

  
**Sean Quigley**  
Accountant of the Courts of Justice

*See accompanying notes to financial statements*

THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015

	30/9/2015 €	30/9/2014 €
<b>INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>		
Investment income less expenses	(1,803,874)	(1,728,851)
Net realised gains on investments	8,784,977	7,091,927
Net change in unrealised gains on investments	11,875,810	58,996,549
Net losses realised on transfers out during year	(6,507)	(1,642,374)
	<hr/>	<hr/>
<b>INCREASE IN NET ASSETS FROM OPERATIONS</b>	18,850,406	62,717,251
	<hr/>	<hr/>
<b>CAPITAL TRANSACTIONS</b>		
Receipts	461,730,858	462,345,001
Disbursements	(419,797,659)	(345,681,755)
	<hr/>	<hr/>
<b>INCREASE IN NET ASSETS FROM CAPITAL TRANSACTIONS</b>	41,933,199	116,663,246
	<hr/>	<hr/>
Total Increase in net assets for the year	60,783,605	179,380,497
Net assets at beginning of year	1,472,907,743	1,293,527,246
	<hr/>	<hr/>
<b>NET ASSETS AT END OF YEAR</b>	1,533,691,348	1,472,907,743
	<hr/> <hr/>	<hr/> <hr/>

*See accompanying notes to financial statements*

# THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

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### 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 legislations governing the receipt, management and investment of Court controlled funds are 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 the Rules of the Superior Courts, Order 77, Rule 83 and accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland). The financial statements of the Accountant of the Courts of Justice for the year ended 30<sup>th</sup> September 2015 have been prepared in accordance with the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), as required by Irish law.

The Accountant's Office has availed of the exemption available under FRS 1 Cash Flow Statement (revised) not to prepare a cash flow statement.

#### (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 change in unrealised gains or losses on investments are recorded in the statement of operations.

#### (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 change in unrealised gains on investments.

# THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015 (CONTINUED)

### 3. FEES AND EXPENSES

#### 3.1 Court Fees

Many of the beneficiaries of court funds 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. 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. 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 Investment 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 and Equality and the Minister for Public Expenditure and Reform and are contained in the Supreme and High Court Fees Orders.

Fees amounting to €1.87 million (2014: €1.923 million) have been charged as a result of transactions processed by the Accountants Office during the year ended 30th September 2015. In addition to these fees, €154,156 (2014: €170,306) in respect of court percentages was charged on funds held on behalf of Wards of Court. These charges represent 0.13% of total funds.

#### 3.2 SSGA Investment Management, Custodian and Administration Fees

At the commencement of the new investment strategies on 9<sup>th</sup> October 2013, a scale of investment management, custodian and administration fees were agreed with State Street Global Advisors, the Investment Managers, and incorporated in the Investment Management Agreement, signed on 7<sup>th</sup> October 2013. All fees are calculated and accrued on a weekly basis and are paid directly from each Portfolio on a monthly basis. The all-in fee covers all reasonable fund related fees within the Spectrum and Master Funds (inclusive of non SSGA Funds), including but not limited to Trustee/Fiduciary fees, administration fees, transaction fees, Legal Fees, and Audit and Accounting fees.

The investment management and non management fees charged on all the Court Funds invested in the SSGA Spectrum Funds during the period under review amounted to €2,351,147.

4. INVESTMENTS	30/9/2015	30/9/2014
	€	€
SSGA Unitised funds	1,444,652,041	1,357,804,465
Managed funds	3,591,378	4,394,865
Equities	3,087,329	2,909,380
Government bonds	155,266	617,162
Deposit accounts	48,000,673	74,623,286
An Post Saving Certificates	37,440	37,440
Insurance policies	526,343	529,257
	<hr/>	<hr/>
Portfolio of Investments	1,500,050,470	1,440,915,855
	<hr/> <hr/>	<hr/> <hr/>

THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (CONTINUED)

5. DEBTORS	30/9/2015 €	30/9/2014 €
Court amounts awarded not yet received	18,998,879	19,868,927
Accrued Income	36,110	139,054
	<u>19,034,989</u>	<u>20,007,981</u>
<p>Accrued income includes accrued interest on deposit accounts held at the end of September 2015 and 2014, which was recorded in accordance with generally accepted accounting principles.</p>		
6. BANK	30/9/2015 €	30/9/2014 €
Cash at bank	15,504,541	13,153,958
	<u>15,504,541</u>	<u>13,153,958</u>
7. CREDITORS	30/9/2015 €	30/9/2014 €
Exit tax payable (See Note 10)	(898,652)	(1,170,051)
	<u>(898,652)</u>	<u>(1,170,051)</u>
8. FUNDS HELD FOR BENEFICIARIES	30/9/2015 €	30/9/2014 €
Amounts held for wards of court	1,053,536,799	949,958,793
Amounts held for minors	281,429,362	276,872,051
Amounts held for pending further order cases	85,753,541	111,554,718
Amounts held for charitable bequests	2,497,012	2,370,585
Amounts held for lodgements with defence	14,446,110	11,605,419
Other (see note below)	96,028,524	120,546,177
	<u>1,533,691,348</u>	<u>1,472,907,743</u>

Included in Other, is an amount of €38,874,707 (2014: €66,045,158), in respect of a single fund known as the "Insurance Compensation Fund" which was established under the Insurance Act, 1964 to meet certain liabilities of insolvent insurers, to provide for the making of a grant and loans to the Fund by the Minister for Finance and to receive contributions to the fund by insurers.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (CONTINUED)

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**9. FINANCIAL RISK MANAGEMENT**

State Street Global Advisors Ireland Limited (“SSGA”) acts as the Investment Manager to the Trust pursuant to the Investment Management Agreement.

The Funds of SSGA Spectrum Unit Trust invest substantially all their assets in one or a combination of the sub-funds of SSGA Gross Roll Up Unit Trust listed below.

- SSGA GRU EMU Bond Index Fund
- SSGA GRU Euribor Plus Fund
- SSGA GRU Euro Cash Fund
- SSGA GRU Euro Index Equity Fund
- SSGA GRU World ex Euro Index Equity Fund

SSGA Spectrum Growth Fund also invests a portion of its assets in other funds.

In pursuing the investment objectives and policies, the Funds are exposed to a variety of financial risks either directly or through the sub-funds in SSGA Gross Roll Up Unit Trust or other Funds they invest in: market risk (including market price risk, currency risk, and interest rate risk), credit risk and liquidity risk that could result in a reduction in the Funds’ net assets.

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.

State Street Spectrum Cash Fund invested substantially all its assets in the SSGA GRU Euro Cash Fund and was therefore exposed to the same market risks as SSGA GRU Euro Cash Fund.

State Street Spectrum Euribor Plus Fund invested substantially all of its assets in SSGA GRU Euribor Plus Fund and was therefore exposed to the same market risks as SSGA GRU Euribor Plus Fund.

State Street Spectrum Cash and Short Term Bond, SSGA Spectrum Moderate Balanced Fund, State Street Spectrum Diversified Fund and State Street Spectrum Growth Fund invested in a range of funds, some of which are index tracking funds, and their sensitivity to market price risk is highlighted in the table below.

The State Street Spectrum Growth Fund invests in a range of funds that are diversified over asset classes and geographies. The Investment Manager moderates market price risk within the SSGA Spectrum Growth Fund by adhering to the investment restrictions and concentration limits set out in the Fund’s supplemental Prospectus.

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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (CONTINUED)

9. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market Risk (continued)

(a) Market price risk (continued)

At the level of the sub-funds of SSGA Gross Roll Up Unit Trust, the following analysis explains the impact that a 20% movement in the relevant benchmark index (calculated in Euro terms) at 30<sup>th</sup> September 2015 and 30<sup>th</sup> September 2014, with all other variables held constant, would have on the net assets attributable to redeemable unitholders of the various Funds.

<b>Fund</b>	<b>Benchmark index</b>	<b>% change in Fund's net assets As at 30<sup>th</sup> September 2015</b>	<b>% change in Fund's net assets As at 30<sup>th</sup> September 2014</b>
SSGA GRU Euro Index Equity Fund	FTSE AW Developed Eurozone Index	19.99%	19.80%
SSGA GRU World Ex Euro Index Equity Fund	FTSE AW Developed EX Eurobloc	19.94%	19.80%
SSGA GRU EMU Bond Index Fund	Citi EGBI 1-3 Years	19.97%	20.60%
SSGA GRU Euro Cash Fund	ML Euro Currency LIBID 3-Month	3.21%	2.80%
SSGA GRU Euribor Plus Fund	BBA Euribor 3 Month Index	4.2%	N/A*

\* The SSGA GRU EURIBOR Plus Fund launched on 18 July 2014 and as a result of its limited return history, any estimation of return sensitivity to its respective benchmark could have proved misleading as at 30<sup>th</sup> September 2014.

For example, the above analysis shows that if the FTSE AW Developed Eurozone Index in Euro terms at 30<sup>th</sup> September 2015 had increased by 20%, with all other variables held constant, this would have increased net assets attributable to redeemable unitholders of the SSGA GRU Euro Index Equity Fund by approximately 19.99% (2014: 19.80%).

Conversely, if the FTSE AW Developed Eurozone Index in Euro terms had decreased by 20%, with all other variables held constant, this would have decreased net assets attributable to redeemable unitholders of the SSGA GRU Euro Index Equity Fund by approximately 19.99% (2014: 19.80%).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (CONTINUED)

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

**Market Risk (continued)**

**(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.

State Street Spectrum Growth Fund is the only Fund that does not exclusively invest in EUR denominated funds and is therefore directly exposed to currency risk.

As of 30<sup>th</sup> September 2015, some of the Funds are also indirectly exposed to the currency risks of the underlying funds they invest in.

In particular, at the year end State Street Spectrum Growth Fund invested in funds with exposure to non-Euro currencies. Also, State Street Spectrum Moderate Balanced Fund and State Street Spectrum Diversified Fund invested in SSGA GRU World Ex Euro Index Equity Fund. All of the SSGA GRU World Ex Euro Index Equity Fund's 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, Canadian Dollar, Australian 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. Transactions in foreign currencies are translated into the functional currency of the Fund at the exchange rates ruling at the date of the transaction. Assets and liabilities are translated into the functional currency of the Fund at the exchange rate ruling at the year end date.

State Street Spectrum Euribor Plus Fund, State Street Spectrum Cash and Short Term Bond Fund and State Street Spectrum Cash Fund are not exposed to any foreign currency risks as the funds they invest in had all their assets and liabilities denominated in EUR, the functional currency of the Funds.

The Investment Manager monitors the currency exposures on a regular basis to ensure they remain within acceptable ranges.

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

**(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.

The Funds are directly exposed to interest rate risk through their cash holdings and are indirectly exposed to interest rate risks through some of the collective schemes they invest in.

This is particularly true for State Street Spectrum Euribor Plus and State Street Spectrum Cash Fund which are, respectively, exposed to the same interest risks as SSGA GRU Euro Cash Fund and SSGA GRU Euribor Plus Fund.

State Street Spectrum Cash and Short Term Bond Fund, State Street Spectrum Moderate Balanced Fund and State Street Spectrum Diversified Fund are exposed to the same interest rate risks as SSGA GRU Euribor Plus Fund and SSGA GRU EMU Bond Index Fund in proportion to their allocation.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (CONTINUED)

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

**Market Risk (continued)**

**(c) Interest rate risk (continued)**

The SSGA GRU Euribor Plus Fund and SSGA GRU Euro Cash 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 positions and cash flows.

The investment objective of the SSGA GRU EMU Bond Index Fund is to track as closely as reasonably possible the performance of the Citi EMU Government Bond Index 1-3 Years. 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 SSGA GRU Euribor Plus Fund and SSGA 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 SSGA GRU Euro Index Equity Fund and the SSGA GRU World Ex Euro Index Equity Funds do not hold interest-bearing securities and therefore no interest rate risk exposure arises in respect of these Funds.

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.

**(d) Credit risk**

Credit risk, is the risk that a counterparty or issuer will be unable to pay amounts in full when due.

As of 30<sup>th</sup> September 2015, the Funds are also indirectly exposed to the same credit risks as the funds they invest in.

As of 30<sup>th</sup> September 2015, State Street Spectrum Cash Fund invested substantially all its assets in the SSGA GRU Euro Cash Fund and was therefore exposed to the same credit risk as SSGA GRU Euro Cash Fund and SSGA Spectrum Euribor Plus Fund invested all its assets in SSGA GRU Euribor Plus Fund.

The SSGA Money Market Desk and the Investment Advisor's Portfolio Compliance Team monitor the current credit rating for all positions within these 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 SSGA Money Market Desk and the Investment Manager's Portfolio Compliance Team also ensure that there is appropriate investment diversification and that risk is not overly concentrated with a particular counterparty or issuer at any time.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (CONTINUED)

9. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market Risk (continued)

(d) Credit risk (continued)

As of 30<sup>th</sup> September 2015, State Street Spectrum Euribor Plus Fund and State Street Spectrum Cash Fund invest all of their assets in respectively SSGA GRU Euribor Plus Fund and SSGA GRU Euro Cash Fund. State Street Spectrum Cash and Short Term Bond Fund, State Street Spectrum Moderate Balanced Fund and State Street Spectrum Diversified Fund are exposed to the same counterparty risks as SSGA GRU Euribor Plus Fund and SSGA GRU EMU Bond Index Fund in proportion to their allocation. In addition, the State Street Spectrum Diversified Fund is exposed to the SSGA GRU Euro Cash Fund. In SSGA GRU EMU Bond Index Fund, 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 its benchmark.

The SSGA GRU Euro Cash Fund, SSGA GRU Euribor Plus Fund and the SSGA GRU EMU Bond Index Fund hold interest-bearing securities with the following credit exposures as at 30<sup>th</sup> September 2015 and 30<sup>th</sup> September 2014.

Fund name	As at 30 <sup>th</sup> September 2015		As at 30 <sup>th</sup> September 2014	
	Investment grade	Non - investment grade	Investment grade	Non - investment grade
SSGA GRU Euro Cash Fund	100%	-	100%	-
SSGA GRU EMU Bond Index Fund	100%	-	100%	-
SSGA GRU Euribor Plus Fund*	100%	-	100%	-

\* SSGA GRU Euribor Plus Fund launched on 18 July 2014.

The Funds' credit exposure also comprises:

- the risk that cash, all held with Northern Trust Company, London Branch 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.

As at 30<sup>th</sup> September 2015, substantially all of the cash assets are held with The Northern Trust Company, London Branch (NTC). Cash deposited with NTC is deposited as banker and is held on its Balance Sheet. Accordingly, in accordance with usual banking practice, NTC's liability to the Funds in respect of such cash deposits shall be that of debtor and the Funds will rank as a general creditor of NTC. The financial assets are held with the Depositary, Northern Trust Fiduciary Services (Ireland) Limited. These assets are held distinct and separately from the proprietary assets of the Depositary. Securities are clearly recorded to ensure they are held on behalf of the Funds. Bankruptcy or insolvency of the Depositary and or one of its agents or affiliates may cause the Funds' rights with respect to the securities held by the Depositary to be delayed.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (CONTINUED)

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9. FINANCIAL RISK MANAGEMENT (CONTINUED)

**Market Risk (continued)**

**(d) Credit risk (continued)**

Both Northern Trust Fiduciary Services (Ireland) Limited and NTC are wholly owned subsidiaries of Northern Trust Corporation. As at 30<sup>th</sup> September 2015 Northern Trust Corporation had a long term rating from Standard & Poor's of A+ (2014: State Street Corporation, the parent Company of State Street Custodial Services (Ireland) Limited: A+).

Risk is managed by monitoring the credit quality and financial position of the Depository the Funds use.

Northern Trust acts as its own sub-custodian in the U.S., the U.K., Ireland and Canada. In all other markets Northern Trust appoints a local sub-custodian. Northern Trust continually reviews its sub-custodian network to ensure clients have access to the most efficient, creditworthy and cost-effective provider in each market. At 30<sup>th</sup> September 2015 there were no positions held outside the Northern Trust custody network.

All brokers have to be approved before the Funds' Investment Manager may deal with them. 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.

All transactions in listed securities and exchange traded collective investment schemes are settled/paid for upon delivery using approved brokers. Transactions in collective investment schemes which are not exchange traded are effected through the independent transfer agent for that collective investment scheme.

**(e) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets.

At 30<sup>th</sup> September 2015, the Funds are indirectly exposed to the same liquidity risks as the Funds they invest in.

The underlying funds invest their assets in investments that are traded in an active market and can be readily disposed of.

The Funds are exposed to weekly dealing and invest in funds that are themselves exposed to weekly dealing except for SSGA GRU Euro Cash Fund which offers daily dealing. Redemptions of redeemable units in the Funds and Funds they invest in are payable within 3 business days of the dealing day on which the redemption takes place. In addition the State Street Spectrum Growth Fund holds Exchange Traded Funds which can be readily traded on active markets.

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

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.

THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (CONTINUED)

10. NET REALISED GAINS ON INVESTMENTS	30/9/2015 €	30/9/2014 €
Realised gains on investments disposed of during the year	14,172,955	11,188,241
Less:		
Exit tax (i)	(5,223,196)	(4,016,169)
Anti dilution levy and brokers commission (ii)	(164,782)	(80,145)
	<u>8,784,977</u>	<u>7,091,927</u>

(i) The Finance Act 2003 authorises the Courts Service to deduct at source and account for exit taxes arising from the disposal of investments in the unitised funds established by SSGA. The tax is calculated at the rate of 41% (2014: 41%), in accordance with the Finance Act 2015 and is payable to Revenue.

(ii) The anti dilution levy are fees charged on subscriptions and redemptions from the unitised funds.

11. NET CHANGE IN UNREALISED GAINS ON INVESTMENTS	30/9/2015 €	30/9/2014 €
Change in unrealised gains on investments during the year	14,372,891	61,042,197
Less:		
Investment management fees (Note 3.2)	(1,523,067)	(1,350,776)
Miscellaneous managed funds' fees (i)	(145,934)	(305,111)
Anti-dilution levy and brokers commission (ii)	(828,080)	(389,761)
	<u>11,875,810</u>	<u>58,996,549</u>

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

(ii) The anti dilution levy are fees charged on subscriptions and redemptions from the unitised funds.

12. NET LOSSES REALISED ON TRANSFER OF ASSETS	30/9/2015 €	30/9/2014 €
Net losses on transfers out during year	<u>(6,507)</u>	<u>(1,642,374)</u>

These net losses arose on the transfer of equities out of the custody of the court, held in the name of the Accountant of the Courts of Justice. These equities were originally brought into court when a person was made a Ward of Court, and recorded in the accounts at their market value at that time. The net loss represents a net decrease in the value of equities at the time the equities were transferred out of court, as directed by a court order. The net loss referred to is a paper loss as the equities were not actually sold.

## THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015 (CONTINUED)

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<b>13. INVESTMENT INCOME</b>	30/9/2015	30/9/2014
	€	€
Deposit interest	132,589	283,410
Dividends	64,014	57,093
Shares in lieu of dividends	8,015	6,968
Interest on other investments	14,069	16,137
Sale of rights issue	-	571
	<hr/>	<hr/>
	218,687	364,179
	<hr/> <hr/>	<hr/> <hr/>

Investment income is shown net of withholding tax. Deposit interest in 2015 and 2014 includes accrued deposit interest income in accordance with generally accepted accounting principles.

<b>14. EXPENSES</b>	30/9/2015	30/9/2014
	€	€
Court fees (Note 3.1)	2,022,498	2,092,965
Bank charges	63	65
	<hr/>	<hr/>
	2,022,561	2,093,030
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### 15. OTHER INCOME

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

### 16. FAIR VALUE MEASUREMENT

The Office of the Accountant of the Courts of Justice has adopted the amendment to FRS 29 Financial Instrument: Disclosures. This requires the Office of the Accountant of the Courts of Justice to disclose financial instruments using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The three levels of the fair value hierarchy are as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (CONTINUED)

16. FAIR VALUE MEASUREMENT (CONTINUED)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest Level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the SSGA Investment Manager. The Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Office of the Accountant of the Courts of Justice's financial assets and liabilities (by class) measured at fair value at 30<sup>th</sup> September 2015:

	Level 1 €	Level 2 €	Level 3 €	Total €
<b>Investments</b>				
- SSGA Unitised funds	-	1,444,652,041	-	1,444,652,041
- Managed funds	-	3,591,378	-	3,591,378
- Equities	3,087,329	-	-	3,087,329
- Government bonds	155,266	-	-	155,266
- Deposit accounts	48,000,673	-	-	48,000,673
- An Post Savings Certificates	37,440	-	-	37,440
- Insurance policies	-	-	526,343	526,343
<b>Total</b>	<b>51,280,708</b>	<b>1,448,243,419</b>	<b>526,343</b>	<b>1,500,050,470</b>

The following table analyses within the fair value hierarchy the Office of the Accountant of the Courts of Justice's financial assets and liabilities (by class) measured at fair value at 30<sup>th</sup> September 2014

	Level 1 €	Level 2 €	Level 3 €	Total €
<b>Investments</b>				
- SSGA Unitised funds	-	1,357,804,465	-	1,357,804,465
- Managed funds	-	4,394,865	-	4,394,865
- Equities	2,909,380	-	-	2,909,380
- Government bonds	617,162	-	-	617,162
- Deposit accounts	74,623,286	-	-	74,623,286
- An Post Savings Certificates	37,440	-	-	37,440
- Insurance policies	-	-	529,257	529,257
<b>Total</b>	<b>78,187,268</b>	<b>1,362,199,330</b>	<b>529,257</b>	<b>1,440,915,855</b>

## THE OFFICE OF THE ACCOUNTANT OF THE COURTS OF JUSTICE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015 (CONTINUED)

#### 16. FAIR VALUE MEASUREMENT (CONTINUED)

The Level 3 investments relate to investments held in insurance policies which are not quoted on an exchange or actively traded. In the absence of any market information the Accountant has valued these investments based on values provided by the insurance company. The Accountant believes that this approximates the fair value and any adjustment required to value these investments at fair value would not result in a material adjustment to the financial statements.

The following table includes the reconciliation of the amounts for the year ended 30<sup>th</sup> September 2015 for financial instruments classified within Level 3. The classification of a financial instrument within Level 3 is based upon the significance of the unobservable inputs to the overall fair value measurement.

<b>Insurance Policies</b>	<b>€</b>
Opening balance	529,257
Transfer Out	(271,009)
Movement in net unrealised appreciation	268,095
<b>Closing balance 30<sup>th</sup> September 2015</b>	<u>526,343</u>

There were no transfers between levels during the year.

The following table includes the reconciliation of the amounts for the year ended 30<sup>th</sup> September 2014 for financial instruments classified within Level 3. The classification of a financial instrument within Level 3 is based upon the significance of the unobservable inputs to the overall fair value measurement.

<b>Insurance Policies</b>	<b>€</b>
Opening balance	683,281
Sales proceeds	(173,994)
Movement in net unrealised appreciation	19,970
<b>Closing balance 30<sup>th</sup> September 2014</b>	<u>529,257</u>

The net unrealised gains/(losses) that relate to insurance policies still held at 30<sup>th</sup> September 2015 are €133,694 (2014: (€134,401)).

#### 17. POST BALANCE SHEET EVENTS

There were no material post balance sheet events, which would require revision of the figures on disclosure in the financial statements. A currency hedge for the Growth Fund was implemented with effect from 4<sup>th</sup> November 2015.

#### 18. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Accountant of the Courts of Justice on 14 March 2016.

**SUPPLEMENTARY INFORMATION**

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(NOT COVERED BY INDEPENDENT AUDITOR'S REPORT)

**HIGH COURT FUNDS****STATEMENT OF ASSETS AND LIABILITIES  
AT 30 SEPTEMBER 2015**

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	30/9/2015 €	30/09/2014 €
<b>INVESTMENT ASSETS</b>		
Investments	1,359,563,072	1,310,638,919
	<hr/>	<hr/>
<b>CURRENT ASSETS</b>		
Debtors	17,713,544	18,925,239
Bank	13,956,678	12,106,690
	<hr/>	<hr/>
<b>TOTAL CURRENT ASSETS</b>	31,670,222	31,031,929
	<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>		
Creditors	(835,742)	(1,101,693)
	<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>	(835,742)	(1,101,693)
	<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>	30,834,480	29,930,236
	<hr/>	<hr/>
<b>TOTAL NET ASSETS</b>	1,390,397,552	1,340,569,155
	<hr/> <hr/>	<hr/> <hr/>
 <b>REPRESENTED BY:</b>		
Funds held for beneficiaries at year end	1,390,397,552	1,340,569,155
	<hr/> <hr/>	<hr/> <hr/>

## HIGH COURT FUNDS

### STATEMENT OF OPERATIONS FOR THE YEAR ENDED 30 SEPTEMBER 2015

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	30/9/2015 €	30/9/2014 €
<b>NET REALISED AND UNREALISED GAINS</b>		
Net realised gains on investments disposed of during the year	8,409,590	6,740,207
Net movement in unrealised gains on investments	11,815,815	57,563,692
Losses realised on transfer out during the year	(6,507)	(1,642,374)
<b>NET REALISED AND UNREALISED GAINS</b>	<u>20,218,898</u>	<u>62,661,525</u>
Investment income	218,430	363,297
	<u>20,437,328</u>	<u>63,024,822</u>
Expenses	(2,022,526)	(2,092,965)
<b>INCREASE IN NET ASSETS FROM OPERATIONS</b>	<u><u>18,414,802</u></u>	<u><u>60,931,857</u></u>

## HIGH COURT FUNDS

### STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 SEPTEMBER 2015

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	30/9/2015 €	30/9/2014 €
<b>INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>		
Investment income less expenses	(1,804,096)	(1,729,668)
Net realised gains on investments	8,409,590	6,740,207
Net unrealised gains on investments	11,815,815	57,563,692
Losses realised on transfer out during the year	(6,507)	(1,642,374)
<b>INCREASE IN NET ASSETS FROM OPERATIONS</b>	<u>18,414,802</u>	<u>60,931,857</u>
<b>CAPITAL TRANSACTIONS</b>		
Receipts	433,930,939	431,075,139
Disbursements	(402,517,344)	(329,645,829)
<b>INCREASE IN NET ASSETS FROM CAPITAL TRANSACTIONS</b>	<u>31,413,595</u>	<u>101,429,310</u>
Increase in Net Assets	49,828,397	162,361,167
Net assets at beginning of year	1,340,569,155	1,178,207,988
<b>NET ASSETS AT END OF YEAR</b>	<u><u>1,390,397,552</u></u>	<u><u>1,340,569,155</u></u>

## CIRCUIT COURT FUNDS

### STATEMENT OF ASSETS AND LIABILITIES AT 30 SEPTEMBER 2015

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	30/9/2015 €	30/9/2014 €
<b>INVESTMENT ASSETS</b>		
Investments	132,181,003	125,899,756
	<hr/>	<hr/>
<b>CURRENT ASSETS</b>		
Debtors	1,018,108	924,394
Bank	1,477,774	976,377
	<hr/>	<hr/>
<b>TOTAL CURRENT ASSETS</b>	2,495,882	1,900,771
	<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>		
Creditors	(60,445)	(66,181)
	<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>	(60,445)	(66,181)
	<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>	2,435,437	1,834,590
	<hr/>	<hr/>
<b>TOTAL NET ASSETS</b>	134,616,440	127,734,346
	<hr/> <hr/>	<hr/> <hr/>
<b>REPRESENTED BY:</b>		
Funds held for beneficiaries at year end	134,616,440	127,734,346
	<hr/> <hr/>	<hr/> <hr/>

**CIRCUIT COURT FUNDS**

**STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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	30/9/2015 €	30/9/2014 €
<b>NET REALISED AND UNREALISED GAINS</b>		
Net realised gains on investments disposed of during the year	366,844	340,209
Net movement in unrealised gains on investments	67,189	1,364,676
<b>NET REALISED AND UNREALISED GAINS</b>	<u>434,033</u>	<u>1,704,885</u>
Investment income	254	322
	<u>434,287</u>	<u>1,705,207</u>
Expenses	-	(65)
<b>INCREASE IN NET ASSETS FROM OPERATIONS</b>	<u><u>434,287</u></u>	<u><u>1,705,142</u></u>

## CIRCUIT COURT FUNDS

### STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 SEPTEMBER 2015

---

	30/9/2015 €	30/9/2014 €
<b>INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>		
Investment income less expenses	254	257
Net realised gains on investments	366,844	340,209
Net unrealised gains on investments	67,189	1,364,676
	<hr/>	<hr/>
<b>INCREASE IN NET ASSETS FROM OPERATIONS</b>	<b>434,287</b>	<b>1,705,142</b>
	<hr/>	<hr/>
<b>CAPITAL TRANSACTIONS</b>		
Receipts	23,129,327	30,267,764
Disbursements	(16,681,520)	(15,650,230)
	<hr/>	<hr/>
<b>INCREASE IN NET ASSETS FROM CAPITAL TRANSACTIONS</b>	<b>6,447,807</b>	<b>14,617,534</b>
	<hr/>	<hr/>
Increase in Net Assets	6,882,094	16,322,676
Net Assets at beginning of year	127,734,346	111,411,670
	<hr/>	<hr/>
<b>NET ASSETS AT END OF YEAR</b>	<b>134,616,440</b>	<b>127,734,346</b>
	<hr/> <hr/>	<hr/> <hr/>

**DISTRICT COURT FUNDS****STATEMENT OF ASSETS AND LIABILITIES  
AT 30 SEPTEMBER 2015**

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	30/9/2015 €	30/9/2014 €
<b>INVESTMENT ASSETS</b>		
Investments	8,306,395	4,377,180
	<hr/>	<hr/>
<b>CURRENT ASSETS</b>		
Debtors	303,337	158,348
Bank	70,089	70,891
<b>TOTAL CURRENT ASSETS</b>	<hr/> 373,426 <hr/>	<hr/> 229,239 <hr/>
<b>CURRENT LIABILITIES</b>		
Creditors	(2,465)	(2,177)
<b>TOTAL LIABILITIES</b>	<hr/> (2,465) <hr/>	<hr/> (2,177) <hr/>
<b>NET CURRENT ASSETS</b>	<hr/> 370,961 <hr/>	<hr/> 227,062 <hr/>
<b>TOTAL NET ASSETS</b>	<hr/> 8,677,356 <hr/> <hr/>	<hr/> 4,604,242 <hr/> <hr/>
 <b>REPRESENTED BY:</b>		
Funds held for beneficiaries at year end	 8,677,356 <hr/> <hr/>	 4,604,242 <hr/> <hr/>

**DISTRICT COURT FUNDS**

**STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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	30/9/2015 €	30/09/2014 €
<b>NET REALISED AND UNREALISED GAINS</b>		
Net realised gains on investments disposed of during the year	8,543	11,511
Net movement in unrealised (losses)/gains on investments	(7,194)	68,181
<b>NET REALISED AND UNREALISED GAINS/ (LOSSES)</b>	<u>1,349</u>	<u>79,692</u>
Investment income	3	560
	<u>1,352</u>	<u>80,252</u>
Expenses	(35)	(0)
<b>INCREASE IN NET ASSETS FROM OPERATIONS</b>	<u><u>1,317</u></u>	<u><u>80,252</u></u>

## DISTRICT COURT FUNDS

### STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 SEPTEMBER 2015

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	30/9/2015 €	30/9/2014 €
<b>INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>		
Investment income less expenses	(32)	560
Net realised gains on investments	8,543	11,511
Net unrealised (losses)/gains on investments	(7,194)	68,181
<b>INCREASE IN NET ASSETS FROM OPERATIONS</b>	<u>1,317</u>	<u>80,252</u>
<b>CAPITAL TRANSACTIONS</b>		
Receipts	4,670,592	1,002,098
Disbursements	(598,795)	(385,696)
<b>INCREASE IN NET ASSETS FROM CAPITAL TRANSACTIONS</b>	<u>4,071,797</u>	<u>616,402</u>
Increase in Net Assets	4,073,114	696,654
Net Assets at beginning of year	4,604,242	3,907,588
<b>NET ASSETS AT END OF YEAR</b>	<u><u>8,677,356</u></u>	<u><u>4,604,242</u></u>





An tSeirbhís Chúirteanna  
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