OWNERSHIP AGREEMENTS

FOR THE 2022 FINANCIAL YEAR ENDING 31 DECEMBER 2022
AND THE 2023 FINANCIAL YEAR ENDING 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH SECTION 24 OF THE PUBLIC MANAGEMENT AND FINANCE ACT (2020 REVISION)

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PREFACE

This document contains Ownership Agreements between the Cabinet and each Statutory Authority and Government Company (SAGC).

Although SAGCs are legally separate from the Government, they are all owned by the Government on behalf of the people of the Cayman Islands. This ownership relationship exists regardless of whether ownership is reflected in the form of shares or a formal capital holding.

Like any owner, the Government expects the organisations it owns to perform within agreed boundaries. The purpose of the Ownership Agreement is to specify the ownership performance that the Cabinet and the Board of each SAGC have agreed the Authority or Company will seek to achieve during the financial years ending 31 December 2022 and 31 December 2023.

Ownership performance is the performance that an owner of an organisation expects and can be categorised into five areas:

- Nature and Scope of Activities
- Strategic Goals and Objectives
- Financial Performance
- Maintenance of Human and Physical Capability
- Risk Management

Each of these five dimensions of performance is specified in the Ownership Agreement.

In addition, the Ownership Agreement specifies any ownership financial flows between the Authority or Company and the Government, namely:

- Equity Investments
- Capital Withdrawals
- Dividend or Profit Distributions
- Government Loans
- Government Guarantees

The Government also has a purchase relationship with some SAGCS. This performance is specified in a separate document entitled, Purchase Agreements.

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OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

AUDITORS OVERSIGHT AUTHORITY

FOR THE 2022 FINANCIAL YEAR ENDING 31 DECEMBER 2022
AND THE 2023 FINANCIAL YEAR ENDING 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT (2020 REVISION)

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1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Auditors Oversight Authority (AOA) have agreed the AOA will seek to achieve during the 2022 and 2023 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the AOA is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The AOA regulates and supervises audit firms who audit market traded, authority specified and designated companies ("Recognized Auditors").

SCOPE OF ACTIVITIES

The scope of the AOA's activities is as follows:

- Maintaining the Register of Recognized Auditors;
- Operating a system of oversight including carrying out periodic inspections of the work of Recognized Auditors;
- Conducting investigations on a discretionary basis;
- Issuing disciplinary measures and sanctions as deemed appropriate;
- Issuing and keeping under review "Rules" governing the relationship between the AOA and those auditors under its supervision;
- Maintaining relationships with key Cayman Islands based stakeholders;
- Membership of and participation in the International Forum of Independent Audit Regulators;
- Providing appropriate assistance to equivalent overseas regulatory authorities.

CUSTOMERS AND LOCATION OF ACTIVITIES

The AOA's customers are the audit firms which audit the financial statements of market traded, authority specified and designated companies, and those that rely on such statements.

Government is a customer in the sense that the AOA forms part of Government's mission to maintain a sound regulatory regime that meets internationally recognized standards.

Other equivalent overseas regulatory authorities are customers to the extent they may ask the AOA to assist in their oversight of Cayman Islands entities regulated in their jurisdictions.

Activities are carried out in the Cayman Islands.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the AOA for the 2022 and 2023 financial years are as follows:

- Complete the "Future of the AOA" project, which is a critical re-assessment of the AOA's role and scope of activities in the light of the needs of the Cayman Island's regulatory regime and international developments in audit regulation.

- Implement the practical implications of the completion of the "Future of the AOA" project including adjusting, as necessary, the staffing, organizational capability, legal framework and AOA Rules.

- Conduct inspections of audit firms in accordance with the periodic inspection plan.

- Continue to wholly implement all AOA board policies, including those specifically designed to ensure independence and compliance with legal and ethical standards.

- Continue to maintain:
    - relationships with key Cayman Islands based stakeholders;
    - membership of the International Forum of Independent Audit Regulators;
    - appropriate dialogue with other equivalent overseas regulatory authorities.

    - appropriate dialogue with other equivalent overseas regulatory authorities.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Auditors Oversight Authority for the 2022 and 2023 financial years are as follows:

	2022 1 Jan to 31 Dec 2022 $000's	**2023 1 Jan to 31 Dec 2023 $000's**	**2021 12-Month Forecast $000's**
REVENUE FROM CABINET	314	318	340
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	2	32	6
OPERATING EXPENSES	316	350	300
OPERATING SURPLUS/DEFICIT	**-**	**-**	**46**
NET WORTH	**464**	**464**	**464**
CASH FLOWS FROM OPERATING ACTIVITIES	10	1	60
CASH FLOWS FROM INVESTING ACTIVITIES	(3)	(5)	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-
CHANGE IN CASH BALANCES	7	(4)	60

FINANCIAL PERFORMANCE RATIO	**2022 1 Jan to 31 Dec 2022 %**	**2023 1 Jan to 31 Dec 2023 %**	**2021 12-Month Forecast %**
CURRENT ASSETS : CURRENT LIABILITIES	31:69	31:49	42:91
TOTAL ASSETS : TOTAL LIABILITIES	31:93	31:93	42:96

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	1.5	1.5	1.5
STAFF TURNOVER (%)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	3 years	3 years	3 years
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	1 year	1year	1 year
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	None	None	None

PHYSICAL CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	479	475	475
ASSET REPLACEMENTS : TOTAL ASSETS	1:137	1:85	-
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	1:1	1:1	1:1
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	1:10	1:2.5	1:0
CHANGES TO ASSET MANAGEMENT POLICIES	None	None	None

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
NONE	-	-	-
TOTAL	**NIL**	**NIL**	**NIL**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Failure to complete the "Future of the AOA" project (re-assessment phase) and/or properly implement any resulting policy decisions.	Formalized as a key risk	Continue to devote time & effort to involve all key stakeholders and generate a policy recommendation; and Dedicate sufficient resources to properly plan and execute policy implementation.	Unquantifiable
Reaching wrong policy decision re above: a) increased scope may result in increased cost/time burden to firms with no regulatory or audit quality benefit; or b) Terminating or suspending AOA operations may have negative impact on reputation of Cayman Islands' regulatory framework.	Formalized as a key risk	Continue to devote time & effort to involve all key stakeholders and generate a policy recommendation; and Adequately research likely impacts of alternative policies and, if appropriate, consult with other of-island bodies.	Unquantifiable
Lack of enough regulatory activity may result in loss of membership of International Forum of Independent Audit Regulators ("IFIAR"), which would likely have negative impact on Cayman Islands' reputation.	New	Continue to engage constructively with IFIAR.	Unquantifiable

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the AOA is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE	316	350	346
OPERATING EXPENSES	316	350	300
NET SURPLUS/(DEFICIT)	0	0	46

BALANCE SHEET	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
ASSETS	479	479	475
LIABILITIES	15	15	11
NET WORTH	464	464	464

STATEMENT OF CASH FLOW	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	11	-4	60
CASH FLOWS FROM INVESTING ACTIVITIES	-4	-5	0
CASH FLOWS FROM FINANCING ACTIVITIES	0	0	0

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's
EQUITY INVESTMENTS INTO AUDITORS OVERSIGHT AUTHORITY	-	-
CAPITAL WITHDRAWALS FROM AUDITORS OVERSIGHT AUTHORITY	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY AUDITORS OVERSIGHT AUTHORITY	-	-
GOVERNMENT LOANS TO BE MADE TO AUDITORS OVERSIGHT AUTHORITY	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO AUDITORS OVERSIGHT AUTHORITY	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[1]	-	-
REMUNERATION[2] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	81	81
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	-	-

DESCRIPTION	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	5	5
NUMBER OF KEY SENIOR MANAGEMENT (MD)	-	-

[1] Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

[2] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the AOA undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will the sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Auditors Oversight Authority will seek to achieve for the 2022 and 2023 financial years and that the Cabinet will monitor performance against.

Honourable Andre Ebanks

Minister for Financial Services and Commerce
On behalf of Cabinet

Chairman of the Board

Auditors Oversight Authority

31 December 2021

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS
GOVERNMENT

AUDITORS OVERSIGHT AUTHORITY
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2022 and 31 December 2023 and performance for the Auditors Oversight Authority for the financial years ending 31 December 2022 and 31 December 2023; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
Auditors Oversight Authority

31 December 2021

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AUDITORS OVERSIGHT AUTHORITY
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

(a) Basis of preparation

Financial statements are prepared in accordance with International Public Sector Accounting Standards ("IPSAS") issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board using the accrual basis of accounting.

The financial statements are presented in Cayman Islands dollars using the historical cost basis of accounting except as modified for the revaluation of financial instruments at fair value.

(b) Use of estimates

The preparation of financial statements in accordance with IPSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenue and expense during the year. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the reporting period and in any future periods that are affected by those revisions.

(c) Foreign currency translation

Assets and liabilities denominated in currencies other than Cayman Islands dollars are translated at exchange rates in effect at the financial statement date. Revenue and expense transactions denominated in currencies other than Cayman Islands dollars are translated at exchange rates at the date of those transactions. Gains and losses arising on translation are included in the statement of financial performance.

(d) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents are considered as cash held on demand and fixed deposits with an original maturity of three months or less.

(e) Accounts receivable

Accounts receivable are recognized initially at fair value and are subsequently reviewed for impairment. When there is objective evidence that a debt will not be collected by the Authority according to the agreed terms, a provision for bad debt is established.

(f) Property, Plant and Equipment

Property, plant and equipment is recorded at historical cost less accumulated depreciation. Items of property, plant and equipment are initially recorded at cost. When an asset is acquired for nil or nominal consideration, the asset is recognized initially at fair value, when fair value can be reliably determined, and as revenue in the statement of financial performance in the year in which the asset is acquired.

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

Asset Type	Estimated Useful Life
Furniture	12 years
Office Equipment	5 years
Computer Equipment	3 years

(g) Liabilities for employee benefits

i Annual leave entitlement: Annual leave due, but not taken, is recognized as a current liability at the current rates of pay.

ii Pension obligations: Pension contributions are included in personnel costs in the statement of financial performance. The Authority makes contributions at the rate of 5% of eligible employees' salary to a third-party, multi-employer, defined contribution scheme. One employee was eligible for pension contributions in 2020 (2019: one).

(h) Revenue recognition

i. Outputs to the Cabinet: Revenues are recognized when the outputs agreed in the Annual Plan and Estimates have been delivered.

ii. Fees: Application and de-registration fees are recognized as earned when the related event is complete. Annual fees are recognized as earned over the period to which they relate.
Inspection fees are recognized as earned over the period of the related inspection.

iii. Financial sanctions: Financial sanctions imposed on those overseen by the Authority are recognised as revenue on receipt.

(i) Expense recognition

Expenses are recognised when incurred.

(j) Financial Instruments

i Classification: A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable or an equity instrument of another enterprise. Financial assets are comprised of cash and cash equivalents and trade receivables.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities of the AOA are comprised of other payables and accruals.

ii Recognition: The Authority recognizes financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument.

iii Measurement: Financial instruments are measured initially at the fair value of the consideration given or received. Subsequent to initial recognition, all financial assets and liabilities are recorded at fair value and any gains and losses arising from changes in fair value are recognized in the statement of financial performance in the period in which they arise.

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

(k) Provisions and contingencies

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

Contingent liabilities are not recognized but are disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized but are disclosed in the financial statements when an inflow of economic benefits is probable.

(l) Revenue from Non-Exchange Transactions

The Authority receives various services from other government entities for which payment is made by the Cayman Islands Government. These services may include administrative and support services from the Ministry of Financial Services and Home Affairs, the Computer Services Department and the Portfolio of the

Civil Service. The Authority has designated these non-exchange transactions as services in-kind as defined under IPSAS 23- Revenue from non-exchange transactions. When the fair values of such services can be reliably estimated then the non-exchange transaction is recorded as an expense and an equal amount is recorded in other income as a service in-kind. When the service in-kind offered is directly related to construction or acquisition of property, plant and equipment, such service in-kind is recognized in the cost of the asset.

No amounts are recognized in respect of services in-kind as management are unable to estimate the fair value of the goods and services received from other core government entities due to the lack of accounting systems to track the costs of these transactions in accordance with IPSAS 23.

AUDITORS OVERSIGHT AUTHORITY

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast Ending Dec-21	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
	Current Assets			
386,686	Cash and cash equivalents	**1**	393,777	389,927
-	Marketable securities and deposits		-	-
85,000	Trade receivables	**2**	78,534	79,401
-	Other receivables	**2**	-	-
-	Inventories	**3**	-	-
-	Investments	**4**	-	-
2,618	Prepayments	**5**	2,783	2,783
-	Loans	**6**	-	-
474,304	**Total Current Assets**		**475,094**	**472,111**
	Non-Current Assets			
-	Trade receivables	**2**	-	-
-	Other receivables	**2**	-	-
-	Inventories	**3**	-	-
-	Investments	**4**	-	-
-	Prepayments	**5**	-	-
-	Loans	**6**	-	-
-	Pension Plan Surplus	**13**	-	-
504	Property, plant and equipment	**7**	3,654	6,637
-	Intangible Assets	**8**	-	-
504	**Total Non-Current Assets**		**3,654**	**6,637**
474,808	**Total Assets**		**478,748**	**478,748**
	Current Liabilities			
10,000	Trade payables	**9**	13,500	13,500
1,053	Other payables and accruals	**9**	1,493	1,493
-	Dividends/Surplus Payable	**9**	-	-
-	Bank Overdraft	**1**	-	-
-	Unearned revenue	**10**	-	-
-	Employee entitlements	**11**	-	-
-	Current Portion of Borrowings	**12**	-	-
11,053	**Total Current Liabilities**		**14,993**	**14,993**
	Non-Current Liabilities			
-	Trade payables	**9**	-	-
-	Other payables and accruals	**9**	-	-
-	Dividends/Surplus Payable	**9**	-	-
-	Unearned revenue	**10**	-	-
-	Employee entitlements	**11**	-	-
-	Unfunded pension liability	**13**	-	-
-	Unfunded post retirement health care	**14**	-	-
-	Currency Issued		-	-
-	Long Term portion of Borrowings	**12**	-	-
-	**Total Non-Current Liabilities**		**-**	**-**
11,053	**Total Liabilities**		**14,993**	**14,993**
463,755	**Net Assets**		**463,755**	**463,755**
	NET WORTH			
100,000	Contributed capital		100,000	100,000
-	Other Reserves		-	-
-	Revaluation reserve		-	-
363,755	Accumulated surpluses/(deficits)		363,755	363,755
463,755	**Total Net Worth**		**463,755**	**463,755**

AUDITORS OVERSIGHT AUTHORITY

STATEMENT OF FINANCIAL PERFOMANCE

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast Ending Dec-21	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
	Revenue			
346,075	Sale of goods and services	15	316,144	349,602
-	Investment revenue	16	-	-
-	Donations	17	-	-
-	Other revenue			
346,075	**Total Revenue**		**316,144**	**349,602**
	Expenses			
43,040	Personnel costs	18	44,547	45,883
167,920	Supplies and consumables	19	190,247	220,702
1,210	Depreciation and Amortisation	7	350	2,017
	Impairment of Inventory,property, plant and equipment			
-	Finance costs & overdraft interest	20	-	-
-	Litigation costs	21	-	-
-	Other (Gains)/losses	22	-	-
88,000	Other Operating expenses		81,000	81,000
300,170	**Total Expenses**		**316,144**	**349,602**
45,905	**Surplus or (Deficit) for the period**		**-**	**-**

AUDITORS OVERSIGHT AUTHORITY

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast Ending Dec-21	CASH FLOW STATEMENT	Note	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
353,750	Sale of goods and services to Cabinet		320,610	316,735
-	Sale of goods and services to Ministries/Portfolios		-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
17,000	Sale of goods and services - third party		2,000	32,000
-	Interest received		-	-
-	Donations / Grants		-	-
-	Other receipts		-	-
	Payments			
(42,921)	Personnel costs		(44,401)	(45,883)
-	Supplies and consumables - Ministries/Portfolios		-	-
(10,000)	Supplies and consumables - Statutory Agencies and Government Conpanies		(10,000)	(13,500)
(169,470)	Supplies and consumables - third party		(176,618)	(207,202)
-	Interest paid		-	-
(88,000)	Other payments		(81,000)	(81,000)
60,359	**Net cash flows from operating activities**	23	**10,591**	**1,150**
	CASH FLOWS FROM INVESTING ACTIVITIES			
-	Purchase of property, plant and equipment		(3,500)	(5,000)
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
-	Proceeds from sale of investments		-	-
-	**Net cash flows from investing activities**		**(3,500)**	**(5,000)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Equity Investment from Cabinet		-	-
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	Borrowings		-	-
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
-	**Net cash flows from financing activities**		**-**	**-**
60,359	**Net increase/(decrease) in cash and cash equivalents**		**7,091**	**(3,850)**
326,327	Cash and cash equivalents at beginning of period		386,686	393,777
386,686	**Cash and cash equivalents at end of period**		**393,777**	**389,927**

AUDITORS OVERSIGHT AUTHORITY

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2019 brought forward	100,000	-	-	262,274	362,274
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2019	100,000	-	-	262,274	362,274
Changes in net worth for 2020					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2020				55,576	55,576
Total recognised revenues and expenses for the period	-	-	-	55,576	55,576
Balance at 31 December 2020	100,000	-	-	317,850	417,850
Balance at 31 December 2020 brought forward	100,000	-	-	317,850	417,850
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2020	100,000	-	-	317,850	417,850
Changes in net worth for 2021					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2021				45,905	45,905
Total recognised revenues and expenses for the period	-	-	-	45,905	45,905
Balance at 31 December 2021 carried forward	100,000	-	-	363,755	463,755

AUDITORS OVERSIGHT AUTHORITY

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	100,000	-	-	363,755	463,755
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	100,000	-	-	363,755	463,755
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2022				-	-
Total recognised revenues and expenses for the period	-	-	-	-	-
Balance at 31 December 2022 carried forward	100,000	-	-	363,755	463,755
Balance at 31 December 2022 brought forward	100,000	-	-	363,755	463,755
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	100,000	-	-	363,755	463,755
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2023				-	-
Total recognised revenues and expenses for the period	-	-	-	-	-
Balance at 31 December 2023	100,000	-	-	363,755	463,755

AUDITORS OVERSIGHT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast Ending Dec-21	Description change as applicable	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
386,686	Cash on hand	393,777	389,927
-	Cash in transit	-	-
-	CI$ Account	-	-
-	US$ Account	-	-
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
-	Short-Term Fixed Deposits	-	-
386,686	**TOTAL**	**393,777**	**389,927**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast Ending Dec-21	Trade Recivables	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
85,000	Sale of goods and services to Cabinet	78,534	79,401
-	Sale of goods and services to Ministries/Portfolios	-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies	-	-
-	Sale of goods and services - third party	-	-
-	Other	-	-
-	**Less: provision for doubtful debts**	-	-
85,000	**Total trade receivables**	**78,534**	**79,401**

12-Month Forecast Ending Dec-21	Trade Recivables	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
	Current		
85,000	Past due 1-30 days	78,534	79,401
-	Past due 31-60 days	-	-
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
85,000	**Total**	**78,534**	**79,401**

AUDITORS OVERSIGHT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 5: PREPAYMENTS

12-Month Forecast Ending Dec-21	Prepayments	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
	Current Prepayments		
2,618	Prepayments & deposits	2,783	2,783
2,618	**Prepayments - Current**	**2,783**	**2,783**
	Non-Current Prepayments		
-	**Prepayments -Non-Current**	**-**	**-**
2,618	**Total Prepayments**	**2,783**	**2,783**

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Furniture and Fittings	*Computer Hardware*	*Total*
Balance as at 1 January 2020	-	5,211	5,211
Additions	-	-	-
Disposals and Derecognisation	-	-	-
Revaluation	-	-	-
Transfers	-	-	-
Balance as at 31 December 2020	-	5,211	5,211

	Furniture and Fittings	*Computer Hardware*	*Total*
Balance as at 1 January 2021		5,211	5,211
Additions	-	-	-
Disposals and Derecognisation		(1,581)	(1,581)
Revaluation	-	-	-
Transfers	-	-	-
Balance as at 31 December 2021	-	3,630	3,630

	Furniture and Fittings	*Computer Hardware*	*Total*
Balance as at 1 January 2022	-	3,630	3,630
Additions	3,500		3,500
Disposals and Derecognisation	-	-	-
Revaluation	-	-	-
Transfers	-	-	-
Balance as at 31 December 2022	3,500	3,630	7,130

	Furniture and Fittings	*Computer Hardware*	*Total*
Balance as at 1 January 2023	3,500	3,630	7,130
Additions		5,000	5,000
Disposals and Derecognisation	-	-	-
Revaluation	-	-	-
Transfers	-	-	-
Balance as at 31 December 2023	3,500	8,630	12,130

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Furniture and Fittings	*Computer Hardware*	*Total*
Balance as at 1 January 2020		2,287	2,287
Transfers	-	-	-
Impairment Reserve 2020 (closing balance)	-	-	-
Depreciation Expense 2020		1,210	1,210
Eliminate on Disposal or Derecognisation 2020	-	-	-
Balance as at 31 December 2020	-	3,497	3,497

	Furniture and Fittings	*Computer Hardware*	*Total*
Balance as at 1 January 2021		3,497	3,497
Transfers	-	-	-
Impairment Reserve 2021 (closing balance)	-	-	-
Depreciation Expense 2021	-	1,210	1,210
Eliminate on Disposal or Derecognisation 2021	-	(1,581)	(1,581)
Balance as at 31 December 2021	-	3,126	3,126

	Furniture and Fittings	*Computer Hardware*	*Total*
Balance as at 1 January 2022	-	3,126	3,126
Transfers	-	-	-
Impairment change 2022	-	-	-
Depreciation Expense 2022	350	-	350
Eliminate on Disposal or Derecognisation 2022	-	-	-
Balance as at 31 December 2022	350	3,126	3,476

	Furniture and Fittings	*Computer Hardware*	*Total*
Balance as at 1 January 2023	350	3,126	3,476
Transfers	-	-	-
Impairment change 2023	-	-	-
Depreciation Expense 2023	350	1,667	2,017
Eliminate on Disposal or Derecognisation 2023	-	-	-
Balance as at 31 December 2023	700	4,793	5,493

Net Book value 31 December 2020	-	1,714	1,714
Net Book value 31 December 2021	-	504	504
Net Book value 31 December 2022	3,150	504	3,654
Net Book value 31 December 2023	2,800	3,837	6,637

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast Ending Dec-21	Description	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
	Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
-	Creditors Ministries/Portfolios	-	-
10,000	Creditors other Statutory Agencies and Government Companies	13,500	13,500
-	Payroll Deductions	-	-
-	Operating Lease	-	-
-	Accrued Expenses	-	-
1,053	Other payables	1,493	1,493
-	Dividends/Surplus Payable	-	-
11,053	**Trade payables other payables and accruals - Current**	**14,993**	**14,993**
	Non-Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Companies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
-	Accrued Expenses	-	-
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
-	**Trade payables other payables and accruals - Non-Current**	**-**	**-**
11,053	**Total trade payables other payables and accruals**	**14,993**	**14,993**

NOTE 15A: SALE OF GOODS AND SERVICES

12-Month Forecast Ending Dec-21	Revenue type	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
6,075	Fees and Charges	2,000	32,000
-	General Sales	-	-
-	Rentals	-	-
-	Other Goods & Services Revenue	-	-
340,000	Sale of goods and services to Cabinet	314,144	317,602
-	Sale of goods and services to Other Ministries and Portfolios	-	-
346,075	**Total sales of goods and services**	**316,144**	**349,602**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 15A: SALE OF GOODS AND SERVICES (CONTINUED)

12-Month Forecast Ending Dec-21	*Fees and Charges*	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
2,000	Registration fees	2,000	2,000
4,075	Inspection income	-	30,000
-		-	-
6,075	**Total Fees & Charges**	**2,000**	**32,000**
	Sales of Outputs to Cabinet		
340,000	Sales of Outputs to Cabinet	314,144	317,602
-	Other Outputs	-	-
340,000	**Total Sales of Outputs to Cabinet**	314,144	317,602
	Other Interdepartmental Revenue		
-	Revenue from Ministries/Portfolios	-	-
-	Revenue from Statutory Authorities and Government Companies	-	-
-	**Total Other Interdepartmental Revenue**	-	-
346,075	**Total Goods and Services**	**316,144**	**349,602**

NOTE 18: PERSONNEL COSTS

12-Month Forecast Ending Dec-21	Description	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
40,915	Salaries, wages and allowances	42,426	43,698
-	Health care CINICO	-	-
-	Health care other	-	-
2,125	Pension	2,121	2,185
-	Leave	-	-
-	Other personnel related costs	-	-
43,040	**Total Personnel Costs**	**44,547**	**45,883**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast Ending Dec-21	Description	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
-	Supplies and Materials	-	-
137,228	Purchase of services	141,345	169,485
-	Lease of Property and Equipment	-	-
3,531	Utilities	5,100	5,610
-	General Insurance	-	-
-	Interdepartmental expenses	-	-
-	Travel and Subsistence	12,000	12,000
5,000	Recruitment and Training	-	-
22,161	Other	31,802	33,607
167,920	**Total Supplies & consumables**	**190,247**	**220,702**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Forecast Ending Dec-21	Description	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
45,905	**Surplus/(deficit) from ordinary activities**	-	-
	Non-cash movements		
1,210	Depreciation & Amortisation	350	2,017
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:		
13,750	(Increase)/decrease in other current assets - Cabinet	6,466	(867)
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
11,044	(Increase)/decrease in other current assets - Other	(165)	-
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	3,500	-
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
(11,550)	(Increase/(decrease) in current liabilities - Other	440	-
60,359	**Net cash flows from operating activities**	**10,591**	**1,150**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 26: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Forecast Ending Dec-21	Description	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
88,000	Salaries & other short-term employee benefits	81,000	81,000
-	Past employee benefits	-	-
-	Other long-term benefits	-	-
-	Termination benefits	-	-
-	Loans	-	-
88,000	**Total**	**81,000**	**81,000**

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OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

CAYMAN AIRWAYS LIMITED

FOR THE 2022 FINANCIAL YEAR ENDING 31 DECEMBER 2022
AND THE 2023 FINANCIAL YEAR ENDING 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT (2020 REVISION)

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1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Cayman Airways Limited (CAL) have agreed will seek to achieve during the 2022 and 2023 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which Cayman Airways Limited is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

Cayman Airways Limited's activities involve providing scheduled passenger and cargo flights to, from and within the Cayman Islands.

SCOPE OF ACTIVITIES

The scope of the *Cayman Airways Limited* activities is as follows:

The company leases three 737-8MAX aircrafts which provide international connection as well as service to Cayman Brac. The company provides fee-based air transportation as well as air cargo services.

The company owns two SAAB 340 and two Twin Otter aircraft through a wholly owned subsidiary – Cayman Airways Express. The aircraft provide service between Grand Cayman and the sister islands of Cayman Brac and Little Cayman.

The airline generates additional revenue by providing handling services to other airlines at Owen Roberts Airport in Grand Cayman.

The Company's operations are broken in several distinct categories under an "Airlift Framework". This framework features significantly in the Company's operational planning and funding models and is defined as follows:

CUSTOMERS AND LOCATION OF ACTIVITIES

Airlift Framework Category	Definition
Core	Routes/Flights/Operations that CAL dominates and knows the market well Routes/Flights/Operations that provide good economic return or at least break-even
Strategic Domestic	Domestic Routes/Flights that are purchased by, and operated on behalf of, the Government
Strategic Tourism	International Routes/Flights that have national tourism importance which are purchased by, and operated on behalf of the Government
Surplus	Assumes prior 3 categories are being adequately serviced (without displacement and not affecting required redundancy to maintain reliability of service). Includes operations which must provide good economic return

Strategic Domestic and Strategic Tourism are operations which are considered critical for the Cayman Islands, but do not provide sufficient economic justification themselves for an airline to operate. Accordingly, the Government purchases these operations from the Company. During periods of economic slow-down, the Government may also purchase certain of the Core operations from the Company as well.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by Cayman Airways Limited are provided to customers both locally and internationally.

The services provided by Cayman Airways Limited are provided through scheduled jet service between Grand Cayman, Cayman Brac, Little Cayman, Miami, Tampa, New York, Denver, Havana, Kingston, Montego Bay and La Ceiba.

Additional routes continue to be evaluated in conjunction with the Ministry of Tourism and the Cayman Islands Department of Tourism to facilitate decision making on any potential opportunities.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for Cayman Airways Limited for the 2022 and 2023 financial years are as follows:

- The mission of Cayman Airways is to be the premier choice of safe, reliable, and enjoyable air transportation to all markets we serve, in the best interests of the Cayman Islands. A national airline of which we can all be immensely proud of, one which reflects a top quality airline, delivering top quality service; an organization which is attracting the best and brightest Caymanian talent and developing its people and the airline to reach their full potential.

- The Airline is major employer within the Cayman Islands and must strive to attract and develop the best and brightest Caymanian talent. The Airline offers several unique employment opportunities in specialised fields and will continue to create an environment of opportunity for Caymanians. This role has an immeasurable socio-economic impact on the Cayman Islands and is crucial to continued national development and growth. The Airline will therefore, as it continues to target cost reductions, do so in a manner that places emphasis on the retention and provision of services and employment locally, versus overseas when possible.

- The Airline will continue the process of restructuring and operational reform in order to drive revenue, reduce costs, and achieve the maximum levels of efficiency where possible.

- Utilizing the Airlift Framework as a funding model, the Airline and Government shall have a common objective to ensure that the Airline is adequately funded to undertake the core and strategic roles defined in the Airlift Framework. Adequate levels of Government funding and the Airline's continued efforts to operate at maximum efficiency are necessary to ensure that no deficit between revenue and expenses arises.

- After years of historical losses, the Airline is faced with a severe deficiency of working capital. The Government and the Airline must together strive to create adequate levels of working capital in order to ensure that the Airline has the ability to invest where necessary to improve efficiency and viability. This working capital deficiency may from time to time require external borrowings or equity injections from the Government in order to ensure the Airline's continued viability. The Airline therefore aims to have its historical debt (formal and informal), refinanced in a manner that improves cash flow and provides adequate levels of working capital to be realised, in order to increase the viability and efficiency of the Airlines of the operations.

- Should a deficit (revenue) arise due to unbudgeted situations during the course of the year, which are beyond the Airline's control, the Government may be asked to provide supplementary funding in order to ensure that the Airline maintains an ability to meet its operating obligations and fulfil the government's strategic objectives for the Airline. The Airline will do all possible to avoid this scenario and will keep the Government promptly educated on all situations that may lead to a need for additional funding within the budget year.

- The Airline is a major contributor to the Cayman Islands economy both directly and indirectly through employment and the purchase of goods and services within the Cayman Islands. The Airline is also a strategic tool used by the Government to drive economic activity, particularly in the tourism industry by providing guaranteed airlift and competitive market environment. This includes providing direct air service to the leading tourist source markets, targeted by the Cayman Islands Department of Tourism. The Airline will therefore continue to work with the Cayman Islands Department of Tourism to realise the maximum benefit from the Department of Tourism's marketing efforts by aligning capacity with the demand generated from the Department of Tourism's efforts.

- The total economic impact or contribution to the Cayman Islands by Cayman Airways (from studies going back more than ten years), is over CI$150M per annum. The Airline must therefore continue to balance its efforts to operate at peak efficiency with its efforts to create the maximum economic impact possible. The Airline's value on a macroeconomic level outweighs the Governments annual investment through this purchase agreement. Whilst this is an overriding value and an excellent return on investment, the Airline's economic contribution must continue to be provided in the most efficient manner. The Airline and the Government must therefore maintain alignment through consultation in the budget year to ensure the correct balance between the Airline's performance and the Airline's contribution to the local economy.

- Whilst the Airline is equipped with the full infrastructure of a typical Airline, the Airline is challenged to cover all its fixed costs from operating revenues, because of its relatively small size and the relatively small markets served (economies of scale). The Airline must therefore seek out opportunities within the surplus category of the Airlift Framework that increases passenger and cargo throughput, in order to maximise efficiency and reduce dependence on Government funding. This should include the exploration of strategic partnerships with other airlines and potential industry partners, to reduce costs and enhance revenue potential, but in a manner that does not degrade the Airline's strategic value to the Cayman Islands. The Airline expects to continue working with the public sector as well as to embark on joint initiatives with the private sector to coordinate marketing and advertising efforts. A key objective of the Airline is to stimulate incremental visitation through increased visitor arrivals and incremental room nights.

- Fuel is the most volatile and unpredictable cost facing the Airline. The Company intends to continue to monitor and aggressively pursue alternatives to minimize the costs of fuel. Cayman Airways however expects to continue to be faced with high fuel prices and extreme volatility for the budget year. The Airline expects fuel prices to be between US$55 and US$65 per barrel for the budget year and has budgeted fuel expense and associated revenue from airfares accordingly. It must be noted that the Airline is not always able to pass on increases in fuel, without negatively affecting demand and overall revenues. The Airline will therefore strive to recoup fuel increases from the consumer to the maximum extent possible, but will be limited in its efforts so as to not negatively impact the Airline's overall revenue performance nor the Airline's strategic value the local economy and tourism industry.

- The Airline has historically been operating with several outdated or manual systems to manage and control some of its commercial and operating functions. The Airline will continue to strive to implement technological advances that will improve the Airlines operating and financial performance.

- The National Flag Carrier will continue to explore commercial agreements with select international carriers where deemed beneficial to the Cayman Islands. The commercial agreements may range from connected websites to full code share agreements. Cayman Airways is committed to working closely with foreign carriers flying into the Cayman Islands, provided that the foreign carrier provides direct economic benefit to the country or serves to provide additional visitation opportunities.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for CAL for the 2022 and 2023 financial years are as follows:

	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE FROM CABINET	18,569	18,569	23,917
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	2,130	2,173	2,089
REVENUE FROM OTHERS	53,146	55,337	31,354
OPERATING EXPENSES	81,004	82,573	60,463
OPERATING SURPLUS/DEFICIT	(7,158)	(6,494)	(3,103)
NET WORTH	(19,504)	(16,898)	(21,446)
CASH FLOWS FROM OPERATING ACTIVITIES	(4,293)	(3,263)	(1,875)
CASH FLOWS FROM INVESTING ACTIVITIES	(1,100)	(1,150)	2,250
CASH FLOWS FROM FINANCING ACTIVITIES	6,924	6,924	1,582
CHANGE IN CASH BALANCES	1,531	2,511	1,957

FINANCIAL PERFORMANCE RATIO	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
CURRENT ASSETS : CURRENT LIABILITIES	0.23:1	0.33:1	0.17:1
TOTAL ASSETS : TOTAL LIABILITIES	0.55:1	0.60:1	0.51:1

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	350	350	345
STAFF TURNOVER (%)	5%	5%	5%
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)	14 YEARS	14 YEARS	14 YEARS
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	NONE	NONE	NONE

PHYSICAL CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	23,533	25,761	22,139
ASSET REPLACEMENTS : TOTAL ASSETS	11:1	32:1	26:1
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	2.14:1	2.14:1	1.78:1
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	0.28:1	0.3:1	2.28:1
CHANGES TO ASSET MANAGEMENT POLICIES	NONE	NONE	NONE

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
TECHNOLOGY	150,000	150,000	150,000
AIRCRAFT/ENGINES	500,000	500,000	500,000
TOTAL	**650,000**	**650,000**	**650,000**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Fuel Prices	Risk profile increased due to volatility in fuel prices	Given difficulty in hedging this is managed primarily through price negotiating and operations.	+/- CI$3,000,000
Capital Structure	Improvement over prior year	Better cash management and improved financial performance targeted	None

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for CAL is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE	73,846	76,079	57,360
OPERATING EXPENSES	81,004	82,573	60,463
NET SURPLUS/(DEFICIT)	(7,158)	(6,494)	(3,103)

BALANCE SHEET	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
ASSETS	23,533	25,761	22,139
LIABILITIES	43,037	42,660	43,585
NET WORTH	(19,504)	(16,898)	(21,446)

STATEMENT OF CASH FLOW	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	(4,293)	(3,263)	(1,875)
CASH FLOWS FROM INVESTING ACTIVITIES	(1,100)	(1,150)	2,250
CASH FLOWS FROM FINANCING ACTIVITIES	6,924	6,924	1,582

6. OTHER FINANCIAL INFORMATION

A full set of forecast financial statements for CAL is provided in the Appendix to this Ownership Agreement.

TRANSACTION	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's
EQUITY INVESTMENTS INTO CAYMAN AIRWAYS LIMITED	9,100	9,100
CAPITAL WITHDRAWALS FROM CAYMAN AIRWAYS LIMITED	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN AIRWAYS LIMITED	-	-
GOVERNMENT LOANS TO BE MADE TO CAYMAN AIRWAYS LIMITED	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN AIRWAYS LIMITED	-	
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[3]	-	-
REMUNERATION[4] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	1,344	1,344
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	1,344	1,344

DESCRIPTION	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	18	18
NUMBER OF KEY SENIOR MANAGEMENT (MD)	10	10

[3] Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

[4] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, CAL undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will the sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance CAL will seek to achieve for the 2022 and 2023 financial years and that the Cabinet will monitor performance against.

Honourable Kenneth Bryan
Minister for Tourism and Transport
On behalf of Cabinet

Chairman of the Board
Cayman Airways Limited

31 December 2021

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS
GOVERNMENT

CAYMAN AIRWAYS LIMITED
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2022 and 31 December 2023 and performance for Cayman Airways Limited for the financial years ending 31 December 2022 and 31 December 2023; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
Cayman Airways Limited

31 December 2021

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CAYMAN AIRWAYS LIMITED

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

The Company's financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards ("IFRS"). The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant accounting policies are:

Principles of consolidation: The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Cayman Airways Express, a company incorporated in the Cayman Islands. All significant intercompany accounts and transactions have been elimination on consolidation.

Revenue: Scheduled passenger and cargo revenues are recognised in the period in which transportation is provided, net of government taxes, at a point in time. Unearned revenue represents flight seats sold but not yet flown, a contract liability, and is included as a current liability in an unearned transportation liability account. Passengers are only able to make reservations up to a twelve month period in advance of booking date. Consequently, all unearned transportation revenue is due within twelve months of the reporting date. It is released as income to the Consolidated Statement of Comprehensive Income as passengers fly. Unused tickets are generally recognised as revenue after an inactive period of 13 months has elapsed (the period after which the ticket becomes non-recoverable).

Handling Revenue: Handling revenue relates to revenue generated from technical handling and third-party maintenance agreements with other airlines flying to the Owen Roberts International Airport. Revenue from these agreements is recognised over time as the contract terms are met in the Consolidated Statement of Comprehensive Income when the service is provided.

Other Revenue: Other revenue comprises revenue earned from the provision of other airline related services, including ticket change fees, refund penalties, in-flight sales and other product revenue. Inflight sales and certain other services are recognised in the Consolidated Statement of Comprehensive Income at the time the sale occurs or the service is provided. Ticket change fees and refund penalties are recognised at the point in time in which transportation is provided in the Consolidated Statement of Comprehensive Income.

Aircraft maintenance:

(a) Routine maintenance and annual periodic maintenance
All routine aircraft maintenance expenses are expensed as incurred. These estimated costs are recorded as maintenance, materials and repairs in the statement of loss.
(b) Periodic major maintenance and overhauls

Liability for overhauls and periodic major maintenance is recognised at the time the Company becomes obligated for such costs. The actual cost of periodic major maintenance and overhauls is capitalized and depreciated over

the estimated useful life (which will normally be the expected interval to the next scheduled major maintenance or overhaul).

Property, plant and equipment: Property, plant and equipment is initially recorded at cost. Cost includes all direct attributable costs of bringing the asset to working condition for its intended use. The Company capitalises borrowing costs which are directly attributable to the acquisition of an asset and which are incurred in respect of the period of time before an asset is introduced in to use or service.

Property, plant and equipment and other long lived, non-current assets, are reviewed annually at each balance sheet date for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying values exceed their recoverable amount are written down to the recoverable amount, being the higher of market value or value in use (on a discounted cash flow basis), and the resulting impairment loss recorded in the statement of operations. To the extent that a previously recognised impairment loss no longer exists or decreases, the carrying amount of the asset will be increased to the lower of recoverable amount or depreciated cost and the resulting reversal of impairment loss will be recorded in the statement of operations

Depreciation: Property, plant and equipment are depreciated to estimated residual value using the straight-line method over their estimated useful lives as follows:

Type of Property Plant and Equipment	Estimated Useful Life
Aircraft Airframe and Related Overhauls	
Owned aircraft airframe and related overhauls Airframe and related components	12-000-30,000 flight hours or 250-300 months
Other Property Plant and Equipment	
Buildings	20 – 50 years
Rotables	12 Years
Flight equipment	10 years
Ground Equipment	7 years
Other property, plant and equipment	3 – 5 years

Leasehold improvements to aircraft are depreciated over the remainder of the lease. Land is not depreciated.

The residual value for the aircraft engines is US$50,000 per engine. The residual value for flight equipment is 5%. All other property, plant and equipment have no salvage value.

Where impairment losses have been recorded against property, plant and equipment, the recoverable amount is depreciated to estimated residual value using the straight-line method over the remaining estimated useful life.

Cash and cash equivalents: For the purpose of the statement of cash flows, cash and cash equivalents includes balances with bankers, all of which are on demand or at short notice, net of short-term overdrafts.

Foreign currency translation: The accounting records of the Company are maintained in United States dollars. Monetary assets and liabilities in a foreign currency are translated into United States dollars at the prevailing rates of exchange at year end. Revenue receipts and expense payments are translated into United States dollars at the prevailing exchange rate on the respective dates of transactions. The rate of exchange between United States dollars and Cayman Islands Dollars is fixed at US$1.00: CI$0.84. All amounts are CI Dollars unless otherwise noted.

CAYMAN AIRWAYS LIMITED

FORECAST STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL POSITION	Note	12-Month Budget 2022	12-Month Budget 2023
	Current Assets			
831,860	Cash and cash equivalents	1	2,362,609	4,873,974
-	Marketable securities and deposits		-	-
2,708,007	Trade receivables	2	2,730,341	2,788,398
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
874,891	Prepayments	5	1,006,125	1,157,043
-	Loans	6	-	-
4,414,758	**Total Current Assets**		6,099,075	8,819,415
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
4,861,645	Prepayments	5	4,861,546	4,861,546
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
12,862,531	Property, plant and equipment	7	12,572,325	12,080,118
-	Intangible Assets	8	-	-
17,724,176	**Total Non-Current Assets**		17,433,871	16,941,664
22,138,934	**Total Assets**		23,532,945	25,761,079
	Current Liabilities			
14,899,187	Trade payables	9	15,277,568	15,325,906
-	Other payables and accruals	9	-	-
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
9,012,896	Unearned revenue	10	9,262,896	9,512,896
-	Employee entitlements	11	-	-
2,176,123	Current Portion of Borrowings	12	2,176,123	2,176,123
26,088,206	**Total Current Liabilities**		26,716,587	27,014,925
	Non-Current Liabilities			
-	Trade payables	9	-	-
-	Other payables and accruals	9	-	-
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Unfunded pension liability	13	-	-
-	Unfunded post retirement health care	14	-	-
-	Currency Issued		-	-
17,496,849	Long Term portion of Borrowings	12	16,320,727	15,644,605
17,496,849	**Total Non-Current Liabilities**		16,320,727	15,644,605
43,585,055	**Total Liabilities**		43,037,314	42,659,530
(21,446,121)	**Net Assets**		(19,504,369)	(16,898,451)
	NET WORTH			
132,531,243	Contributed capital		141,631,243	150,731,243
-	Other Reserves		-	-
-	Revaluation reserve		-	-
(153,977,463)	Accumulated surpluses/(deficits)		(161,135,612)	(167,629,691)
(21,446,220)	**Total Net Worth**		(19,504,368)	(16,898,447)

CAYMAN AIRWAYS LIMITED

FORECAST STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL PERFORMANCE	Note	12-Month Budget 2022	12-Month Budget 2023
	Revenue			
57,359,953	Sale of goods and services	**15**	73,845,839	76,078,651
-	Investment revenue	**16**	-	-
-	Donations	**17**	-	-
-	Other revenue		-	-
57,359,953	**Total Revenue**		73,845,839	76,078,651
	Expenses			
23,865,264	Personnel costs	**18**	24,815,746	24,929,194
34,350,864	Supplies and consumables	**19**	53,504,435	54,683,929
1,245,620	Depreciation and Amortisation	**7**	1,390,207	1,642,207
-	Impairment of Inventory,property, plant and equipment		-	-
1,001,012	Finance costs & overdraft interest	**20**	1,293,600	1,317,400
-	Litigation costs	**21**	-	-
-	Other (Gains)/losses	**22**	-	-
-	Other Operating expenses		-	-
60,462,759	**Total Expenses**		81,003,988	82,572,730
(3,102,806)	**Surplus or (Deficit) for the period**		(7,158,148)	(6,494,079)

CAYMAN AIRWAYS LIMITED

FORECAST STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	CASH FLOW STATEMENT	Note	12-Month Budget 2022	12-Month Budget 2023
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
23,917,062	Sale of goods and services to Cabinet		18,568,996	18,568,996
33,442,890	Sale of goods and services - third party		55,276,844	57,509,655
2,000,000	Other receipts		1,374,813	1,439,359
	Payments			
(23,865,264)	Personnel costs		(24,815,746)	(24,929,194)
(1,000,000)	Supplies and consumables - Statutory Agencies and Government Conpanies			
(34,350,864)	Supplies and consumables - third party		(54,404,435)	(55,533,929)
(1,001,012)	Interest paid		(1,293,600)	(1,317,400)
(1,017,615)	Other payments		1,000,000	1,000,000
(1,874,801)	**Net cash flows from operating activities**	**23**	(4,293,129)	(3,262,513)
	CASH FLOWS FROM INVESTING ACTIVITIES			
	Purchase of property, plant and equipment		(1,100,000)	(1,150,000)
2,250,000	Proceeds from sale of property, plant and equipment			
2,250,000	**Net cash flows from investing activities**		(1,100,000)	(1,150,000)
	CASH FLOWS FROM FINANCING ACTIVITIES			
3,758,000	Equity Investment from Cabinet		9,100,000	9,100,000
-	Borrowings		-	-
(2,176,122)	Repayment of Borrowings		(2,176,122)	(2,176,122)
1,581,878	**Net cash flows from financing activities**		6,923,878	6,923,878
1,957,077	**Net increase/(decrease) in cash and cash equivalents**		1,530,749	2,511,365
(1,125,217)	Cash and cash equivalents at beginning of period		831,859	2,362,608
831,859	**Cash and cash equivalents at end of period**		2,362,608	4,873,973

CAYMAN AIRWAYS LIMITED

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2019 brought forward	125,381,248	(151,569,109)	(26,187,862)
Prior Year Adjustments			
Changes in accounting policy	-	-	-
Accounting Errors	-	-	-
Restated balance 31 December 2019	125,381,248	(151,569,109)	(26,187,862)
Changes in net worth for 2020			
Equity Investment from Cabinet	3,391,996	-	3,391,996
Net revenue / expenses recognised directly in net worth	3,391,996	-	3,391,996
Surplus/(deficit)for the period 2020		694,452	694,452
Total recognised revenues and expenses for the period	3,391,996	694,452	4,086,448
Balance at 31 December 2020	128,773,243	(150,874,657)	(22,101,414)
Balance at 31 December 2020 brought forward	128,773,243	(150,874,657)	(22,101,414)
Prior Year Adjustments			
Changes in accounting policy	-	-	-
Accounting Errors	-	-	-
Restated balance 31 December 2020	128,773,243	(150,874,657)	(22,101,414)
Changes in net worth for 2021			
Equity Investment from Cabinet	3,758,000	-	3,758,000
Net revenue / expenses recognised directly in net worth	3,758,000	-	3,758,000
Surplus/(deficit)for the period 2021		(3,102,806)	(3,102,806)
Total recognised revenues and expenses for the period	3,758,000	(3,102,806)	655,194
Balance at 31 December 2021 carried forward	132,531,243	(153,977,463)	(21,446,220)

CAYMAN AIRWAYS LIMITED

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	132,531,243	(153,977,463)	(21,446,220)
Prior Year Adjustments			
Changes in accounting policy	-	-	-
Accounting Errors	-	-	-
Restated balance 31 December 2021	132,531,243	(153,977,463)	(21,446,220)
Changes in net worth for 2022			
Equity Investment from Cabinet	9,100,000	-	9,100,000
Net revenue / expenses recognised directly in net worth	9,100,000	-	9,100,000
Surplus/(deficit)for the period 2022		(7,158,148)	(7,158,148)
Total recognised revenues and expenses for the period	9,100,000	(7,158,148)	1,941,852
Balance at 31 December 2022 carried forward	141,631,243	(161,135,612)	(19,504,368)
Balance at 31 December 2022 brought forward	141,631,243	(161,135,612)	(19,504,368)
Prior Year Adjustments			
Changes in accounting policy	-	-	-
Accounting Errors	-	-	-
Restated balance 31 December 2022	141,631,243	(161,135,612)	(19,504,368)
Changes in net worth for 2023			
Equity Investment from Cabinet	9,100,000	-	9,100,000
Net revenue / expenses recognised directly in net worth	9,100,000	-	9,100,000
Surplus/(deficit)for the period 2023	-	(6,494,079)	(6,494,079)
Total recognised revenues and expenses for the period	9,100,000	(6,494,079)	2,605,921
Balance at 31 December 2023	150,731,243	(167,629,691)	(16,898,447)

CAYMAN AIRWAYS LIMITED

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
831,860	Cash on hand	2,362,609	4,873,974
831,860	**TOTAL**	**2,362,609**	**4,873,974**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
2,828,007	Sale of goods and services - third party	2,850,341	2,908,398
(120,000)	**Less: provision for doubtful debts**	(120,000)	(120,000)
2,708,007	**Total trade receivables**	2,730,341	2,788,398

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
2,708,007	Past due 1-30 days	2,730,341	2,788,398
2,708,007	**Total**	**2,730,341**	**2,788,398**

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(122,940)	Balance at begining oF period	(120,000)	(120,000)
2,940	Receivables written off during the period	-	-
(120,000)	**Balance at 31st December**	(120,000)	(120,000)

NOTE 5: PREPAYMENTS

12-Month Forecast 2021	Prepayments	12-Month Budget 2022	12-Month Budget 2023
	Current Prepayments		
874,891	Prepayments and other assets	1,006,125	1,157,043
874,891	**Prepayments - Current**	**1,006,125**	**1,157,043**
	Non-Current Prepayments		
4,861,645	Security Deposits	4,861,546	4,861,546
4,861,645	**Prepayments -Non-Current**	**4,861,546**	**4,861,546**
5,736,536	**Total Prepayments**	**5,867,671**	**6,018,589**

CAYMAN AIRWAYS LIMITED

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Office Equipment*	*Aircraft*	*Other assets*	*Total*
Balance as at 1 January 2020	594,720	8,056,715	6,931,725	415,409	1,261,998	24,642,701	1,530,818	43,434,086
Additions	-	-	-	92,654	40,613	391,380	2,174	526,821
Disposals and Derecognisation	-	(1,836,791)	-	-	-	-	-	(1,836,791)
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2020	594,720	6,219,924	6,931,725	508,063	1,302,611	25,034,081	1,532,992	42,124,116

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Office Equipment*	*Aircraft*	*Other assets*	*Total*
Balance as at 1 January 2021	594,720	6,219,924	6,931,725	508,063	1,302,611	25,034,081	1,532,992	42,124,116
Additions	-	-	-	-	-	-	-	-
Disposals and Derecognisation	-	-	-	-	-	(2,250,000)	-	(2,250,000)
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	594,720	6,219,924	6,931,725	508,063	1,302,611	22,784,081	1,532,992	39,874,116

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Office Equipment*	*Aircraft*	*Other assets*	*Total*
Balance as at 1 January 2022	594,720	6,219,924	6,931,725	508,063	1,302,611	22,784,081	1,532,992	39,874,116
Additions	-	-	-	-	100,000	1,000,000	-	1,100,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	594,720	6,219,924	6,931,725	508,063	1,402,611	23,784,081	1,532,992	40,974,116

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Office Equipment*	*Aircraft*	*Other assets*	*Total*
Balance as at 1 January 2023	594,720	6,219,924	6,931,725	508,063	1,402,611	23,784,081	1,532,992	40,974,116
Additions	-	-	-	-	100,000	1,000,000	50,000	1,150,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	594,720	6,219,924	6,931,725	508,063	1,502,611	24,784,081	1,582,992	42,124,116

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Office Equipment*	*Aircraft*	*Other assets*	*Total*
Balance as at 1 January 2020	-	4,720,319	2,889,672	220,947	1,076,117	13,286,066	1,111,791	23,304,912
Transfers	-	-	-	-	-	-	-	-
Impairment Reserve 2020 (closing balance)	-	-	-	-	-	-	-	-
Depreciation Expense 2020	-	1,532,227	120,887	54,184	97,295	2,287,375	137,840	4,229,808
Eliminate on Disposal or Derecognisation 2020	-	(1,768,755)	-	-	-	-	-	(1,768,755)
Balance as at 31 December 2020	-	4,483,791	3,010,559	275,131	1,173,412	15,573,441	1,249,631	25,765,965

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Office Equipment*	*Aircraft*	*Other assets*	*Total*
Balance as at 1 January 2021	-	4,483,791	3,010,559	275,131	1,173,412	15,573,441	1,249,631	25,765,965
Transfers	-	-	-	-	-	-	-	-
Impairment Reserve 2021 (closing balance)	-	-	-	-	-	-	-	-
Depreciation Expense 2021	-	532,227	120,887	54,184	97,295	337,892	103,135	1,245,620
Eliminate on Disposal or Derecognisation 2021	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	-	5,016,018	3,131,446	329,315	1,270,707	15,911,333	1,352,766	27,011,585

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Office Equipment*	*Aircraft*	*Other assets*	*Total*
Balance as at 1 January 2022	-	5,016,018	3,131,446	329,315	1,270,707	15,911,333	1,352,766	27,011,585
Transfers	-	-	-	-	-	-	-	-
Impairment change 2022	-	-	-	-	-	-	-	-
Depreciation Expense 2022	-	532,227	120,887	54,184	97,295	482,479	103,135	1,390,207
Eliminate on Disposal or Derecognisation 2022	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	-	5,548,245	3,252,333	383,499	1,368,002	16,393,811	1,455,901	28,401,791

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Office Equipment*	*Aircraft*	*Other assets*	*Total*
Balance as at 1 January 2023	-	5,548,245	3,252,333	383,499	1,368,002	16,393,811	1,455,901	28,401,791
Transfers	-	-	-	-	-	-		-
Impairment change 2023	-	-	-	-	-	-		-
Depreciation Expense 2023	-	532,227	120,887	54,184	97,295	734,479	103,135	1,642,207
Eliminate on Disposal or Derecognisation 2023	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	-	6,080,472	3,373,220	437,683	1,465,297	17,128,290	1,559,036	30,043,998

Net Book value 31 December 2020	594,720	1,736,133	3,921,166	232,932	129,199	9,460,640	283,361	16,358,151
Net Book value 31 December 2021	594,720	1,203,906	3,800,279	178,748	31,904	6,872,748	180,226	12,862,531
Net Book value 31 December 2022	594,720	671,679	3,679,392	124,564	34,609	7,390,270	77,091	12,572,325
Net Book value 31 December 2023	594,720	139,452	3,558,505	70,380	37,314	7,655,791	23,956	12,080,118

CAYMAN AIRWAYS LIMITED

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Trade payables other payables and accruals		
7,399,187	Creditors Third party	7,777,568	7,825,906
7,500,000	Creditors other Statutory Agencies and Government Conpanies	7,500,000	7,500,000
14,899,187	**Trade payables other payables and accruals - Current**	**15,277,568**	**15,325,906**
14,899,187	**Total trade payables other payables and accruals**	**15,277,568**	**15,325,906**

NOTE 10: UNEARNED REVENUE

12-Month Forecast 2021	Details	12-Month Budget 2022	12-Month Budget 2023
	Current Unearned Revenue		
9,012,896		9,262,896	9,512,896
9,012,896	**Total current portion**	**9,262,896**	**9,512,896**
9,012,896	**Total Unearned Revenue**	**9,262,896**	**9,512,896**

NOTE 12: BORROWINGS

12-Month Forecast 2021	***Local Currency Debt***	12-Month Budget 2022	12-Month Budget 2023
2,176,123	Not later than one year	2,176,123	2,176,123
4,352,247	Between one and two years	4,352,247	4,352,247
6,528,370	Between two and five years	6,528,370	6,528,370
6,616,232	Later than five Years	5,440,110	4,763,988
19,672,972	**Total Local Currency Debt**	**18,496,850**	**17,820,728**
19,672,972	**Total Outstanding Debt**	**18,496,850**	**17,820,728**

CAYMAN AIRWAYS LIMITED

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 15A: SALE OF GOODS AND SERVICES

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
-	Fees and Charges	-	-
26,217,982	General Sales	49,704,944	51,875,855
-	Rentals	-	-
5,135,909	Other Goods & Services Revenue	3,441,900	3,460,800
23,917,062	Sale of goods and services to Cabinet	18,568,996	18,568,996
2,089,000	Sale of goods and services to Other Ministries and Portfolios	2,130,000	2,173,000
57,359,953	**Total sales of goods and services**	73,845,839	76,078,651

12-Month Forecast 2021	General Sales	12-Month Budget 2022	12-Month Budget 2023
26,217,982	Passenger and Cargo Sales	49,704,944	51,875,855
26,217,982	**Total General Sales**	**49,704,944**	**51,875,855**

12-Month Forecast 2021	Other Goods & Services Revenue	12-Month Budget 2022	12-Month Budget 2023
5,135,909	Other Revenue	3,441,900	3,460,800
5,135,909	**Total Other Goods & Services Revenue**	**3,441,900**	**3,460,800**
	Sales of Outputs to Cabinet		
23,917,062	Sales of Outputs to Cabinet	18,568,996	18,568,996
23,917,062	**Total Sales of Outputs to Cabinet**	**18,568,996**	**18,568,996**
	Other Interdepartmental Revenue		
2,089,000	Revenue from Ministries/Portfolios	2,130,000	2,173,000
2,089,000	**Total Other Interdepartmental Revenue**	**2,130,000**	**2,173,000**
57,359,953	**Total Goods and Services**	**73,845,839**	**76,078,651**

CAYMAN AIRWAYS LIMITED

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
20,519,979	Salaries, wages and allowances	20,974,809	20,974,809
1,429,432	Health care other	1,407,589	1,407,589
970,218	Pension	960,233	960,233
945,635	Other personnel related costs	1,473,114	1,586,562
23,865,264	**Total Personnel Costs**	24,815,746	24,929,194

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
28,368,778	Supplies and Materials	46,898,117	47,980,847
262,975	Utilities	252,419	252,419
1,031,496	General Insurance	1,199,912	1,199,912
4,687,614	Other	5,153,988	5,250,752
34,350,864	**Total Supplies & consumables**	**53,504,435**	**54,683,929**

NOTE 20: FINANCE COSTS

12-Month Forecast 2021	Descriptions	12-Month Budget 2022	12-Month Budget 2023
1,001,012	Interest on borrowings	1,293,600	1,317,400
1,001,012	**Total Finance cost**	**1,293,600**	**1,317,400**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(3,102,806)	**Surplus/(deficit) from ordinary activities**	(7,158,148)	(6,494,079)
	Non-cash movements		
1,245,620	Depreciation & Amortisation	1,390,207	1,642,207
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
(1,897,119)	Other Non-cash movement	2,530,650	4,011,361
	Changes in current assets and liabilities:		
30,028	(Increase)/decrease in other current assets - Other	846,432	1,291,021
(47,643)	(Increase/(decrease) in current liabilities - Other	628,381	298,338
(1,874,801)	**Net cash flows from operating activities**	(4,293,129)	(3,262,513)

NOTE 25: COMMITMENTS

Type	One year or less	One to five Years	12-Month Budget 2022
Capital Commitments			
Other commitments (list separately if material)	7,355,629	17,260,999	24,616,628
Total Capital Commitments	7,355,629	17,260,999	24,616,628
Operating Commitments			
Total Commitments	7,355,629	17,260,999	24,616,628

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OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

CAYMAN ISLANDS AIRPORTS AUTHORITY

FOR THE 2022 FINANCIAL YEAR ENDING 31 DECEMBER 2022
AND THE 2023 FINANCIAL YEAR ENDING 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT (2020 REVISION)

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CONTENTS

1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Cayman Islands Airports Authority (CIAA) have agreed CIAA will seek to achieve during the 2022 and 2023 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the CIAA is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Cayman Islands Airports Authority was established by the Airports Authority Law, 2004 as a statutory authority on July 1, 2004. The CIAA has been charged with the task of providing a safe environment for the movement of passengers and aircrafts while facilitating the highest level of customer service experience.

SCOPE OF ACTIVITIES

The CIAA was created with the responsibility for constructing, controlling, and managing airports; providing and maintaining runways, taxiways and terminals for the efficient operation of airports; providing facilities for customs and immigration services; health and security checks; and for incidental and connected purposes.

CUSTOMERS AND LOCATION OF ACTIVITIES

The CIAA currently owns and manages two international airports, Owen Robert International Airport (ORIA) and Charles Kirkconnell International Airport (CKIA) located in Cayman Brac. The CIAA provides services to local and international airlines, local and international charter aircraft, private aircraft, local businesses, government departments, and the travelling public.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for CIAA for the 2022 and 2023 financial years are as follows:

PROVIDING EXCEPTIONAL CUSTOMER SERVICE

- Improve community engagement and awareness
- Improve passenger facilitation
- Make the airport experience more comfortable
- Improve all communications
- Create and maintain a culture of service excellence

STRENGTHENING COMMERCIAL CULTURE

- Grow Non-Aeronautical Revenue
- Grow High Net Worth Individual Business
- Formalize business relations through Service Level Agreements
- Build a commercial culture in the organization
- Improve Airport Partner Relations

DEVELOPING TALENT AND EMPLOYEE RELATIONS

- Enhance Leadership and management capabilities throughout the organization
- Attract and retain Local talent
- Align Learning maps with roles
- Develop mentoring and succession strategies
- Design and implement employee relation and engagement programs

ENHANCING ENTERPRISE RISK MANAGEMENT

- Enhance Leadership and management capabilities throughout the organization
- Attract and retain Local talent
- Align Learning maps with roles
- Develop mentoring and succession strategies
- Design and implement employee relation and engagement programs

LEVERAGING TECHNOLOGY AND INFRASTRUCTURE

- Enhance Leadership and management capabilities throughout the organization
- Attract and retain Local talent
- Align Learning maps with roles
- Develop mentoring and succession strategies
- Design and implement employee relation & engagement programs

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for CIAA for the 2022 and 2023 financial years are as follows:

	2022 1 Jan to 31 Dec 2022 $000's	**2023 1 Jan to 31 Dec 2023 $000's**	**2021 12-Month Forecast $000's**
REVENUE FROM CABINET	-	-	-
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	180	180	180
REVENUE FROM OTHERS	13,768	18,766	2,699
OPERATING EXPENSES	31,467	32,700	30,808
OPERATING SURPLUS/DEFICIT	**(14,900)**	**(3,221)**	**(27,929)**
NET WORTH	**133,422**	**130,221**	**148,342**
CASH FLOWS FROM OPERATING ACTIVITIES	(10,858)	(3,001)	(18,793)
CASH FLOWS FROM INVESTING ACTIVITIES	(3,688)	(10,050)	(2,070)
CASH FLOWS FROM FINANCING ACTIVITIES	18,100	11,000	17,900
CHANGE IN CASH BALANCES	3,553	(2,051)	(2,963)

FINANCIAL PERFORMANCE RATIO	**2022 1 Jan to 31 Dec 2022 %**	**2023 1 Jan to 31 Dec 2023 %**	**2021 12-Month Forecast %**
CURRENT ASSETS : CURRENT LIABILITIES	0.70	1.22	0.76
TOTAL ASSETS : TOTAL LIABILITIES	2.55	2.27	3.26

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	198	214	188
STAFF TURNOVER (%)			
MANAGERS	1%	1%	1%
PROFESSIONAL AND TECHNICAL STAFF	2%	2%	2%
CLERICAL AND LABOURER STAFF	1%	1%	3%
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	12	13	11
PROFESSIONAL AND TECHNICAL STAFF	13	14	12
CLERICAL AND LABOURER STAFF	12	13	11
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	NONE	YES	NONE

PHYSICAL CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	213,019	217,276	214,080
ASSET REPLACEMENTS : TOTAL ASSETS			
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	84.5%	86.8%	86.2%
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	450%	125.8%	44.8%
CHANGES TO ASSET MANAGEMENT POLICIES	NONE	NONE	NONE

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
SECURITY ENHANCEMENTS AND EQUIPMENT UPGRADES (MULTIYEAR 2022-2024)	570	400	340
ATC BUILDING REPAIRS	-	-	$89
HOLDING BAGGAGE SCREENING	500	-	-
NETWORK REDESIGN, ENHANCEMENTS AND CYBERSECURITY	645	50	220
FACILITY MANAGEMENT	1,517	425	1,176
AIRSIDE DRAINAGE	-	6,000	-
ORIA ROOF MEMBRANE	-	665	-
RADAR EQUIPMENT (MULTIYEAR 2023-2025)	278	1,310	-
SOFTWARE	110	-	-
CKIA RUNWAY OVERLAY AND TURN AROUND PADS	68	1,200	-
TOTAL	**3,688**	**10,050**	**1,825**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Tourism Related Risks	Risk profile increased due to potential changes in travel market and changes in changes in consumer behaviour. Global outlook favourable to market return however market volatile due to effect of pandemic.	• Greater partnership with DOT and tourism related entities • Forward planning and increased development of nonaeronautical revenues • New Routes • Spend management and fiscal discipline	=/- $4,000,000
Natural disasters	No change	Insurance and business process	=/- $2,000,000
Terrorism	Increase in germ and or biological war fare however likelihood is still considered low for the region	• Increased security screening and vigilance. • Manage profile to limit exposure • Security Aware Training • Business process	=/- $2,000,000
Health-related incidents	Occurrence of pandemics and epidemics	• Close collaboration with health ministry and other airports • Business continuity plan in place	=/- $40,000,000

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for CIAA is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE	16,567	28,993	2,879
OPERATING EXPENSES	31,467	32,214	30,808
NET SURPLUS/(DEFICIT)	(14,890)	(3,221)	(27,929)

BALANCE SHEET	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
ASSETS	219,336	232,416	214,080
LIABILITIES	85,894	102,195	65,738
NET WORTH	133,442	130,221	148,342

STATEMENT OF CASH FLOW	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	(10,859)	(3,001)	(18,793)
CASH FLOWS FROM INVESTING ACTIVITIES	(3,688)	(10,050)	(2,070)
CASH FLOWS FROM FINANCING ACTIVITIES	18,100	11,000	17,900

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's
EQUITY INVESTMENTS INTO CAYMAN ISLANDS AIRPORTS AUTHORITY	-	-
CAPITAL WITHDRAWALS FROM CAYMAN ISLANDS AIRPORTS AUTHORITY	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN ISLANDS AIRPORTS AUTHORITY	-	-
GOVERNMENT LOANS TO BE MADE TO CAYMAN ISLANDS AIRPORTS AUTHORITY	18,100	11,000
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN ISLANDS AIRPORTS AUTHORITY	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[5]	-	-
REMUNERATION[6] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	26	26
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	1,138	1,133

DESCRIPTION	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	10	10
NUMBER OF KEY SENIOR MANAGEMENT (MD)	7	7

[5] Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

[6] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

AGREEMENT

Scope of this Agreement

In signing this document, the Cayman Islands Airports Authority undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will the sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Cayman Islands Airports Authority will seek to achieve for the 2022 and 2023 financial years and that the Cabinet will monitor performance against.

Honourable Kenneth Bryan
Minister for Tourism and Transport
On behalf of Cabinet

Chairman of the Board
Cayman Islands Airports Authority

31 December 2021

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS
GOVERNMENT

CAYMAN ISLANDS AIRPORTS AUTHORITY
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2022 and 31 December 2023 and performance for the Cayman Islands Airports Authority for the financial years ending 31 December 2022 and 31 December 2023; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
Cayman Islands Airports Authority

31 December 2021

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CAYMAN ISLANDS AIRPORTS AUTHORITY

STATEMENT OF ACCOUNTING POLICIES
FOR THE FINANCIAL YEARS ENDING 31 December 2022 AND 31 DECEMBER 2023

1. Background Information

The Cayman Islands Airports Authority ("the Authority") is a statutory body established on June 14, 2004 under The *Airports Authority Law (2005 Revision)* and began operations on July 1, 2004. The registered office of the Authority is 298 Owen Roberts Drive, P.O. Box 10098 APO, KY1-1001, Grand Cayman, Cayman Islands. The Authority had 214 employees as of 31 December 2018 (December 2017: 179 employees).

The Authority is principally engaged in the general management and operation of airports, air traffic, and navigation within the Cayman Islands as set out in the aforementioned law. The Authority currently operates two (2) airports, one on Grand Cayman and the other on Cayman Brac. In addition, the Cayman Brac Office oversees an airfield on Little Cayman.

The operations of the Authority are regulated by the Civil Aviation Authority ("CAA") of the Cayman Islands.

2. Significant Accounting Policies

The significant accounting policies adopted by the Authority in these financial statements are as follows:

a) Basis of accounting

The financial statements of the Authority are prepared on an accrual basis under the historical cost convention in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board except for: (1) the revaluation of land and buildings [see (b) below] and (2) unfunded past service obligation [see (11) below].

The reporting currency is Cayman Islands Dollars and figures presented have been rounded to the nearest dollar.

The accounting policies are consistent with those used in the previous year except for measurement of land and buildings which were revalued in 2016.

2. Significant Accounting Policies (continued)

b) Property, plant and equipment

Land and buildings held for use in the supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the statement of financial position date.

Any revaluation increase arising on the revaluation of such land and buildings is credited in net worth to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in statement of comprehensive income, in which case the increase is credited to statement of comprehensive income to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation of such land and buildings is charged to statement of comprehensive income to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to statement of comprehensive income. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognized.

Properties under construction are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Authority's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Property, plant and equipment are depreciated on the straight-line basis over the estimated useful lives. The estimated useful lives of the other assets are as follows:

Computer	4 years
Furniture and Fixtures	3-12 years
Motor Vehicles	4-12 years
Equipment	5-20 years
Building Improvements	10-30 years
Building, Runways, Aprons and Car Parks	5-25 years

2. Significant Accounting Policies (continued)

b) Property, plant and equipment (continued)

(i) Additions

The cost of an item of property, plant, and equipment is recognized as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Work in progress is recognized at cost less impairment and is not depreciated.

(ii) Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the Statement of Comprehensive Income.

(iii) Impairment

The carrying amount of the Authority's assets are reviewed at each Statement of Financial Position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each Statement of Financial Position date. An impairment loss is recognized whenever the carrying amount of an asset or its cash- generating unit exceeds its recoverable amount.

c) Use of estimates and judgements

The preparation of financial statements, in conformity with IFRS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year of the revision and future years, where applicable

d) Cash and cash equivalents

Cash and cash equivalents include cash on demand and all term deposits placed for not more than three (3) months.

2. Significant Accounting Policies (continued)

e) Revenue recognition

The Authority recognizes revenues in the period in which they are earned. For example, taxes, rent and aircraft handling revenues are recognized when the related service is provided.

f) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

g) Financial instruments

(i) Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable or an equity instrument of another enterprise. Financial assets comprise of cash and cash equivalents, term deposits, accounts receivables and other receivables. The classification of financial instruments at initial recognition depends on the purpose and managements intention when the asset was acquired.

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

(ii) Recognition

The Authority recognises financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in fair value of the assets or liabilities are recognised in the Statement of Comprehensive Income.

A. Cash and cash equivalents

For the purposes of the statement of cash flows, the Authority considers cash on hand and in banks to be cash and cash equivalents, as well as fixed deposits with original maturities of three months or less. Bank accounts held at same institution are presented at net amount.

B. Accounts receivable

A non-derivative financial asset with fixed or determinable payments and not quoted in an active market is classified as accounts receivable.

C. Accounts payable and accrued expenses

Accounts payable and accrued expenses will be classified as financial liability and are measured at fair value when goods or services have been received or invoiced, with any adjustments to the carrying amount going through the statement of comprehensive income.

h) Financial instruments (continued)

(iii) Measurement

Financial instruments are measured initially at cost, which is the fair value of the consideration given or received. Subsequent to initial recognition, all financial assets are carried at historical cost which is considered approximate to fair value due to short term or immediate nature of these instruments. Financial liabilities are subsequently measured at amortized cost, being the amount at which the liability was initially recognized less any principal repayments plus any amortization (accrued interest) of the difference between that initial amount and the maturity amount.

(iv) De-recognition

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

i) Foreign currency translation

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at exchange rates in effect at the reporting date. Revenue and expense transactions denominated in currencies other than Cayman Islands dollars are translated at exchange rates ruling at the time of those transactions. Gains and losses on exchange are credited or charged in the Statement of Comprehensive Income.

Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to Cayman Islands dollars at the foreign currency exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the Cayman Islands dollars at the foreign exchange rates ruling at the dates that the values were determined.

j) Allowance for bad debts

The allowance for bad debts is established through a provision for bad debts charged to expenses. Accounts receivable are written off against the allowance when management believes that the collectability of the account is unlikely. The allowance is the amount that management believes will be adequate to cover any bad debts, based on an evaluation of collectability and prior bad debts experience.

2. Significant Accounting Policies (continued)

k) Provisions

Provisions are recognized when Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that the Authority will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

l) Employee benefits

The Authority's active employees receive free medical benefits while their dependants receive medical benefits in accordance with the Authority's policy for dependent beneficiaries.

The Authority provides post-employment benefits through defined benefit and defined contribution plan based on the Law and the individual employee's contractual entitlements.

Defined benefit plan

The Authority's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of plan assets. The cost of pensions and other retirement benefits earned by employees is actuarially determined using the projected unit credit method prorated on service and Management's best estimate of expected plan investment performance, salary escalation, retirement ages of employees, and mortality rates. When the calculation results in a net benefit asset, the recognised assets is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

2. Significant Accounting Policies (continued)

m) Employee benefits (continued)

Defined benefit plan (continued)

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (loss). The net interest expense on the net defined benefit liability for the period is determined by applying the discount rate applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

The discount rate used to value the defined benefit obligation is based on a combination of high-quality corporate bonds, in the same currency in which the benefits are expected to be paid and with terms to maturity that, on average, match the terms of the defined benefit obligations and the long-term rate of return of plan assets.

Defined contribution plan

The Authority's obligations for contributions to employee defined contribution pension plans are recognized in the Statement of Comprehensive Income in the periods during which services are rendered by employees.

CAYMAN ISLANDS AIRPORTS AUTHORITY

FORECAST STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL POSITION	Note	12-Month Budget 2022	12-Month Budget 2023
	Current Assets			
3,197,213	Cash and cash equivalents	**1**	6,750,213	4,699,213
-	Marketable securities and deposits		-	-
7,743,000	Trade receivables	**2**	10,285,357	19,893,326
216,000	Other receivables	**2**	216,000	216,000
-	Inventories	**3**	-	-
-	Investments	**4**	-	-
170,000	Prepayments	**5**	170,000	170,000
-	Loans	**6**	-	-
11,326,213	**Total Current Assets**		**17,421,570**	**24,978,539**
	Non-Current Assets			
-	Trade receivables	**2**	-	-
-	Other receivables	**2**	-	-
-	Inventories	**3**	-	-
-	Investments	**4**	-	-
-	Prepayments	**5**	-	-
-	Loans	**6**	-	-
-	Pension Plan Surplus	**13**	-	-
202,754,097	Property, plant and equipment	**7**	201,832,297	207,382,297
(0)	Intangible Assets	**8**	82,500	55,000
202,754,097	**Total Non-Current Assets**		**201,914,797**	**207,437,297**
214,080,310	**Total Assets**		**219,336,367**	**232,415,836**
	Current Liabilities			
4,851,010	Trade payables	**9**	5,121,892	8,524,000
1,683,000	Other payables and accruals	**9**	1,048,000	526,794
-	Dividends/Surplus Payable	**9**	-	-
-	Bank Overdraft	**1**	-	-
393,000	Unearned revenue	**10**	393,000	393,000
86,000	Employee entitlements	**11**	86,000	86,000
7,900,000	Current Portion of Borrowings	**12**	18,100,000	11,000,000
14,913,010	**Total Current Liabilities**		**24,748,892**	**20,529,794**
	Non-Current Liabilities			
-	Trade payables	**9**	-	-
-	Other payables and accruals	**9**	-	-
-	Dividends/Surplus Payable	**9**	-	-
-	Unearned revenue	**10**	-	-
-	Employee entitlements	**11**	-	-
12,864,000	Unfunded pension liability	**13**	13,497,000	14,130,000
24,961,004	Unfunded post retirement health care	**14**	26,748,004	28,535,004
-	Currency Issued		-	-
13,000,000	Long Term portion of Borrowings	**12**	20,900,000	39,000,000
50,825,004	**Total Non-Current Liabilities**		**61,145,004**	**81,665,004**
65,738,014	**Total Liabilities**		**85,893,896**	**102,194,798**
148,342,296	**Net Assets**		**133,442,471**	**130,221,038**
	NET WORTH			
44,939,400	Contributed capital		44,939,400	44,939,400
-	Other Reserves		-	-
80,649,106	Revaluation reserve		80,649,106	80,649,106
22,753,791	Accumulated surpluses/(deficits)		7,853,966	4,632,533
148,342,296	**Total Net Worth**		**133,442,471**	**130,221,038**

CAYMAN ISLANDS AIRPORTS AUTHORITY

FORECAST STATEMENT OF FINANCIAL PERFORMANCE
FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL PERFORMANCE	Note	12-Month Budget 2022	12-Month Budget 2023
	Revenue			
2,878,973	Sale of goods and services	**15**	16,567,439	28,993,019
-	Investment revenue	**16**	-	-
-	Donations	**17**	-	-
-	Other revenue		-	-
2,878,973	**Total Revenue**		**16,567,439**	**28,993,019**
	Expenses			
14,840,852	Personnel costs	**18**	15,240,852	15,640,852
11,126,800	Supplies and consumables	**19**	11,572,912	11,920,099
4,714,372	Depreciation and Amortisation	**7**	4,527,500	4,527,500
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	**20**	-	-
90,000	Litigation costs	**21**	90,000	90,000
-	Other (Gains)/losses	**22**	-	-
36,000	Other Operating expenses		36,000	36,000
30,808,024	**Total Expenses**		**31,467,264**	**32,214,452**
(27,929,052)	**Surplus or (Deficit) for the period**		**(14,899,825)**	**(3,221,433)**

CAYMAN ISLANDS AIRPORTS AUTHORITY

FORECAST STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	CASH FLOW STATEMENT	Note	12-Month Budget 2022	12-Month Budget 2023
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
180,000	Sale of goods and services to Ministries/Portfolios		180,000	180,000
5,499,164	Sale of goods and services - third party		13,447,385	24,150,190
	Payments			
(12,441,155)	Personnel costs		(12,441,155)	(12,886,089)
(9,912,800)	Supplies and consumables - Ministries/Portfolios		(10,085,112)	(11,709,757)
(2,081,974)	Supplies and consumables - Statutory Agencies and Government Conpanies		(1,959,918)	(2,735,344)
(36,000)	Other payments			
(18,792,765)	**Net cash flows from operating activities**	**23**	**(10,858,800)**	**(3,001,000)**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(2,070,359)	Purchase of property, plant and equipment		(3,688,200)	(10,050,000)
(2,070,359)	**Net cash flows from investing activities**		**(3,688,200)**	**(10,050,000)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
10,000,000	Equity Investment from Cabinet		-	-
7,900,000	Borrowings		18,100,000	11,000,000
17,900,000	**Net cash flows from financing activities**		**18,100,000**	**11,000,000**
(2,963,124)	**Net increase/(decrease) in cash and cash equivalents**		**3,553,000**	**(2,051,000)**
6,160,337	Cash and cash equivalents at beginning of period		3,197,213	6,750,213
3,197,213	**Cash and cash equivalents at end of period**		**6,750,213**	**4,699,213**

CAYMAN ISLANDS AIRPORTS AUTHORITY

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2019 brought forward	34,785,400	80,649,106	65,384,837	180,819,343
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2019	34,785,400	80,649,106	65,384,837	180,819,343
Changes in net worth for 2020				
Gain/(loss) on property revaluation	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-
Equity Investment from Cabinet	154,000	-	-	154,000
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	-	-	-
Net revenue / expenses recognised directly in net worth	154,000	-	-	154,000
Surplus/(deficit)for the period 2020			(14,701,995)	(14,701,995)
Total recognised revenues and expenses for the period	154,000	-	(14,701,995)	(14,547,995)
Balance at 31 December 2020	34,939,400	80,649,106	50,682,842	166,271,348
Balance at 31 December 2020 brought forward	34,939,400	80,649,106	50,682,842	166,271,348
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2020	34,939,400	80,649,106	50,682,842	166,271,348
Changes in net worth for 2021				
Equity Investment from Cabinet	10,000,000	-	-	10,000,000
Net revenue / expenses recognised directly in net worth	10,000,000	-	-	10,000,000
Surplus/(deficit)for the period 2021			(27,929,052)	(27,929,052)
Total recognised revenues and expenses for the period	10,000,000	-	(27,929,052)	(17,929,052)
Balance at 31 December 2021 carried forward	44,939,400	80,649,106	22,753,791	148,342,296

CAYMAN ISLANDS AIRPORTS AUTHORITY

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	44,939,400	80,649,106	22,753,791	148,342,296
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2021	44,939,400	80,649,106	22,753,791	148,342,296
Net revenue / expenses recognised directly in net worth	-	-	-	-
Surplus/(deficit)for the period 2022			(14,899,825)	(14,899,825)
Total recognised revenues and expenses for the period	-	-	(14,899,825)	(14,899,825)
Balance at 31 December 2022 carried forward	44,939,400	80,649,106	7,853,966	133,442,471
Balance at 31 December 2022 brought forward	44,939,400	80,649,106	7,853,966	133,442,471
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2022	44,939,400	80,649,106	7,853,966	133,442,471
Net revenue / expenses recognised directly in net worth	-	-	-	-
Surplus/(deficit)for the period 2023			(3,221,433)	(3,221,433)
Total recognised revenues and expenses for the period	-	-	(3,221,433)	(3,221,433)
Balance at 31 December 2023	44,939,400	80,649,106	4,632,533	130,221,038

CAYMAN ISLANDS AIRPORTS AUTHORITY

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
10,213	Cash on hand	10,213	10,213
2,473,000	CI$ Account	6,026,000	3,975,000
409,000	US$ Account	409,000	409,000
305,000	Bank Accounts held at other financial institutions	305,000	305,000
3,197,213	**TOTAL**	**6,750,213**	**4,699,213**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
8,556,000	Sale of goods and services - third party	11,098,357	20,706,326
(813,000)	**Less: provision for doubtful debts**	(813,000)	(813,000)
7,743,000	**Total trade receivables**	**10,285,357**	**19,893,326**

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
7,743,000	Past due 1-30 days	10,285,357	19,893,326
7,743,000	**Total**	**10,285,357**	**19,893,326**

12-Month Forecast 2021	Other Receivables	12-Month Budget 2022	12-Month Budget 2023
14,000	Advances (salary, Official Travel, etc)	14,000	14,000
202,000	Other	202,000	202,000
216,000	**Total other receivables**	**216,000**	**216,000**

12-Month Forecast 2021	Other Receivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
216,000	Past due 1-30 days	216,000	216,000
216,000	**Total**	**216,000**	**216,000**

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
813,000	Balance at begining oF period	813,000	813,000
813,000	**Balance at 31st December**	**813,000**	**813,000**

CAYMAN ISLANDS AIRPORTS AUTHORITY

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 5: PREPAYMENTS

12-Month Forecast 2021	Prepayments	12-Month Budget 2022	12-Month Budget 2023
	Current Prepayments		
170,000		170,000	170,000
170,000	**Prepayments - Current**	**170,000**	**170,000**
170,000	**Total Prepayments**	**170,000**	**170,000**

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2020	63,960,000	6,623,319	37,986,278	494,145	160,822	826,720	1,389,796	84,161,618	195,602,697
Additions	-	29,195	-	277,553	45,945	145,150	72,004	37,006,286	37,576,134
Disposals and Derecognisation	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2020	63,960,000	6,652,514	37,986,278	771,698	206,767	971,870	1,461,800	121,167,904	233,178,831

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2021	63,960,000	6,652,514	37,986,278	771,698	206,767	971,870	1,461,800	121,167,904	233,178,831
Additions	-	52,412	-	-	-	-	-	2,017,947	2,070,359
Disposals and Derecognisation	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	63,960,000	6,704,926	37,986,278	771,698	206,767	971,870	1,461,800	123,185,851	235,249,190

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	63,960,000	6,704,926	37,986,278	771,698	206,767	971,870	1,461,800	123,185,851	235,249,190
Additions	-	1,517,000	1,334,000	-	510,000	125,000	92,200	-	3,578,200
Disposals and Derecognisation	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	63,960,000	8,221,926	39,320,278	771,698	716,767	1,096,870	1,554,000	123,185,851	238,827,390

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	63,960,000	8,221,926	39,320,278	771,698	716,767	1,096,870	1,554,000	123,185,851	238,827,390
Additions	-	550,000	8,310,000	-	50,000	-	1,140,000	-	10,050,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	63,960,000	8,771,926	47,630,278	771,698	766,767	1,096,870	2,694,000	123,185,851	248,877,390

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2020	-	4,372,802	16,008,208	571,331	452,687	783,501	1,306,564	-	23,495,093
Transfers	-	-	-	-	-	-	-	-	-
Impairment Reserve 2020 (closing balance)	-	-	-	-	-	-	-	-	-
Depreciation Expense 2020	-	548,447	3,592,795	108,592	163,103	87,064	-	-	4,500,000
Eliminate on Disposal or Derecognisation 2020	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2020	-	4,921,249	19,601,003	679,922	615,790	870,565	1,306,564	-	27,995,093

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2021	-	4,921,249	19,601,003	679,922	615,790	870,565	1,306,564	-	27,995,093
Transfers	-	-	-	-	-	-	-	-	-
Impairment Reserve 2021 (closing balance)	-	-	-	-	-		-	-	-
Depreciation Expense 2021	-	548,447	3,592,795	108,592	163,103	87,064	-	-	4,500,000
Eliminate on Disposal or Derecognisation 2021	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	-	5,469,697	23,193,798	788,514	778,892	957,628	1,306,564	-	32,495,093

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	-	5,469,697	23,193,798	788,514	778,892	957,628	1,306,564	-	32,495,093
Transfers	-	-	-	-		-	-	-	-
Impairment change 2022	-		-	-	-	-	-	-	-
Depreciation Expense 2022	-	548,447	3,592,795	108,592	163,103	87,064	-	-	4,500,000
Eliminate on Disposal or Derecognisation 2022	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	-	6,018,144	26,786,593	897,106	941,995	1,044,692	1,306,564	-	36,995,093

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	-	6,018,144	26,786,593	897,106	941,995	1,044,692	1,306,564	-	36,995,093
Transfers	-	-	-	-		-	-	-	-
Impairment change 2023	-	-	-	-	-	-	-	-	-
Depreciation Expense 2023		548,447	3,592,795	108,592	163,103	87,064	-	-	4,500,000
Eliminate on Disposal or Derecognisation 2023	-		-	-	-	-	-	-	-
Balance as at 31 December 2023	-	6,566,591	30,379,388	1,005,697	1,105,097	1,131,756	1,306,564	-	41,495,093

Net Book value 31 December 2020	63,960,000	1,731,265	18,385,275	91,776	(409,022)	101,305	155,236	121,167,904	205,183,738
Net Book value 31 December 2021	63,960,000	1,235,230	14,792,480	(16,816)	(572,125)	14,241	155,236	123,185,851	202,754,097
Net Book value 31 December 2022	63,960,000	2,203,783	12,533,685	(125,408)	(225,227)	52,178	247,436	123,185,851	201,832,297
Net Book value 31 December 2023	63,960,000	2,205,335	17,250,890	(233,999)	(338,330)	(34,886)	1,387,436	123,185,851	207,382,297

NOTE 8: INTANGIBLE ASSETS

COST OF INTANGIBLE ASSETS

	Computer Software	*Total*
Balance as at 1 January 2020	2,839,632	2,839,632
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2020	2,839,632	2,839,632

	Computer Software	*Total*
Balance as at 1 January 2021	2,839,632	2,839,632
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2021	2,839,632	2,839,632

	Computer Software	*Total*
Balance as at 1 January 2022	2,839,632	2,839,632
Additions	110,000	110,000
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2022	2,949,632	2,949,632

	Computer Software	*Total*
Balance as at 1 January 2023	2,949,632	2,949,632
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2023	2,949,632	2,949,632

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Computer Software	*Total*
Balance as at 1 January 2020	1,815,260	1,815,260
Transfers	-	-
Impairment Reserve 2020 (closing balance)	-	-
Depreciation Expense 2020	810,000	810,000
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2020	2,625,260	2,625,260

	Computer Software	*Total*
Balance as at 1 January 2021	2,625,260	2,625,260
Transfers	-	-
Impairment Reserve 2021 (closing balance)	-	-
Depreciation Expense 2021	214,372	214,372
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2021	2,839,632	2,839,632

	Computer Software	*Total*
Balance as at 1 January 2022	2,839,632	2,839,632
Transfers	-	-
Impairment change 2022	-	-
Depreciation Expense 2022	27,500	27,500
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2022	2,867,132	2,867,132

	Computer Software	*Total*
Balance as at 1 January 2023	2,867,132	2,867,132
Transfers	-	-
Impairment change 2023	-	-
Depreciation Expense 2023	27,500	27,500
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2023	2,894,632	2,894,632

Net Book value 31 December 2020	214,372	214,372
Net Book value 31 December 2021	(0)	(0)
Net Book value 31 December 2022	82,500	82,500
Net Book value 31 December 2023	55,000	55,000

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Trade payables other payables and accruals		
4,851,010	Creditors Third party	5,121,892	8,524,000
290,000	Payroll Deductions	290,000	290,000
1,365,000	Accrued Expenses	730,000	223,000
28,000	Other payables	28,000	13,794
6,534,010	**Trade payables other payables and accruals - Current**	**6,169,892**	**9,050,794**
6,534,010	**Total trade payables other payables and accruals**	**6,169,892**	**9,050,794**

NOTE 10: UNEARNED REVENUE

12-Month Forecast 2021	Details	12-Month Budget 2022	12-Month Budget 2023
	Current Unearned Revenue		
393,000	Other Deposits held	393,000	393,000
393,000	**Total current portion**	**393,000**	**393,000**
393,000	**Total Unearned Revenue**	**393,000**	**393,000**

NOTE 11: EMPLOYEE ENTITLEMENTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current employee entitlements		
86,000	Annual Leave/Comp-time	86,000	86,000
86,000	**Total current portion**	**86,000**	**86,000**
86,000	**Total employee entitlements**	**86,000**	**86,000**

NOTE 12: BORROWINGS

12-Month Forecast 2021	***Local Currency Debt***	12-Month Budget 2022	12-Month Budget 2023
7,900,000	Not later than one year	18,100,000	11,000,000
13,000,000	Between one and two years	7,900,000	18,100,000
-	Between two and five years	13,000,000	20,900,000
20,900,000	**Total Local Currency Debt**	**39,000,000**	**50,000,000**
20,900,000	**Total Outstanding Debt**	**39,000,000**	**50,000,000**

NOTE 13: UNFUNDED PENSION LIABILITY

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
5,258,000	Value of pension fund allocated asstes	5,258,312	5,258,624
(18,122,000)	Past service liability	(18,755,312)	(19,388,624)
(12,864,000)	**Fund (deficiency)/Surplus**	**(13,497,000)**	**(14,130,000)**

NOTE 14: UNFUNDED POST RETIREMENT HEALTH CARE

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(24,961,004)	Health Care Liability	(26,748,004)	(28,535,004)
(24,961,004)	**Total Unfunded Health Care Liability**	**(26,748,004)**	**(28,535,004)**

NOTE 15A: SALE OF GOODS AND SERVICES

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
2,178,047	Fees and Charges	14,407,171	25,248,550
413,925	General Sales	1,873,868	3,279,269
239,000	Rentals	238,400	417,200
48,000	Other Goods & Services Revenue	48,000	48,000
2,878,973	**Total sales of goods and services**	**16,567,439**	**28,993,019**

12-Month Forecast 2021	***Fees and Charges***	12-Month Budget 2022	12-Month Budget 2023
118,677	Landing fees	1,142,464	1,999,312
172,830	Parking fees	202,800	354,900
8,755	Navigation fees	40,000	70,000
23,568	Terminal Facility charges	156,400	273,700
1,150,589	Travel Tax	6,368,209	11,144,366
558,829	Security Tax	2,672,223	4,712,391
10,653	Passenger terminal charges	520,000	910,000
134,146	Passenger Facility charges	3,305,075	5,783,881
2,178,047	**Total Fees & Charges**	**14,407,171**	**25,248,550**

NOTE 15A: SALE OF GOODS AND SERVICES (CONTINUED)

12-Month Forecast 2021	General Sales	12-Month Budget 2022	12-Month Budget 2023
39,000	Concession Sales	656,000	1,202,000
-	Advertising income	138,400	242,200
6,925	Car park management	314,400	550,200
99,000	Fuel sales	457,158	800,027
-	Airport Concierge Services	106,400	186,200
197,000	Sundry income	129,510	226,643
72,000	Data Centre management	72,000	72,000
413,925	**Total General Sales**	**1,873,868**	**3,279,269**

12-Month Forecast 2021	Rentals	12-Month Budget 2022	12-Month Budget 2023
227,000	Rental income	133,400	312,200
12,000	Land lease	105,000	105,000
239,000	**Total Rentals**	**238,400**	**417,200**

12-Month Forecast 2021	Other Goods & Services Revenue	12-Month Budget 2022	12-Month Budget 2023
48,000	Security & safety credentializing incomes	48,000	48,000
48,000	**Total Other Goods & Services Revenue**	**48,000**	**48,000**
2,878,973	**Total Goods and Services**	**16,567,439**	**28,993,019**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
10,402,375	Salaries, wages and allowances	10,802,375	11,202,375
-	Health care CINICO	-	-
1,127,497	Health care other	1,127,497	1,127,497
3,099,118	Pension	3,099,118	3,099,118
37,192	Leave	37,192	37,192
174,671	Other personnel related costs	174,671	174,671
14,840,852	**Total Personnel Costs**	**15,240,852**	**15,640,852**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
1,162,283	Supplies and Materials	1,208,774	1,245,038
5,023,146	Purchase of services	5,224,072	5,380,794
1,500,000	Utilities	1,560,000	1,606,800
850,000	General Insurance	1,684,800	1,735,344
2,434,000	Interdepartmental expenses	1,704,200	1,756,616
15,000	Travel and Subsistence	43,000	43,000
142,371	Recruitment and Training	148,066	152,508
11,126,800	**Total Supplies & consumables**	**11,572,912**	**11,920,099**

NOTE 21: LITIGATION COST

12-Month Forecast 2021	Descriptions	12-Month Budget 2022	12-Month Budget 2023
90,000	Legal fees	90,000	90,000
90,000	**Total Litigation cost**	**90,000**	**90,000**

CAYMAN ISLANDS AIRPORTS AUTHORITY

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 23: RECONCILITATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(27,929,052)	**Surplus/(deficit) from ordinary activities**	(14,899,825)	(3,221,433)
	Non-cash movements		
4,714,372	Depreciation & Amortisation	4,527,500	4,527,500
1,069,915	(Increase)/decrease in other current assets - Other	(2,619,357)	(10,137,851)
3,352,000	(Increase/(decrease) in current liabilities - Other	2,132,882	5,830,784
(18,792,765)	**Net cash flows from operating activities**	**(10,858,800)**	**(3,001,000)**

NOTE 25: COMMITMENTS

Type	One year or less	One to five Years	12-Month Budget 2022	12-Month Budget 2023
Capital Commitments				
Property, plant and equipment	310,000	-	310,000	250,000
Total Capital Commitments	310,000	-	310,000	250,000
Operating Commitments				
Other operating commitments	4,925,000	4,800,000	9,725,000	4,800,000
Total Operating Commitments	4,925,000	4,800,000	9,725,000	4,800,000
Total Commitments	5,235,000	4,800,000	10,035,000	5,050,000

NOTE 26: RELATED PARTY AND KET MANAGEMENT PERSONNEL DISCLOSURES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
1,500,000	Salaries & other short-term employee benefits	1,650,000	1,650,000
1,500,000	**Total**	**1,650,000**	**1,650,000**

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OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

CAYMAN ISLANDS DEVELOPMENT BANK

FOR THE 2022 FINANCIAL YEAR ENDING 31 DECEMBER 2022
AND THE 2023 FINANCIAL YEAR ENDING 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT (2020 REVISION)

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CONTENTS

1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Cayman Islands Development Bank have agreed the Cayman Islands Development Bank will seek to achieve during the 2022 and 2023 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Cayman Islands Development Bank is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Cayman Islands Development Bank ("CIDB" or the "Bank") was established under the Cayman Islands Development Bank Act (2018 Revision) which came into force on March 1, 2002, and is solely owned by the Cayman Islands Government. Upon the enactment of the Cayman Islands Development Bank Act (2018 Revision), two former statutory financial institutions, the Agricultural and Industrial Development Board and the Housing Development Corporation were dissolved and their functions as well as their assets and liabilities were transferred to the Bank.

SCOPE OF ACTIVITIES

The scope of the lending activities of the Cayman Islands Development Bank is primarily to:

1. Provide finance in order to promote and facilitate development in the Islands, with particular reference to Small Businesses especially in construction, electronics, commerce and tourism, and housing and human resource development.

2. Provide an advisory service to give advice and disseminate Information about matters relating to:
    a) Housing, mortgage finance and the maintenance of dwellings
    b) Advice in education and counselling in education
    c) Agricultural, industrial and tourism development

3. Promote agricultural, tourism and industrial development in the Islands.

Act as administering agent for the Cayman Islands Government for the Government Guaranteed Student Loan Scheme, Government Guaranteed Home Mortgage Scheme and Disbursement of Scholarship Funds.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by the Cayman Islands Development Bank are provided in Grand Cayman, Cayman Brac and Little Cayman.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Cayman Islands Development Bank for the 2022 and 2023 financial years are as follows:

Strategic Goals

1. To continue to operate as a prudently managed, efficiently operated and highly respected development financial institution while producing sound financial and operating results.

2. To focus on the development of the Islands by identifying, funding and implementing programmes, projects and services that will assist Caymanians in improving themselves and their communities especially those with bankable propositions who do not have ready access to conventional financing.

Objectives

The Objectives of the Cayman Islands Development Bank are as follows:

- Enlarge the lending portfolio by adding new quality loans especially in the areas of tertiary education and small business loans, such that its investment will be sound and that the income generated contribute significantly to meeting the Bank's operating costs.

- Introduce new energy efficiency loans to reduce homes/businesses energy costs that will also improve those assets example replacement of windows/doors with hurricane impact products.

- Monitor access to housing market with other financial institutions to re-introduce mortgage loans to ensure housing remains achievable/affordable.

- Ensure that the programmes administered on behalf of the Cayman Islands Government and other agencies are also managed in an efficient and effective manner.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Cayman Islands Development Bank for the 2022 and 2023 financial years are as follows:

	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE FROM CABINET	566	566	526
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	40	40	40
REVENUE FROM OTHERS	1,774	1,958	1,484
OPERATING EXPENSES	2,359	2,278	2,245
OPERATING SURPLUS/DEFICIT	**(19)**	**246**	**(195)**
NET WORTH	**35,952**	**40,698**	**31,471**
CASH FLOWS FROM OPERATING ACTIVITIES	(4,678)	(2,927)	(3,093)
CASH FLOWS FROM INVESTING ACTIVITIES	2,047	2,496	(171)
CASH FLOWS FROM FINANCING ACTIVITIES	417	949	417
CHANGE IN CASH BALANCES	(2,214)	518	(2,846)

FINANCIAL PERFORMANCE RATIO	2022 1 Jan to 31 Dec 2022 %	2023 1 Jan to 31 Dec 2023 %	2021 12-Month Forecast %
CURRENT ASSETS : CURRENT LIABILITIES	3.86	33.03	3.58
TOTAL ASSETS : TOTAL LIABILITIES	10.04	95.70	4.49

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	15	15	15
STAFF TURNOVER (%)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	10	10	10
PROFESSIONAL AND TECHNICAL STAFF	10	10	10
CLERICAL AND LABOURER STAFF	10	10	10
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	-	-	-

PHYSICAL CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	1,379	1,325	968
ASSET REPLACEMENTS : TOTAL ASSETS	2,000: 1,379	2,000: 1,325	1,500: 968
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	1,379 :2,111	1,325:2,116	968:1,656
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	50:455	64:5	96:173
CHANGES TO ASSET MANAGEMENT POLICIES	-	-	-

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
PURCHASE AND INSTALLATION OF GENERATOR FOR BUSINESS CONTINUITY	-	-	171
OFFICE RENOVATION	400	-	-
TOTAL	**400**	**-**	**171**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Default on loan payments	Bank has had some success in recovering amounts some amounts on non-accrual loans and there is planned focus on reducing loan delinquency levels and improving collections even further	Increased focus on approving loans that are beneficial to the portfolio and an increased focus on collections	Reduced Loan Interest Income

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Cayman Islands Development Bank is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE	2,340	2,524	2,050
OPERATING EXPENSES	2,359	2,278	2,245
NET SURPLUS/(DEFICIT)	(19)	246	(195)

BALANCE SHEET	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
ASSETS	39,929	41,128	40,494
LIABILITIES	3,977	430	9,024
NET WORTH	35,952	40,698	31,470

STATEMENT OF CASH FLOW	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	(4,678)	(2,927)	(3,093)
CASH FLOWS FROM INVESTING ACTIVITIES	2,047	2,496	(171)
CASH FLOWS FROM FINANCING ACTIVITIES	417	949	417

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's
EQUITY INVESTMENTS INTO CAYMAN ISLANDS DEVELOPMENT BANK	4,500	4,500
CAPITAL WITHDRAWALS FROM CAYMAN ISLANDS DEVELOPMENT BANK	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN ISLANDS DEVELOPMENT BANK	-	-
GOVERNMENT LOANS TO BE MADE TO CAYMAN ISLANDS DEVLOPMENT BANK	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN ISLANDS DEVELOPMENT BANK	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[7]	-	-
REMUNERATION[8] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	387	387
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	387	387

DESCRIPTION	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	4,500	4,500
NUMBER OF KEY SENIOR MANAGEMENT (MD)	-	-

[7] Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

[8] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the Cayman Islands Development Bank undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will the sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Cayman Islands Development Bank will seek to achieve for the 2022 and 2023 financial years and that the Cabinet will monitor performance against.

Honourable Chris Saunders
Minister for Finance and Economic Development
On behalf of Cabinet

Chairman of the Board of Directors
Cayman Islands Development Bank

31 December 2021

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS
GOVERNMENT

CAYMA ISLANDS DEVELOPMENT BANK
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2022 and 31 December 2023 and performance for the Cayman Islands Development Bank for the financial years ending 31 December 2022 and 31 December 2023; and
c. Comply with generally accepted accounting practice.

Chairman of the Board of Directors
Cayman Islands Development Bank

31 December 2021

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CAYMAN ISLANDS DEVELOPMENT BANK
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

1. GENERAL INFORMATION

The Cayman Islands Development Bank ("CIDB" or the "Bank") was established under the Cayman Islands Development Bank Act (2018 Revision) which came into force on 1 March, 2002, and is solely owned by the Cayman Islands Government. Upon the enactment of the Cayman Islands Development Bank Law (2018 Revision), two former statutory financial institutions, the Agricultural and Industrial Development Board and the Housing Development Corporation were dissolved and their functions as well as their assets and liabilities were transferred to the Bank. The Bank is regulated by the Cayman Islands Monetary Authority.

The principal function of CIDB is to mobilise, promote, facilitate, and provide finance for the expansion and strengthening of the economic development of the Islands. The Bank does this by providing financing for tertiary education, housing, agriculture and the development of small businesses.

The registered office of the Bank is at 36B Dr. Roy's Drive, P.O. Box 2576, George Town, Grand Cayman, KY1-1103, Cayman Islands. For years ending December 31, 2022 and 2023, the Bank is projected to have 15 employees.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of CIDB are presented in Cayman Islands Dollars and are prepared on the accrual basis under the historical cost convention. All values are rounded to the nearest dollar, except when otherwise indicated.

Statement of Compliance

The financial statements of CIDB have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

2.2 Significant Accounting Judgments and Estimates

In the process of applying the Bank's accounting policies, Management has exercised judgment and estimates in determining the amounts recognized in the financial statements. Actual results could differ from these estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered to be reasonable under the circumstances. The estimates and judgements that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within one year from the date of these financial statements are listed below.

Impairment Losses on Loans to Customers and Other Financial Assets

The measurement of impairment losses both under IFRS 9 and IAS 39 across all categories of financial assets requires judgement, particularly in estimating the amount and timing of future cash flows and collateral when making a determination of impairment losses and assessing any significant increase in credit risk. These estimates are influenced by numerous factors, changes in which can result in differing levels of allowances.

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Significant Accounting Judgments and Estimates (continued)

Impairment Losses on Loans and Advances to Customers (continued)

The Bank's Expected Credit Loss (ECL) calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Bank's internal credit rating model
- The Bank's criteria for assessing if there has been a significant increase in credit risk
- Determining inputs into the ECL measurement model, including incorporation of forward-looking information
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, Exposure at Default (EAD) and Loss Given Default (LGDs)

It is the Bank's policy to regularly review its models in the context of loss experience and adjust as necessary.

Write off of Loans

The Bank's accounting policy under IFRS 9 remains the same as it was under IAS 39. Loans are written off, in whole or in part, against the related expected credit loss allowance upon settlement (realization) of collateral or in advance of settlement (no realization) where the determination of the recoverable value is completed and there is no realistic prospect of recovery above the recoverable value. Any subsequent recoveries are credited to the statement of comprehensive income.

2.3 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

a) Recognition of Income

Revenue is recognized on the accrual basis to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured.

Interest Income

Interest income is recorded on an accrual basis using the effective interest method until such time as a loan is classified as impaired. Interest on loans that are contractually 90 days in arrears are classified as impaired. Any accrued interest on impaired loans is reversed against income for the current period. Thereafter, interest income on impaired loans is recognized in the period it is collected.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of Significant Accounting Policies (Continued)

Fee Income

The Bank earns loan commitment fees that are recognized as income in the year loans are advanced to customers.

b) Property and Equipment

Property and equipment are recorded at cost and are depreciated using the straight-line method at rates considered adequate to write-off the cost over their estimated useful lives as listed below. The cost model is used for measurement after initial recognition for property and equipment except for building. The revaluation model is used for building. Under the revaluation model, the accumulated depreciation on building is eliminated against the gross carrying amount of the asset.

Office Furniture/Equipment	5 years
Computer Equipment	3 years
Motor Vehicles	5 years
Building	50 years

Property and equipment are derecognized on disposal or when there are no future economic benefits expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of comprehensive income in the year the asset is derecognized.

c) Foreign Currency Transactions

Transactions during the year in currencies other than the Cayman Islands dollar are converted at exchange rates prevailing at the date of the transactions. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the statement of financial position date. Resulting gains and losses on exchange are recognized in the statement of comprehensive income.

d) Use of Estimates

The preparation of financial statements in conformity with IFRS requires management to make certain significant estimates and judgements that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

e) Employee Benefits

CIDB participates in the Public Service Pension Plan, a defined benefit and contribution pension fund, in accordance with the Public Service Pension Law. The Public Service Pension Fund is administered by the Public Service Pension Board and is operated as a multi-employer non-contributory Fund, whereby the employer pays both the employer and employee contributions.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of Significant Accounting Policies (Continued)

f) Financial Instruments

(i) Classification

The classification of financial instruments at initial recognition depends on their contractual terms and business model for managing the instruments. Effective January 1, 2018, the Bank classifies all of its financial assets based on the business model for managing the assets and the assets contractual terms measured at either; amortized cost, fair value through other comprehensive income (FVOCI), fair value through profit or loss (FVPL).

Effective January 1, 2018, the Bank measures loans to customers and fixed deposits held with banks at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model the objective of which is to hold the financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset or to exchange financial instruments under conditions that are potentially favourable or an equity instrument of another enterprise. As of the projected period ends, financial assets comprise of cash and cash equivalents, deposit accounts and loans to customers. A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. As of the projected period ends, financial liabilities comprise of accounts payable and accrued liabilities and long-term loan. All financial assets and liabilities as of the projected period ends are non-derivative financial instruments and are measured at amortized cost based on the conditions above.

(ii) Recognition

The Bank recognizes financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in fair value of the assets or liabilities are recognised in the statement of comprehensive income.

(iii) Derecognition

Derecognition other than for substantial modification

A financial asset is derecognised when the Bank realizes the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, then the exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in profit or loss.

Derecognition due to substantial modification of terms and conditions

The Bank derecognizes a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognized loans will then be classified as Stage 1 for ECL measurement purposes.

When assessing whether or not to derecognize a loan to a customer, the Bank considers the following factors:

- Change in the counterparty to the loan
- If the modification is such that the loan would no longer meet the SPPI criteria

If the modification in the loan does not result in cash flows that are substantially different, then the modification will not lead to derecognition. Based on the change in cash flows, discounted at the original EIR, the Bank records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

(iv) Measurement

Financial instruments, other than derivatives and those at fair value through profit or loss, are measured at amortized cost. Financial instruments are measured initially at cost, which is the fair value of the consideration given or received. Loans to customers are carried at amortized cost using the effective interest method, less any expected credit loss allowance.

3. FAIR VALUE AND RISK ASSESSMENT OF FINACIAL INSTRUMENT

Risk Management

Financial assets of the Bank include cash, cash equivalents, fixed deposits, loans to customers. Financial liabilities include accounts payable and accrued liabilities and long-term loans.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest will affect future cash flows or the fair values of financial instruments. CIDB provides loans and technical assistance in the areas of human resource development, housing and small business, in particular in the agricultural, tourism, and industrial sectors. The Bank minimizes interest rate risk principally by on-lending at variable rates of interest from funding provided by long-term debts with variable interest rates.

The Bank manages the interest rate risk by securing funds from international financial institutions which review their lending rates to CIDB quarterly.

Credit Risk

Credit risk is the risk that the Bank will incur a loss because its customers fail to discharge their contractual obligations. The net carrying amount of loans and advances represents the maximum exposure to credit risk for this category of financial assets. However, this risk is partially mitigated by collateral held as security for certain loans. Collateral held includes raw land, commercial and residential properties.

Cash and fixed deposits are held with conventional banks. Total cash and equivalents and fixed deposit as reflected on the statement of Financial of Financial Position represent the Bank's maximum exposure to credit risk for this category of financial assets.

The Bank manages credit risks on loans advanced to individuals and companies, which satisfies the Bank's lending requirements, by requiring borrowers to provide adequate security, limiting the total value of loans to a single borrower to 10% of its total capital and spreading its risk over several developmental sectors.

Fair Value

The carrying values of cash, fixed deposits, loans and advances to customers, other receivables, accrued liabilities and long-term liabilities are not materially different from their fair values.

CAYMAN ISLANDS DEVELOPMENT BANK

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL POSITION	Note	12-Month Budget 2022	12-Month Budget 2023
	Current Assets			
6,376,201	Cash and cash equivalents	1	4,161,921	4,680,044
11,760,888	Marketable securities and deposits		9,258,928	6,757,496
141,692	Trade receivables	2	141,692	141,692
240,281	Other receivables	2	417,901	599,871
-	Inventories	3	-	-
-	Investments	4	-	-
47,259	Prepayments	5	50,341	52,320
1,047,849	Loans	6	1,224,483	1,377,384
19,614,170	**Total Current Assets**		**15,255,266**	**13,608,807**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
19,909,127	Loans	6	23,265,169	26,170,304
-	Pension Plan Surplus	13	-	-
968,211	Property, plant and equipment	7	1,378,793	1,325,136
2,878	Intangible Assets	8	29,521	23,763
20,880,216	**Total Non-Current Assets**		**24,673,483**	**27,519,203**
40,494,386	**Total Assets**		**39,928,749**	**41,128,010**
	Current Liabilities			
1,288,437	Trade payables	9	288,437	288,437
114,189	Other payables and accruals	9	120,513	123,544
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
4,076,458	Current Portion of Borrowings	12	3,544,747	-
5,479,084	**Total Current Liabilities**		**3,953,697**	**411,981**
	Non-Current Liabilities			
-	Trade payables	9	-	-
-	Other payables and accruals	9	23,195	17,809
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Unfunded pension liability	13	-	-
-	Unfunded post retirement health care	14	-	-
-	Currency Issued		-	-
3,544,748	Long Term portion of Borrowings	12	-	-
3,544,748	**Total Non-Current Liabilities**		**23,195**	**17,809**
9,023,832	**Total Liabilities**		**3,976,892**	**429,790**
31,470,554	**Net Assets**		**35,951,857**	**40,698,220**
	NET WORTH			
32,819,185	Contributed capital		37,319,185	41,819,185
176,923	Other Reserves		176,923	226,196
465,287	Revaluation reserve		465,287	465,287
(1,990,841)	Accumulated surpluses/(deficits)		(2,009,538)	(1,812,448)
31,470,554	**Total Net Worth**		**35,951,857**	**40,698,220**

CAYMAN ISLANDS DEVELOPMENT BANK

FORECAST STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL PERFORMANCE	Note	12-Month Budget 2022	12-Month Budget 2023
	Revenue			
2,002,600	Sale of goods and services	**15**	2,247,614	2,456,753
47,043	Investment revenue	**16**	92,589	67,575
-	Donations	**17**	-	-
-	Other revenue		-	-
2,049,643	**Total Revenue**		**2,340,203**	**2,524,328**
	Expenses			
1,457,731	Personnel costs	**18**	1,460,341	1,462,976
371,037	Supplies and consumables	**19**	382,168	393,634
95,562	Depreciation and Amortisation	**7**	50,176	64,415
120,445	Impairment of Inventory,property, plant and equipment		269,849	233,593
147,897	Finance costs & overdraft interest	**20**	142,718	68,090
-	Litigation costs	**21**	-	-
14,625	Other (Gains)/losses	**22**	15,064	15,516
37,460	Other Operating expenses		38,584	39,741
2,244,757	**Total Expenses**		**2,358,900**	**2,277,965**
(195,114)	**Surplus or (Deficit) for the period**		**(18,697)**	**246,363**

CAYMAN ISLANDS DEVELOPMENT BANK
FORECAST STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	CASH FLOW STATEMENT	Note	12-Month Budget 2022	12-Month Budget 2023
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
394,738	Sale of goods and services to Cabinet		394,738	394,738
30,338	Sale of goods and services to Ministries/Portfolios		30,338	30,338
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
1,404,998	Sale of goods and services - third party		1,644,918	1,849,708
47,044	Interest received		92,589	67,575
-	Donations / Grants		-	-
10,000,000	Other receipts		10,000,000	10,000,000
	Payments			
(1,457,732)	Personnel costs		(1,460,341)	(1,462,976)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(371,037)	Supplies and consumables - third party		(382,168)	(393,633)
(147,897)	Interest paid		(142,718)	(68,090)
(12,986,593)	Other payments		(14,849,178)	(13,338,259)
(3,086,141)	**Net cash flows from operating activities**	**23**	**(4,671,822)**	**(2,920,599)**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(179,578)	Purchase of property, plant and equipment		(461,480)	(11,480)
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
2,487	Proceeds from sale of investments		2,501,961	2,501,429
-177,091	**Net cash flows from investing activities**		**2,040,481**	**2,489,949**
	CASH FLOWS FROM FINANCING ACTIVITIES			
4,500,000	Equity Investment from Cabinet		4,500,000	4,500,000
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	Borrowings		-	-
(4,082,939)	Repayment of Borrowings		(4,082,939)	(3,551,227)
-	Currency Issues		-	-
417,061	**Net cash flows from financing activities**		**417,061**	**948,773**
(2,846,171)	**Net increase/(decrease) in cash and cash equivalents**		**(2,214,280)**	**518,123**
9,222,372	Cash and cash equivalents at beginning of period		6,376,201	4,161,921
6,376,201	**Cash and cash equivalents at end of period**		**4,161,921**	**4,680,044**

CAYMAN ISLANDS DEVELOPMENT BANK

STATEMENT OF CHANGES IN NET WORTH

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (Deficits)	Total
Balance at 31 December 2019 brought forward	23,819,185	128,814	374,687	(1,988,162)	22,334,524
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2019	23,819,185	128,814	374,687	(1,988,162)	22,334,524
Changes in net worth for 2020					
Gain/(loss) on property revaluation	-	48,109	90,600	(48,109)	90,600
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	4,500,000	-	-	-	4,500,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	4,500,000	48,109	90,600	(48,109)	4,590,600
Surplus/(deficit)for the period 2020				240,544	240,544
Total recognised revenues and expenses for the period	4,500,000	48,109	90,600	192,435	4,831,144
Balance at 31 December 2020	28,319,185	176,923	465,287	(1,795,727)	27,165,668
Balance at 31 December 2020 brought forward	28,319,185	176,923	465,287	(1,795,727)	27,165,668
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2020	28,319,185	176,923	465,287	(1,795,727)	27,165,668
Changes in net worth for 2021					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	4,500,000	-	-	-	4,500,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	4,500,000	-	-	-	4,500,000
Surplus/(deficit)for the period 2021				(195,114)	(195,114)
Total recognised revenues and expenses for the period	4,500,000	-	-	(195,114)	4,304,886
Balance at 31 December 2021 carried forward	32,819,185	176,923	465,287	(1,990,841)	31,470,554

CAYMAN ISLANDS DEVELOPMENT BANK

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (Deficits)	Total
Balance at 31 December 2021 brought forward	32,819,185	176,923	465,287	(1,990,841)	31,470,554
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	32,819,185	176,923	465,287	(1,990,841)	31,470,554
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	4,500,000	-	-	-	4,500,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	4,500,000	-	-	-	4,500,000
Surplus/(deficit)for the period 2022				(18,697)	(18,697)
Total recognised revenues and expenses for the period	4,500,000	-	-	(18,697)	4,481,303
Balance at 31 December 2022 carried forward	37,319,185	176,923	465,287	(2,009,538)	35,951,857
Balance at 31 December 2022 brought forward	37,319,185	176,923	465,287	(2,009,538)	35,951,857
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	37,319,185	176,923	465,287	(2,009,538)	35,951,857
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	49,273	-	(49,273)	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	4,500,000	-	-	-	4,500,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	4,500,000	49,273	-	(49,273)	4,500,000
Surplus/(deficit)for the period 2023	-	-	-	246,363	246,363
Total recognised revenues and expenses for the period	4,500,000	49,273	-	197,090	4,746,363
Balance at 31 December 2023	41,819,185	226,196	465,287	(1,812,448)	40,698,220

CAYMAN ISLANDS DEVELOPMENT BANK

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
6,376,201	CI$ Account	4,161,921	4,680,044
6,376,201	**TOTAL**	**4,161,921**	**4,680,044**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
131,579	Sale of goods and services to Cabinet	131,579	131,579
10,113	Sale of goods and services to Ministries/Portfolios	10,113	10,113
141,692	**Total trade receivables**	**141,692**	**141,692**

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
141,692	Past due 1-30 days	141,692	141,692
141,692	**Total**	**141,692**	**141,692**

12-Month Forecast 2021	Other Receivables	12-Month Budget 2022	12-Month Budget 2023
240,281	Other	417,901	599,871
240,281	**Total other receivables**	**417,901**	**599,871**

12-Month Forecast 2021	Other Receivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
240,281	Past due 1-30 days	417,901	599,871
240,281	**Total**	**417,901**	**599,871**

CAYMAN ISLANDS DEVELOPMENT BANK

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 5: PREPAYMENTS

12-Month Forecast 2021	Prepayments	12-Month Budget 2022	12-Month Budget 2023
	Current Prepayments		
47,259	Insurance, annual IT software contract, advertising contract	50,341	52,320
47,259	**Prepayments - Current**	**50,341**	**52,320**
47,259	**Total Prepayments**	**50,341**	**52,320**

NOTE 6: LOANS

12-Month Forecast 2021	Loans	12-Month Budget 2022	12-Month Budget 2023
	Current Loans		
1,127,890	Loans to the public	1,318,017	1,482,598
(80,041)	**Less: provision for doubtful loans**	(93,534)	(105,214)
1,047,849	**Loans - Current**	**1,224,483**	**1,377,384**
	Non-Current Loans		
21,429,917	Loans to the public	25,042,317	28,169,364
(1,520,790)	**Less: provision for doubtful loans**	(1,777,148)	(1,999,060)
19,909,127	**Loans - Non-Current**	**23,265,169**	**26,170,304**
20,956,976	**Total Loans**	**24,489,652**	**27,547,688**

CAYMAN ISLANDS DEVELOPMENT BANK
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Buildings and Leasehold	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2020	760,000	105,027	507,514	29,880	1,402,421
Additions	-	9,617	25,967	-	35,584
Disposals and Derecognisation	-	-	-	-	-
Revaluation	45,000	-	-	-	45,000
Transfers	-	-	-	-	-
Balance as at 31 December 2020	805,000	114,644	533,481	29,880	1,483,005

	Buildings and Leasehold	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2021	805,000	114,644	533,481	29,880	1,483,005
Additions	-	171,553	1,545	-	173,098
Disposals and Derecognisation	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2021	805,000	286,197	535,026	29,880	1,656,103

	Buildings and Leasehold	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	805,000	286,197	535,026	29,880	1,656,103
Additions	400,000	50,000	5,000	-	455,000
Disposals and Derecognisation	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2022	1,205,000	336,197	540,026	29,880	2,111,103

	Buildings and Leasehold	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	1,205,000	336,197	540,026	29,880	2,111,103
Additions	-	-	5,000	-	5,000
Disposals and Derecognisation	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2023	1,205,000	336,197	545,026	29,880	2,116,103

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Buildings and Leasehold	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2020	30,400	97,044	414,527	24,402	566,373
Transfers	-	-	-	-	-
Impairment Reserve 2018 (closing balance)	(45,600)	-	-	-	(45,600)
Depreciation Expense 2018	15,200	3,680	52,957	5,478	77,315
Eliminate on Disposal or Derecognisation 2018	-	-	-	-	-
Balance as at 31 December 2020	-	100,724	467,484	29,880	598,088

	Buildings and Leasehold	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2021	-	100,724	467,484	29,880	598,088
Transfers	-	-	-	-	-
Impairment Reserve 2019 (closing balance)	-	-	-	-	-
Depreciation Expense 2019	16,100	22,308	51,396	-	89,804
Eliminate on Disposal or Derecognisation 2019	-	-	-	-	-
Balance as at 31 December 2021	16,100	123,032	518,880	29,880	687,892

	Buildings and Leasehold	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	16,100	123,032	518,880	29,880	687,892
Transfers	-	-	-	-	-
Impairment change 2020	-	-	-	-	-
Depreciation Expense 2020	18,100	11,935	14,383	-	44,418
Eliminate on Disposal or Derecognisation 2020	-	-	-	-	-
Balance as at 31 December 2022	34,200	134,967	533,263	29,880	732,310

	Buildings and Leasehold	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	34,200	134,967	533,263	29,880	732,310
Transfers	-	-	-	-	-
Impairment change 2021	-	-	-	-	-
Depreciation Expense 2021	24,100	30,709	3,848	-	58,657
Eliminate on Disposal or Derecognisation 2021	-	-	-	-	-
Balance as at 31 December 2023	58,300	165,676	537,111	29,880	790,967

Net Book value 31 December 2020	805,000	13,920	65,997	-	884,917
Net Book value 31 December 2021	788,900	163,165	16,146	-	968,211
Net Book value 31 December 2022	1,170,800	201,230	6,763	-	1,378,793
Net Book value 31 December 2023	1,146,700	170,521	7,915	-	1,325,136

NOTE 8: INTANGIBLE ASSETS

COST OF INTANGIBLE ASSETS

	Other Intangible Assets	*Total*
Balance as at 1 January 2020	28,789	28,789
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2020	28,789	28,789

	Other Intangible Assets	*Total*
Balance as at 1 January 2021	28,789	28,789
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2021	28,789	28,789

	Other Intangible Assets	*Total*
Balance as at 1 January 2022	28,789	28,789
Additions	32,400	32,400
Disposals and Derecognisation	(28,789)	(28,789)
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2022	32,400	32,400

	Other Intangible Assets	*Total*
Balance as at 1 January 2023	32,400	32,400
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2023	32,400	32,400

NOTE 8: INTANGIBLE ASSETS

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Other Intangible Assets	*Total*
Balance as at 1 January 2020	14,395	14,395
Transfers	-	-
Impairment Reserve 2018 (closing balance)	-	-
Depreciation Expense 2018	5,758	5,758
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2020	20,153	20,153

	Other Intangible Assets	*Total*
Balance as at 1 January 2021	20,153	20,153
Transfers	-	-
Impairment Reserve 2019 (closing balance)	-	-
Depreciation Expense 2019	5,758	5,758
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2021	25,911	25,911

	Other Intangible Assets	*Total*
Balance as at 1 January 2022	25,911	25,911
Transfers	-	-
Impairment change 2020	-	-
Depreciation Expense 2020	5,758	5,758
Eliminate on Disposal or Derecognisation	(28,790)	(28,790)
Balance as at 31 December 2022	2,879	2,879

	Other Intangible Assets	*Total*
Balance as at 1 January 2023	2,879	2,879
Transfers	-	-
Impairment change 2021	-	-
Depreciation Expense 2021	5,758	5,758
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2023	8,637	8,637

Net Book value 31 December 2020	8,636	8,636
Net Book value 31 December 2021	2,878	2,878
Net Book value 31 December 2022	29,521	29,521
Net Book value 31 December 2023	23,763	23,763

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
1,288,437	Creditors Ministries/Portfolios	288,437	288,437
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
3,099	Operating Lease	6,480	6,480
111,090	Accrued Expenses	114,033	117,064
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
1,402,626	**Trade payables other payables and accruals - Current**	**408,950**	**411,981**
	Non-Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	23,195	17,809
-	Accrued Expenses	-	-
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
-	**Trade payables other payables and accruals - Non-Current**	**23,195**	**17,809**
1,402,626	**Total trade payables other payables and accruals**	**432,145**	**429,790**

CAYMAN ISLANDS DEVELOPMENT BANK

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 12: BORROWINGS

12-Month Forecast 2021	Local Currency Debt	12-Month Budget 2022	12-Month Budget 2023
-	Not later than one year	-	-
-	Between one and two years	-	-
-	Between two and five years	-	-
-	Later than five Years	-	-
-	**Total Local Currency Debt**	-	-
	Foreign Currency Debt (state in $CI)		
4,076,458	Not later than one year	3,544,747	-
3,544,748	Between one and two years	-	-
-	Between two and five years	-	-
-	Later than five years	-	-
7,621,206	**Total Foreign Currency Debt**	**3,544,747**	-
7,621,206	**Total Outstanding Debt**	**3,544,747**	-

NOTE 15A: SALE OF GOODS AND SERVICES

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
41,000	Fees and Charges	64,333	64,333
1,394,832	General Sales	1,616,513	1,825,652
-	Rentals	-	-
-	Other Goods & Services Revenue	-	-
526,317	Sale of goods and services to Cabinet	526,317	526,317
40,451	Sale of goods and services to Other Ministries and Portfolios	40,451	40,451
2,002,600	**Total sale of goods and services**	**2,247,614**	**2,456,753**

NOTE 15A: SALE OF GOODS AND SERVICES (CONTINUED)

12-Month Forecast 2021	Fees and Charges	12-Month Budget 2022	12-Month Budget 2023
41,000	Loan fees and commission	64,333	64,333
41,000	**Total Fees & Charges**	**64,333**	**64,333**

12-Month Forecast 2021	General Sales	12-Month Budget 2022	12-Month Budget 2023
1,394,832	Loan interest income - core business	1,616,513	1,825,652
1,394,832	**Total General Sales**	**1,616,513**	**1,825,652**

12-Month Forecast 2021	Other Goods and Services Revenue	12-Month Budget 2022	12-Month Budget 2023
	Sales of Outputs to Cabinet		
526,317	Sales of Outputs to Cabinet	526,317	526,317
-	Other Outputs	-	-
526,317	**Total Sales of Outputs to Cabinet**	**526,317**	**526,317**
	Other Interdepartmental Revenue		
40,451	Revenue from Ministries/Portfolios	40,451	40,451
-	Revenue from Statutory Authorities and Government Companies	-	-
40,451	**Total Other Interdepartmental Revenue**	**40,451**	**40,451**
2,002,600	**Total Goods and Services**	**2,247,614**	**2,456,753**

NOTE 16: INVESTMENT REVENUE

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
47,043	Interest on deposits	92,589	67,575
-	Interest on cash balances	-	-
-	Royalties	-	-
-	Other	-	-
47,043	**Total Investment revenue**	**92,589**	**67,575**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
1,068,583	Salaries, wages and allowances	1,068,583	1,068,583
260,918	Health care CINICO	263,528	266,163
-	Health care other	-	-
128,230	Pension	128,230	128,230
-	Leave	-	-
-	Other personnel related costs	-	-
1,457,731	**Total Personnel Costs**	**1,460,341**	**1,462,976**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
30,953	Supplies and Materials	31,881	32,838
257,606	Purchase of services	265,335	273,295
-	Lease of Property and Equipment	-	-
35,349	Utilities	36,409	37,502
21,077	General Insurance	21,709	22,360
-	Interdepartmental expenses	-	-
6,168	Travel and Subsistence	6,353	6,544
19,884	Recruitment and Training	20,481	21,095
-	Other	-	-
371,037	**Total Supplies and consumables**	**382,168**	**393,634**

NOTE 20: FINANCE COSTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
147,682	Interest on borrowings	142,062	66,996
215	Other borrowing costs	656	1,094
-	Interest on overdraft	-	-
147,897	**Total Finance cost**	**142,718**	**68,090**

NOTE 22: OTHER GAINS/(LOSSES)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
-	Net (gain) / loss on disposal of property, plant and equipment	-	-
-	Net (gain) / loss on derecognition and revaluation of assets	-	-
14,625	Net (gain) / loss on foreign exchange Transactions	15,064	15,516
14,625	**Total gains/ (losses)**	**15,064**	**15,516**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(195,114)	**Surplus/(deficit) from ordinary activities**	(18,697)	246,363
	Non-cash movements		
95,562	Depreciation and Amortisation	50,176	64,415
120,445	Impairment	269,849	233,593
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:		
-	(Increase)/decrease in other current assets - Cabinet	-	-
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
(1,869,055)	(Increase)/decrease in other current assets - Other	(3,983,228)	(3,475,577)
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
(1,237,979)	(Increase/(decrease) in current liabilities - Other	(989,922)	10,607
(3,086,141)	**Net cash flows from operating activities**	**(4,671,822)**	**(2,920,599)**

NOTE 26: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
387,000	Salaries & other short-term employee benefits	387,000	387,000
-	Past employee benefits	-	-
-	Other long-term benefits	-	-
-	Termination benefits	-	-
-	Loans	-	-
387,000	**Total**	**387,000**	**387,000**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

CAYMAN ISLANDS MONETARY AUTHORITY

FOR THE 2022 FINANCIAL YEAR ENDING 31 DECEMBER 2022
AND THE 2023 FINANCIAL YEAR ENDING 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT (2020 REVISION)

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1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
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Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Cayman Islands Monetary Authority (CIMA) have agreed the Cayman Islands Monetary Authority will seek to achieve during the 2022 and 2023 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the *Cayman Islands Monetary Authority* is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Cayman Islands Monetary Authority's activities involve monetary, regulatory, co-operative, and advisory services.

SCOPE OF ACTIVITIES

The scope of the Cayman Islands Monetary Authority activities is as follows:

- The issue and redemption of currency notes and coins
- The management of the currency reserve
- The collection of fees from the financial services industry on behalf of Government
- The regulation and supervision of financial services business
- The monitoring of compliance with money laundering regulations
- The provision of assistance to overseas regulatory authorities
- Advising Government on the Authority's monetary, regulatory, and cooperative functions
- Advising Government whether the Authority's regulatory functions and cooperative functions are consistent with functions discharged by an overseas regulatory authority
- Advising Government whether the regulatory laws are consistent with the laws and regulations of foreign jurisdictions
- Representing the interest of the Cayman Islands at international forums and advising Government on recommendations of those organisations.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by *Cayman Islands Monetary Authority* are provided to the following Customers both locally and internationally:

Customers of Monetary Authority include the Government, Cabinet, the Private Sector, and the General Public.

The services provided by the *Cayman Islands Monetary Authority* are provided mainly in the Cayman Islands to both local and foreign companies operating within the financial services industry. In order to effectively regulate some of the licensees, some services must be performed at overseas locations. CIMA attends and participates in conferences worldwide. CIMA customers also include other International Regulatory Bodies, and other Financial Associations both local and overseas.

In its Currency function, CIMA customers include the Banks and local residents and visitors. There are a number of Government Departments to whom CIMA provides services, the main one being the collection of fees from the financial services industry on behalf of the Government.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the *Cayman Islands Monetary Authority* for the 2022 and 2023 financial years are as follows:

- Explore and implement new approaches for the attraction and/or development and retention of competent and experienced staff with a transferable range of skills.
- Explore and implement creative approaches to the use of external resources to better carry out our operations.
- Develop a new technologies framework.
- Develop an appropriate regulatory response based upon rigorous assessment of emerging issues and trends.
- Review/Evaluate the strengths and weaknesses of the existing operational structure and provide recommendations for changes where warranted.
- Review / Evaluate the existing supervisory approaches with respect to ensuring the Authority is performing its functions in the most consistent, efficient, and cost-effective manner.
- Develop and document a stakeholder framework that addresses our commitment, transparency, accountability, responsiveness as well as conflicts of interests and avoidance of regulatory capture.
- Implement methods of engagement and/or communication strategies and other approaches to enhance stakeholder engagement and their awareness and understanding of CIMA's role in the regulation of financial services.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Cayman Islands Monetary Authority for the 2022 and 2023 financial years are as follows:

	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE FROM CABINET	31,858	33,458	25,946
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	18,217	19,086	18,180
OPERATING EXPENSES	50,055	52,539	44,098
OPERATING SURPLUS/DEFICIT	**20**	**5**	**28**
NET WORTH	**36,432**	**36,437**	**36,412**
CASH FLOWS FROM OPERATING ACTIVITIES	18,902	20,111	19,883
CASH FLOWS FROM INVESTING ACTIVITIES	(1,830)	(3,236)	(3,025)
CASH FLOWS FROM FINANCING ACTIVITIES	(2,332)	(2,399)	(4,893)
CHANGE IN CASH BALANCES	14,740	14,476	11,965

FINANCIAL PERFORMANCE RATIO	2022 1 Jan to 31 Dec 2022 %	2023 1 Jan to 31 Dec 2023 %	2021 12-Month Forecast %
CURRENT ASSETS : CURRENT LIABILITIES	23.33	24.78	22.07
TOTAL ASSETS : TOTAL LIABILITIES	1.16	1.15	1.17

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	381	425	300
STAFF TURNOVER (%)	-	-	-
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)	-	-	-
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	-	-	-

PHYSICAL CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	6,900	6,743	7,068
ASSET REPLACEMENTS : TOTAL ASSETS	22%	25%	34%
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	44%	39%	50%
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	111%	109%	54%
CHANGES TO ASSET MANAGEMENT POLICIES	-	-	-

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
ADDITIONAL LEASEHOLD AT CRICKET SQUARE	-	-	1,488
VARIOUS IT AND OFFICE EQUIPMENT	1,495	1,716	906
TOTAL	**1,495**	**1,716**	**2,394**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Loss and absence of critical staff	On-going	Regular training, succession planning, regular performance assessments and recognition.	Unquantifiable
Limited resources resulting in an inadequate regulatory framework and supervision processes. (The underpinning of Cayman as a reputable, successful regulator of financial services is, in addition to having a strong legal framework, policies and practices; heavily reliant on experienced and high calibre human resources in sufficient numbers and an effectual information systems and technology infrastructure.) This in turn places the Islands' reputation at stake from an inability to supervise financial services at the level required of an international regulator. Further impairment to the reputation of the Cayman Islands could impact the stability of the Cayman economy including the loss of Government revenues, potential failure of financial institutions in the Cayman Islands, financial losses for consumers and unemployment.	Marginal improvement as resources have increased but are still insufficient.	Continue to work along with Government with respect to legislative framework and budget. Continue regular review of systems and processes and take full advantage of IS technology to achieve highest efficiency. Amend CIMA's organizational structure. Facilitate more focused HR soft skills training for persons. Take full advantage of the online learning portals for all regulatory staff. Establish partnerships with local professionals and firms to conduct subject matter expert training. Outsource tasks/projects where efficient and or necessary. Maintain recruitment efforts (to expediently fill vacancies and new positions. Continue to develop and implement proposals on enhancement measures to attract and retain highly qualified and experienced persons.	Unquantifiable

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
An inadequate regulatory framework that leads to a threat to the Islands' reputation with significant potential dangers. e.g. insufficient legislation, rules and or policies required to promote and ensure a sound financial system through effective regulation, supervision and risk management of the financial sector) can lead to: • Unsafe and unsound practices or activities that pose risks to the financial system; Failures of financial entities or unfavourable (international or peer) assessments that would impact the stability of the Cayman economy.	On-going as there have been several new laws or revisions / amendments to legislation (e.g. Administrative Fines and Virtual Asset Service Providers). However, several proposals are still delayed, and other legislation remain inadequate.	Enhance framework by: Continuing the internal CIMA process in identifying and developing proposals and recommendations or, if within ambit, implementing measures for addressing areas for legislative and other regulatory requirements changes. Continue to work along with Government with respect to legislative framework and budget. Retain and build on existing technical expert knowledge and expertise and attract new high calibre staff to ensure proactive oversight and enforcement.	Unquantifiable
Increasing responsibilities with insufficient corresponding enhancement of resources limits CIMA's ability to carry out effectively and comprehensively the responsibilities of its regulatory functions.	On-going (resources have increased but so have regulatory and supervisory obligations).	Continue to work alongside Government with respect to legislative framework and budget. Continue regular review of systems and processes and take full advantage of IS technology to achieve highest efficiency. Outsourcing tasks/projects where efficient and or necessary. Defer (relatively) less critical work.	Unquantifiable

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Failure to achieve and stay current with Industry developments, requirements, and standards (due to inadequate funding and or resources) resulting in: • Inability or impaired ability in identifying and analysing trends at both the individual financial entity and system wide levels. Negative impact on jurisdiction reputation as a leading IFC.	On-going (resources have increased but utilised for other regulatory functions or tasks).	Continue involvement in and assessment of new or revised international regulatory standards by: Continuing to develop a cadre of representatives from the Legal, Compliance, Policy and Supervisory divisions with specialised knowledge, skills and experience capable of proactive engagement with standard setters and other regulators. Amending CIMA's organizational structure to enable a greater focus and efficiency in identifying, analysing and addressing developments.	Unquantifiable
Continued scrutiny and demands by international and or regional organisations or individual foreign jurisdictions, such as the G20, EU and the United States and misinformed allegations from these and other institutions (e.g. Tax Justice Network) can harm the reputation of the jurisdiction and consequently threaten business activity.	On-going	Continue dialogue with, and engagement in the work of standard-setting bodies and international and regional organisations. Allocate resources where necessary to focus on countermeasures. Send high-level delegations to meetings of IOSCO, IAIS, Basel, GFICS, CGBS, GICIS, ASBA and FSB. Conduct Visits to Key Jurisdictions.	Unquantifiable
The global review and advancement of regulatory standards, whether prudentially sound or flawed and overreaching, can negatively impact the islands financial industry e.g. financial stability measures, de-risking and impact on correspondent banking relationships, AIFMD.	On-going	Close oversight of, and dialogue with, (impacted) local industry and interaction with other jurisdictions and international organizations to share experiences and develop solutions.	Unquantifiable

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Emerging trends, Market risks and developments can have a potential impact on regulated industries/institutions that in turn could require increased oversight/regulation by CIMA (e.g. technology, information security, cybercrime, Money Laundering and Terrorist Financing, outsourcing, financial innovation, de-risking by correspondent banks).	On-going	Be better informed of new or developing market trends and financial innovation by, inter-alia, leveraging experienced senior staff and CIMA's membership and participation in standard setting bodies, international, regional and local organisations, regulatory associations, conferences, international and regional regulatory bodies etc. Also, by keeping abreast of developments via media, training, etc.	Unquantifiable
Increased competition from other jurisdictions (potential risk to market confidence and sound financial system).	On-going	Monitor and analyse jurisdictional developments. Develop proposals for enhancing or amending regulatory regime for implementation and or submission to Government for its consideration.	Unquantifiable
Failure to apply breach identification, enforcement actions and documentation consistently across all Divisions.	On-going	Policies are continuously reviewed to identify and remediate inconsistencies and create centralised workflow and monitoring tools and procedures.	Unquantifiable

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Cayman Islands Monetary Authority is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE	50,075	52,544	44,126
OPERATING EXPENSES	50,055	52,540	44,098
NET SURPLUS/(DEFICIT)	20	5	28

BALANCE SHEET	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
ASSETS	261,573	276,245	247,948
LIABILITIES	225,141	239,808	211,536
NET WORTH	36,432	36,437	36,412

STATEMENT OF CASH FLOW	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	18,902	20,111	19,883
CASH FLOWS FROM INVESTING ACTIVITIES	(1,830)	(3,236)	(3,025)
CASH FLOWS FROM FINANCING ACTIVITIES	(2,332)	(2,399)	(4,893)

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's
EQUITY INVESTMENTS INTO CAYMAN ISLANDS MONETARY AUTHORITY	-	-
CAPITAL WITHDRAWALS FROM CAYMAN ISLANDS MONETARY AUTHORITY	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN ISLANDS MONETARY AUTHORITY	-	-
GOVERNMENT LOANS TO BE MADE TO CAYMAN ISLANDS MONETARY AUTHORITY	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN ISLANDS MONETARY AUTHORITY	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[9]	-	-
REMUNERATION[10] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	4,575	4,611
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	4,377	4,413

DESCRIPTION	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	34	34
NUMBER OF KEY SENIOR MANAGEMENT (MD)	25	25

[9] Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Board Member and Senior Management Team

[10] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the Cayman Islands Monetary Authority undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will the sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Cayman Islands Monetary Authority will seek to achieve for the 2022 and 2023 financial years and that the Cabinet will monitor performance against.

Honourable Andre Ebanks
Minister for Financial Services and Commerce
On behalf of Cabinet

Chairperson of the Board
Cayman Islands Monetary Authority

31 December 2021

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS MONETARY AUTHORITY
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2022 and 31 December 2023 and performance for the Cayman Islands Monetary Authority for the financial years ending 31 December 2022 and 31 December 2023; and
c. Comply with generally accepted accounting practice.

Chairperson of the Board
Cayman Islands Monetary Authority

31 December 2021

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CAYMAN ISLANDS MONETARY AUTHORITY

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

Organisation and Objectives

The Cayman Islands Monetary Authority (the "Authority") was established under The Monetary Authority Act, 1996 (the "Act") on 1 January 1997. Under the Monetary Authority Act (2020 Revision) (the "Act (2020 Revision)"), the primary objectives of the Authority are (a) to issue and redeem currency notes and coins and to manage the Currency Reserve, (b) to regulate and supervise the financial services business (c) to provide assistance to overseas regulatory authorities, and (d) to advise the Cayman Islands Government on regulatory matters.

Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation

The financial statements of the Authority are prepared in accordance with International Financial Reporting Standards (IFRS), on the accrual basis under historical cost convention.

Foreign Currency

The reporting currency is Cayman Islands Dollars. Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Assets and liabilities are translated at the exchange rate in effect at the date of these financial statements

Use of Estimates

The preparation of financial statements, in conformity with IFRS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Authority's business model for managing them. All debt instruments are classified as "Hold to collect and sell" and recognized as fair value through OCI.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables. Financial liabilities comprise accounts and other payables, accrued expenses and notes and coins in circulation.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Investments

The principal investment objectives of the Authority are security, liquidity and income. The investment portfolio is managed by independent fund managers in accordance with investment guidelines established by the Board of Directors, in accordance with the Law (2018 Revision).

Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of current and call deposits and fixed deposits maturing within three months from the date of acquisition.

Stock of Notes and Coins for/in Circulation

The stock of unissued currency notes is stated at cost. Only the cost of notes issued into circulation is expensed, on a "first in first out" basis. All associated cost such as shipping, handling and insurance are expensed immediately.

When currency is issued, the face value of the currency is also recognised as a liability within the "Demand Liabilities, Currency in Circulation"

Stocks of Numismatic Items

Stocks consist of gold and silver bullion arising from the melt-down of numismatic coins (the gold and silver bullion content of the following categories of numismatic coins: coins for resale, museum items and coins awaiting melt-down). Bullion stocks are stated at year-end market values for gold and silver bullion and unrealised gain/loss are recorded in the statement of comprehensive income.

Numismatic Coins in Circulation

The total nominal value of numismatic coins outstanding is approximately **$14.5M**. No liability for redeeming numismatic coins is recognised in the financial statements, since the amount of redemption cannot be reasonably estimated, and the probability of material redemption is remote. Redemption costs and sales proceeds are recorded in the statement of comprehensive income as incurred.

Depreciation and Amortisation

Property and Equipment and Intangibles are stated at historical cost less accumulated depreciation/amortisation. Depreciation/amortisation is calculated using the straight-line method at the following rates estimated to write-off the cost of the assets over their expected useful lives:

	Years
Vehicles	5
Furniture and Fixtures	5
Computer Hardware and Intangibles	3 to 10
Office Equipment	5 to 7
Leasehold Improvements	the shorter of the term of the lease and the useful life.

The assets useful lives are reviewed at each year and adjusted where appropriate.

Pension Plans

The Authority makes pension contributions for its eligible employees to the Public Service Pensions Fund, which is administered by the Public Service Pensions Board. The Fund has both a defined benefit and a defined contribution element. There are a small number of employees who participate in other private plans, which are all defined contribution schemes.

Under defined contribution plans, the Authority pays fixed contributions and has no obligation to pay further contributions if the fund does not have sufficient assets to pay employee benefits relating to employee service in the current and prior periods. A defined benefit plan is one that defines an amount of benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

Obligations for contributions to defined contribution and defined benefits pension plans are recognised as pension expense in the statement of comprehensive income as incurred.

Demand Liabilities

Demand Liabilities represents the value of notes and coins in circulation. These liabilities are fully funded by the Currency Reserve Assets.

Allocation of Profits

Under Section 9 and 10 of the Act (2020 Revision), the net profits of the Authority, after provision for all expenditure and reserves, shall be allocated such that the Currency Reserve Assets represent at least 100% of Demand Liabilities and the General Reserve represents at least 15% of Demand Liabilities. Any surplus not allocated in accordance with the above shall be transferred to the General Revenue of the Cayman Islands Government.

General Reserve

The Authority maintains a General Reserve in accordance with Section 8 of the Act (2020 Revision), to provide additional funding if necessary, for Demand Liabilities and obligations arising from other business of the Authority. In accordance with section 8 of the Act (2020 Revision) the General Reserve shall represent at least 15% of Demand liabilities.

Currency Issue Reserve

The Currency Issue Reserve was adjusted as the stock of notes printed prior to 2003 was all issued into circulation. The Currency Issue Reserve remained at $375k

Capital Expenditures Reserves

Under Section 9 of the Act (2020 revision), the net profits of the Authority for any financial year shall include, but shall not be limited to, the income from the investments of the Authority, and the profit from the sales of investments belonging to the Authority, and shall be determined by the Authority after meeting or providing for all expenditure for that year and making such provisions for contingencies and the establishment of such additional reserves as it may consider desirable. The Capital Expenditures Reserve has been established for the implementation and acquisition of key capital projects.

Contributed Capital

The authorised capital of the Authority is $100 million; with The Cayman Islands Government being the sole subscriber. In 1998, the Government made a commitment to increase the Contributed Capital of the Authority to a minimum of $10 million by yearly transfers of approximately $0.5 million from Operating Surplus. In December 2009, Section 7 (5) of the Monetary Authority Law (2008 Revision) was amended by the Monetary Authority (Amendment Law, 2009), to allow

Cabinet to vary the amount of paid-up capital held by the Authority, and where the capital is reduced any excess shall be transferred by the Authority to the Government. In June 2010 the Cayman Islands Government withdrew $8.25 million.

Revenue Recognition

The Authority adopted IFRS 15 (Revenue from Contracts with Customers) from 1 January 2018. The new standard was applied using the modified retrospective method, with the cumulative effect recognised in general reserves on 1 January 2018. This core principle is delivered in a five-step model framework which are: (1) Identify the contract with a customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to the performance obligations in the contract; and (5) Recognise revenue when the Authority satisfies a performance obligation.

The Authority's main source of income is derived from the services it provides to the Government of the Cayman Islands. The Authority's other sources of income are generated from Directors Registration and Licensing Fees (DRL fees), CIMA transactional fees, its investments, bank balances, and other currency transactions.

To be compliant with the Directors Registration and Licensing Act, 2014, and therefore deemed to be fully registered, Directors are required to file an annual registration (prescribed form) and pay the fee by 15 January.

DRL fees received (for current and prior years) are recognised as revenue in the year that the Director has fully registered for those years.

Penalties for late registrations are recognised as revenue in the year in which they are received.

Any DRL or CIMA transactional fees received in advance of the year for which they are earned, are recorded as unearned revenue and subsequently recognised as revenue for the pertinent year.

Commission Income is recognised as earned on redemption of currency in circulation.

Rendering of Services (Services provided to the Cayman Islands Government and CIMA Transactional Fees) are recognised as revenue when the related service is rendered.

Net Loss or Gain on Numismatic Items – bullions stocks are stated at year-end market values. Numismatic coins sales and expenses are accounted for with the revaluation gain/loss.

Investment Income and other sources of income are accrued as earned.

a) IFRS 16 Leases

The objective of IFRS 16 is to report information that (i) faithfully represents lease transactions and (ii) provides a basis for users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. To meet the objective, the Authority has recognised assets and liabilities arising from its lease agreements.

CAYMAN ISLANDS MONETARY AUTHORITY

FORECAST STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL POSITION	Note	12-Month Budget 2022	12-Month Budget 2023
	Current Assets			
129,768,787	Cash and cash equivalents	1	144,508,870	158,984,783
-	Marketable securities and deposits		-	-
5,572,000	Trade receivables	2	5,735,000	5,735,000
140,193	Other receivables	2	140,193	140,193
3,458,470	Inventories	3	4,014,409	3,534,892
34,163,968	Investments	4	34,364,757	34,862,936
600,000	Prepayments	5	625,000	650,000
-	Loans	6	-	-
173,703,418	**Total Current Assets**		**189,388,229**	**203,907,804**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
55,627,117	Investments	4	55,760,838	56,782,039
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
17,163,985	Property, plant and equipment	7	15,103,895	14,304,708
1,457,039	Intangible Assets	8	1,320,541	1,248,491
74,248,141	**Total Non-Current Assets**		**72,185,274**	**72,335,238**
247,951,559	**Total Assets**		**261,573,503**	**276,243,042**
	Current Liabilities			
188,000	Trade payables	9	250,000	250,000
4,106,238	Other payables and accruals	9	4,291,717	4,403,902
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
3,575,000	Unearned revenue	10	3,575,000	3,575,000
-	Employee entitlements	11	-	-
-	Current Portion of Borrowings	12	-	-
7,869,238	**Total Current Liabilities**		**8,116,717**	**8,228,902**
	Non-Current Liabilities			
-	Trade payables	9	-	-
9,923,420	Other payables and accruals	9	7,882,784	7,040,432
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
3,134,000	Unfunded pension liability	13	3,634,000	4,134,000
12,427,695	Unfunded post retirement health care	14	13,562,390	14,697,084
178,185,267	Currency Issued		191,945,518	205,705,999
-	Long Term portion of Borrowings	12	-	-
203,670,382	**Total Non-Current Liabilities**		**217,024,692**	**231,577,515**
211,539,620	**Total Liabilities**		**225,141,409**	**239,806,417**
36,411,939	**Net Assets**		**36,432,094**	**36,436,625**
	NET WORTH			
2,328,349	Contributed capital		2,328,349	2,328,349
34,083,590	Other Reserves		34,103,745	34,108,276
-	Revaluation reserve		-	-
0	Accumulated surpluses/(deficits)		(0)	(0)
36,411,939	**Total Net Worth**		**36,432,094**	**36,436,625**

CAYMAN ISLANDS MONETARY AUTHORITY

STATEMENT OF FINANCIAL PERFORMANCE
AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2021

12-Month Forecast 2021	STATEMENT OF FINANCIAL PERFORMANCE	Note	12-Month Budget 2022	12-Month Budget 2023
	Revenue			
43,243,756	Sale of goods and services	**15**	48,993,391	50,974,178
881,992	Investment revenue	**16**	1,081,726	1,569,988
-	Donations	**17**	-	-
-	Other revenue		-	-
44,125,748	**Total Revenue**		**50,075,117**	**52,544,167**
	Expenses			
29,557,919	Personnel costs	**18**	37,484,906	41,503,239
10,518,948	Supplies and consumables	**19**	8,323,443	7,291,565
3,171,665	Depreciation and Amortisation	**7**	3,691,613	3,901,509
-	Impairment of Inventory,property, plant and equipment			
-	Finance costs & overdraft interest	**20**	-	-
-	Litigation costs	**21**	-	-
849,098	Other (Gains)/losses	**22**	555,000	(156,678)
-	Other Operating expenses		-	-
44,097,629	**Total Expenses**		**50,054,962**	**52,539,635**
28,118	**Surplus or (Deficit) for the period**		**20,155**	**4,531**

CAYMAN ISLANDS MONETARY AUTHORITY

FORECAST STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	CASH FLOW STATEMENT	Note	12-Month Budget 2022	12-Month Budget 2023
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
25,945,873	Sale of goods and services to Cabinet		31,857,652	33,457,652
16,113,291	Sale of goods and services - third party		16,055,739	16,436,526
2,066,583	Interest received		2,161,726	2,649,988
	Payments			
(29,557,919)	Personnel costs		(37,484,906)	(41,503,239)
(8,056,130)	Supplies and consumables - third party		(7,056,230)	(4,331,608)
(388,837)	Interest paid		(392,077)	(358,381)
13,759,793	Other payments		13,759,793	13,759,793
19,882,654	**Net cash flows from operating activities**	**23**	**18,901,697**	**20,110,731**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(2,393,786)	Purchase of property, plant and equipment		(1,495,025)	(1,716,425)
(631,039)	Purchase of investments		(334,511)	(1,519,379)
(3,024,825)	**Net cash flows from investing activities**		**(1,829,536)**	**(3,235,804)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
(2,752,935)	Repayment of Surplus/Dividends or Capital withdrawal		-	-
(2,140,157)	Repayment of Borrowings		(2,332,078)	(2,399,014)
(4,893,092)	**Net cash flows from financing activities**		**(2,332,078)**	**(2,399,014)**
11,964,737	**Net increase/(decrease) in cash and cash equivalents**		**14,740,083**	**14,475,913**
117,804,050	Cash and cash equivalents at beginning of period		129,768,787	144,508,870
129,768,787	**Cash and cash equivalents at end of period**		**144,508,870**	**158,984,783**

CAYMAN ISLANDS MONETARY AUTHORITY

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2019 brought forward	2,328,349	33,055,472	-	35,383,821
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2019	2,328,349	33,055,472	-	35,383,821
Changes in net worth for 2020				
Equity Investment from Cabinet	-	1,000,000	(1,000,000)	-
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	-	(2,752,936)	(2,752,936)
Net revenue / expenses recognised directly in net worth	-	1,000,000	(3,752,936)	(2,752,936)
Surplus/(deficit)for the period 2020			3,752,936	3,752,936
Total recognised revenues and expenses for the period	-	1,000,000	(0)	1,000,000
Balance at 31 December 2020	2,328,349	34,055,472	(0)	36,383,821
Balance at 31 December 2020 brought forward	2,328,349	34,055,472	(0)	36,383,821
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2020	2,328,349	34,055,472	(0)	36,383,821
Changes in net worth for 2021				
Equity Investment from Cabinet	-	28,118	(28,118)	-
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	28,118	(28,118)	-
Surplus/(deficit)for the period 2021			28,118	28,118
Total recognised revenues and expenses for the period	-	28,118	-	28,118
Balance at 31 December 2021 carried forward	2,328,349	34,083,590	-	36,411,939

CAYMAN ISLANDS MONETARY AUTHORITY

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	2,328,349	34,083,590	-	36,411,939
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2021	2,328,349	34,083,590	-	36,411,939
Changes in net worth for 2022				
Equity Investment from Cabinet	-	20,155	(20,155)	-
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	20,155	(20,155)	-
Surplus/(deficit)for the period 2022			20,155	20,155
Total recognised revenues and expenses for the period	-	20,155	(0)	20,155
Balance at 31 December 2022 carried forward	2,328,349	34,103,745	(0)	36,432,094
Balance at 31 December 2022 brought forward	2,328,349	34,103,745	(0)	36,432,094
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2022	2,328,349	34,103,745	(0)	36,432,094
Changes in net worth for 2023				
Equity Investment from Cabinet	-	4,531	(4,531)	-
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	4,531	(4,531)	-
Surplus/(deficit)for the period 2023			4,531	4,531
Total recognised revenues and expenses for the period	-	4,531	-	4,531
Balance at 31 December 2023	2,328,349	34,108,276	(0)	36,436,625

CAYMAN ISLANDS MONETARY AUTHORITY

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
1,115	Cash on hand	1,115	1,115
2,348,024	CI$ Account	2,381,216	2,414,739
126,449,648	US$ Account	141,156,539	155,598,929
970,000	Bank Accounts held at other financial institutions	970,000	970,000
129,768,787	**TOTAL**	**144,508,870**	**158,984,783**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
4,715,000	Sale of goods and services to Cabinet	5,612,663	5,612,663
857,000	Sale of goods and services - third party	122,337	122,337
5,572,000	**Total trade receivables**	**5,735,000**	**5,735,000**

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
4,179,000	Past due 1-30 days	4,301,250	4,301,250
1,393,000	Past due 31-60 days	1,433,750	1,433,750
5,572,000	**Total**	**5,735,000**	**5,735,000**

12-Month Forecast 2021	Other Receivables	12-Month Budget 2022	12-Month Budget 2023
140,193	Interest receivable	140,193	140,193
140,193	**Total other receivables**	**140,193**	**140,193**

12-Month Forecast 2021	Other Receivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
140,193	Past due 1-30 days	140,193	140,193
140,193	**Total**	**140,193**	**140,193**

NOTE 3: INVENTORIES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Inventories		
3,458,470	Inventory Other	4,014,409	3,534,892
3,458,470	**INVENTORIES - Current**	**4,014,409**	**3,534,892**
3,458,470	**TOTAL INVENTORIES**	**4,014,409**	**3,534,892**

NOTE 4: INVESTMENTS

12-Month Forecast 2021	Investments - at the lower of cost or market value	12-Month Budget 2022	12-Month Budget 2023
	Current Investments		
34,163,968	Short-term < 1Year	34,364,757	34,862,936
34,163,968	**Investments - Current**	**34,364,757**	**34,862,936**
	Non-Current Investments		
55,627,117	Long term > 1 Year	55,760,838	56,782,039
55,627,117	**Investments -Non-Current**	**55,760,838**	**56,782,039**
89,791,085	**Total Investments**	**90,125,595**	**91,644,975**

NOTE 5: PREPAYMENTS

12-Month Forecast 2021	Prepayments	12-Month Budget 2022	12-Month Budget 2023
	Current Prepayments		
420,000	Prepayments - Monthly expenses	437,500	462,500
180,000	Prepayments - Other and Deposits	187,500	187,500
600,000	**Prepayments - Current**	**625,000**	**650,000**
600,000	**Total Prepayments**	**625,000**	**650,000**

CAYMAN ISLANDS MONETARY AUTHORITY
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Total*
Balance as at 1 January 2020	3,267,000	820,000	2,407,000	363,000	19,500	10,023,000	16,899,500
Additions	11,000	126,000	627,000	42,000	-	2,725,000	3,531,000
Disposals and Derecognisation	-	-	(1,158,000)	(8,000)	-	-	(1,166,000)
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	(9,000)	9,000	-	-	-
Balance as at 31 December 2020	3,278,000	946,000	1,867,000	406,000	19,500	12,748,000	19,264,500

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other Assets*	*Total*
Balance as at 1 January 2021	3,278,000	946,000	1,867,000	406,000	19,500	12,748,000	19,264,500
Additions	1,488,484	-	675,524	185,204	-	2,316,795	4,666,007
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2021	4,766,484	946,000	2,542,524	591,204	19,500	15,064,795	23,930,507

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other Assets*	*Total*
Balance as at 1 January 2022	4,766,484	946,000	2,542,524	591,204	19,500	15,064,795	23,930,507
Additions	-	-	1,129,925	149,000	-	-	1,278,925
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2022	4,766,484	946,000	3,672,449	740,204	19,500	15,064,795	25,209,432

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other Assets*	*Total*
Balance as at 1 January 2023	4,766,484	946,000	3,672,449	740,204	19,500	15,064,795	25,209,432
Additions	-	-	1,182,425	148,000	-	1,313,847	2,644,272
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2023	4,766,484	946,000	4,854,874	888,204	19,500	16,378,642	27,853,704

CAYMAN ISLANDS MONETARY AUTHORITY

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other Assets*	*Total*
Balance as at 1 January 2020	111,000	172,000	2,014,000	290,000	748	-	2,587,748
Transfers	-	-	(9,000)	9,000	-	-	-
Impairment Reserve 2020 (closing balance)	-	-	-	-	-	-	-
Depreciation Expense 2020	335,000	152,000	338,000	27,000	3,911	1,632,000	2,487,911
Eliminate on Disposal or Derecognisation 2020	-	-	(1,158,000)	(8,000)	-	-	(1,166,000)
Balance as at 31 December 2020	446,000	324,000	1,185,000	318,000	4,659	1,632,000	3,909,659

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other Assets*	*Total*
Balance as at 1 January 2021	446,000	324,000	1,185,000	318,000	4,659	1,632,000	3,909,659
Transfers	-	-	-	-	-	-	-
Impairment Reserve 2021 (closing balance)	-	-	-	-	-	-	-
Depreciation Expense 2021	382,907	163,116	385,868	40,791	3,889	1,880,292	2,856,863
Eliminate on Disposal or Derecognisation 2021	-	-	-	-	-	-	-
Balance as at 31 December 2021	828,907	487,116	1,570,868	358,791	8,548	3,512,292	6,766,522

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other Assets*	*Total*
Balance as at 1 January 2022	828,907	487,116	1,570,868	358,791	8,548	3,512,292	6,766,522
Transfers	-	-	-	-	-	-	-
Impairment change 2022	-	-	-	-	-	-	-
Depreciation Expense 2022	517,881	161,276	532,163	94,764	3,889	2,029,042	3,339,015
Eliminate on Disposal or Derecognisation 2022	-	-	-	-	-	-	-
Balance as at 31 December 2022	1,346,787	648,392	2,103,031	453,554	12,437	5,541,335	10,105,537

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other Assets*	*Total*
Balance as at 1 January 2023	1,346,787	648,392	2,103,031	453,554	12,437	5,541,335	10,105,537
Transfers	-	-	-	-	-	-	-
Impairment change 2023	-	-	-	-	-	-	-
Depreciation Expense 2023	511,521	161,276	629,570	109,540	3,889	2,027,664	3,443,459
Eliminate on Disposal or Derecognisation 2023	-	-	-	-	-	-	-
Balance as at 31 December 2023	1,858,308	809,668	2,732,601	563,094	16,327	7,568,998	13,548,996

Net Book value 31 December 2020	2,832,000	622,000	682,000	88,000	14,841	11,116,000	15,354,841
Net Book value 31 December 2021	3,937,577	458,884	971,656	232,413	10,952	11,552,503	17,163,985
Net Book value 31 December 2022	3,419,696	297,608	1,569,418	286,649	7,063	9,523,460	15,103,895
Net Book value 31 December 2023	2,908,176	136,332	2,122,273	325,110	3,173	8,809,644	14,304,708

NOTE 8: INTANGIBLE ASSETS

COST OF INTANGIBLE ASSETS

	Computer Software	*Total*
Balance as at 1 January 2020	5,121,000	5,121,000
Additions	561,000	561,000
Disposals and Derecognisation	(516,000)	(516,000)
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2020	5,166,000	5,166,000

	Computer Software	*Total*
Balance as at 1 January 2021	5,166,771	5,166,771
Additions	44,574	44,574
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2021	5,211,345	5,211,345

	Computer Software	*Total*
Balance as at 1 January 2022	5,211,345	5,211,345
Additions	216,100	216,100
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2022	5,427,445	5,427,445

	Computer Software	*Total*
Balance as at 1 January 2023	5,427,445	5,427,445
Additions	386,000	386,000
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2023	5,813,445	5,813,445

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Computer Software	*Total*
Balance as at 1 January 2020	3,706,000	3,706,000
Transfers	-	-
Impairment Reserve 2020 (closing balance)	-	-
Depreciation Expense 2020	250,000	250,000
Eliminate on Disposal or Derecognisation	(517,000)	(517,000)
Balance as at 31 December 2020	3,439,000	3,439,000

	Computer Software	*Total*
Balance as at 1 January 2021	3,439,504	3,439,504
Transfers	-	-
Impairment Reserve 2021 (closing balance)	-	-
Depreciation Expense 2021	314,802	314,802
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2021	3,754,306	3,754,306

	Computer Software	*Total*
Balance as at 1 January 2022	3,754,306	3,754,306
Transfers	-	-
Impairment change 2022	-	-
Depreciation Expense 2022	352,598	352,598
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2022	4,106,904	4,106,904

	Computer Software	*Total*
Balance as at 1 January 2023	4,106,904	4,106,904
Transfers	-	-
Impairment change 2023	-	-
Depreciation Expense 2023	458,050	458,050
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2023	4,564,954	4,564,954

Net Book value 31 December 2020	1,727,000	1,727,000
Net Book value 31 December 2021	1,457,039	1,457,039
Net Book value 31 December 2022	1,320,541	1,320,541
Net Book value 31 December 2023	1,248,491	1,248,491

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Trade payables other payables and accruals		
188,000	Creditors Third party	250,000	250,000
1,939,988	Operating Lease	2,040,636	2,156,199
2,166,250	Accrued Expenses	2,251,081	2,247,703
4,294,238	**Trade payables other payables and accruals - Current**	**4,541,717**	**4,653,902**
9,923,420	Operating Lease	7,882,784	7,040,432
9,923,420	**Trade payables other payables and accruals - Non-Current**	**7,882,784**	**7,040,432**
14,217,658	**Total trade payables other payables and accruals**	**12,424,501**	**11,694,334**

NOTE 10: UNEARNED REVENUE

12-Month Forecast 2021	Details	12-Month Budget 2022	12-Month Budget 2023
	Current Unearned Revenue		
3,500,000	DRL Fees	3,500,000	3,500,000
75,000	Transactional Fees	75,000	75,000
3,575,000	**Total current portion**	**3,575,000**	**3,575,000**
3,575,000	**Total Unearned Revenue**	**3,575,000**	**3,575,000**

NOTE 13: UNFUNDED PENSION LIABILITY

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(3,134,000)	Past service liability	(3,634,000)	(4,134,000)
(3,134,000)	**Fund (deficiency)/Surplus**	**(3,634,000)**	**(4,134,000)**

NOTE 14: UNFUNDED POST RETIREMENT HEALTH CARE

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(12,427,695)	Retirement Healthcare Liability	(13,562,390)	(14,697,084)
(12,427,695)	**Total Unfunded Health Care Liability**	**(13,562,390)**	**(14,697,084)**

CAYMAN ISLANDS MONETARY AUTHORITY
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 15A: SALES OF GOODS AND SERVICES

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
17,297,883	Other Goods & Services Revenue	17,135,739	17,516,526
25,945,873	Sale of goods and services to Cabinet	31,857,652	33,457,652
43,243,756	**Total sales of goods and services**	**48,993,391**	**50,974,178**

12-Month Forecast 2021	Other Goods & Services Revenue	12-Month Budget 2022	12-Month Budget 2023
10,543,715	Director Registration fees	10,537,643	10,591,090
5,548,390	CIMA Transaction Fees	5,468,096	5,795,436
1,184,591	Commission	1,080,000	1,080,000
21,186	Other Income	50,000	50,000
17,297,883	**Total Other Goods & Services Revenue**	**17,135,739**	**17,516,526**

	Sales of Outputs to Cabinet		
25,945,873	Sales of Outputs to Cabinet	31,857,652	33,457,652
	Other Outputs		
25,945,873	**Total Sales of Outputs to Cabinet**	**31,857,652**	**33,457,652**
	Other Interdepartmental Revenue		
	Revenue from Ministries/Portfolios		
	Revenue from Statutory Authorities and Government Companies		
-	**Total Other Interdepartmental Revenue**	-	-
43,243,756	**Total Goods and Services**	**48,993,391**	**50,974,178**

NOTE 16: INVESTMENT REVENUE

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
881,992	Other - Investment Income	881,800	1,334,064
-	Other - Realised Gain on Investments	199,926	235,924
881,992	**Total Investment revenue**	**1,081,726**	**1,569,988**

CAYMAN ISLANDS MONETARY AUTHORITY

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
23,930,250	Salaries, wages and allowances	30,799,829	34,162,068
2,184,714	Health care other	2,941,770	3,383,153
1,658,260	Pension	2,108,613	2,323,324
1,784,695	Other personnel related costs	1,634,695	1,634,695
29,557,919	**Total Personnel Costs**	**37,484,906**	**41,503,239**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
2,630,442	Supplies and Materials	2,929,840	2,666,859
6,127,302	Purchase of services	3,422,742	2,205,133
562,265	Lease of Property and Equipment	605,461	1,261,944
515,383	Utilities	513,900	513,900
174,285	General Insurance	201,929	216,159
6,000	Travel and Subsistence	152,570	152,570
488,270	Recruitment and Training	487,000	265,000
15,000	Other	10,000	10,000
10,518,948	**Total Supplies & consumables**	**8,323,443**	**7,291,565**

NOTE 22: OTHER GAINS/ (LOSSES)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
849,098	Net (gain) / loss on foreign exchange Transactions	555,000	(156,678)
849,098	**Total gains/ (losses)**	**555,000**	**(156,678)**

CAYMAN ISLANDS MONETARY AUTHORITY

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Forecast Ending Dec-21	Description	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
28,118	**Surplus/(deficit) from ordinary activities**	20,155	4,531
	Non-cash movements		
3,171,665	Depreciation & Amortisation	3,691,613	3,901,509
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:		
-	(Increase)/decrease in other current assets - Cabinet	-	-
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
2,253,096	(Increase)/decrease in other current assets - Other	724,223	2,589,661
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
14,429,774	(Increase/(decrease) in current liabilities - Other	14,465,706	13,615,030
19,882,654	**Net cash flows from operating activities**	**18,901,697**	**20,110,731**

NOTE 26: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
4,353,000	Salaries & other short-term employee benefits	4,575,000	4,611,000
4,353,000	**Total**	**4,575,000**	**4,611,000**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.

FOR THE 2022 FINANCIAL YEAR ENDING 31 DECEMBER 2022
AND THE 2023 FINANCIAL YEAR ENDING 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT (2020 REVISION)

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1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
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Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Cayman Islands National Insurance Company Ltd. (CINICO) have agreed the Cayman Islands National Insurance Company Ltd. will seek to achieve during the 2022 and 2023 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which CINICO is to operate during the period.

GENERAL NATURE OF ACTIVITIES

Incorporated by the Cayman Islands Government (CIG) on December 18, 2003 and granted a Class "A" Insurance Licence on February 1, 2004, CINICO is a wholly owned subsidiary of CIG.

CINICO provides CIG with a management infrastructure (with its own Board of Directors and committees of the Board), management team, and service providers that are experienced in managing the risks related to health insurance plans. As a separate insurance underwriting business, the Company is regulated by the Cayman Islands Monetary Authority ("CIMA"), audited by internal Government auditors, the Office of the Auditor General (OAG) and an external auditor.

As a Class "A" Insurance Company, CINICO is required by CIMA to maintain a minimum capital requirement ("MCR") and prescribed capital requirement ("PCR") in accordance with "The Insurance (Capital and Solvency) (Class A Insurers Regulations, 2012".

CINICO's insurance policies are structured such that the primary network provider is the Cayman Islands Health Services Authority (CIHSA or HSA). If a member of CINICO is in need of medical care (or dental care for those plans that offer dental coverage), the member goes to CIHSA for treatment. If the medical practitioner (or dental practitioner) has determined that services are unavailable at CIHSA, then approval for treatment by the CINICO complimentary network is sought by the attending practitioner. Medical treatment by other local or overseas health providers is approved by the Chief Medical Officer (CMO) and, similarly, dental treatment is approved by the Chief Dental Officer (CDO). The CINICO complementary network includes other Cayman Islands medical/dental providers, as well as medical providers in over 130 countries, which are accessed through CINICO's overseas care management consultant who works closely with the overseas coordinator at CIHSA.

The largest area of CINICO programming is health insurance coverage for civil servants and pensioners, and their designated dependants. CIG is financially responsible for 100% of the associated costs of most services, and funds this coverage through monthly premium payments to CINICO.

Indigents (those individuals who have been deemed poor by the government and therefore entitled to support) receive similar health benefits to civil servants and the Ministry of Health (MOH) funds the associated costs.

Seamen and Veterans, as well as their dependants, receive the same coverage as civil servants, except that they are required to pay 10% of the cost of all overseas medical services,

The Standard Health Insurance Contract (SHIC) is another insurance program available to those residents of the Cayman Islands who are elderly, have low income, or who have an impaired health status and cannot obtain coverage elsewhere. Members of this group pay for their plans through monthly premiums and the coverage is somewhat more limited than the civil servants plan.

SCOPE OF ACTIVITIES

The "delivery model" presented in this section represents the activities and outputs that CINICO delivers to fulfill its mandated responsibilities, the inputs that are used to deliver these activities and produce these outputs and the desired impacts or outcomes to which CINICO contributes with these outputs.

This delivery model is comprised of the following elements:

- **Inputs** represent the resources and outputs from other parties that are consumed by our activities.
- **Activities** describe collections of actions and services that we deliver under our mandate.
- **Outputs** are the products or services generated by our activities.
- **Direct outcomes** are the first level of outcomes or impacts– those over which we have the most direct influence with our outputs.
- **Intermediate outcomes** comprise the second level of outcomes – those over which we have less influence with our outputs and where the influence may be shared with our stakeholders.
- **Ultimate outcomes** are the highest level outcomes that can be attributed to our outputs and are subject to many influences beyond those of CINICO.

Through its delivery model, CINICO offers health insurance products in the following categories:

Group 30100

Provides health care coverage for the entire Civil Service and their dependents as well as retirees. In addition, a number of Statutory Authorities and Government Companies also subscribe to this plan.

Group 30101

This health plan is administered on behalf of the MOH, and provides health insurance coverage for Seafarers, Veterans and their respective dependents. Eligibility for this plan is determined by the CIHSA, The Veterans and Seaman Society of Cayman Brac & Little Cayman and The Cayman Islands Veterans Association, with the MOH as the Ministry responsible for granting coverage.

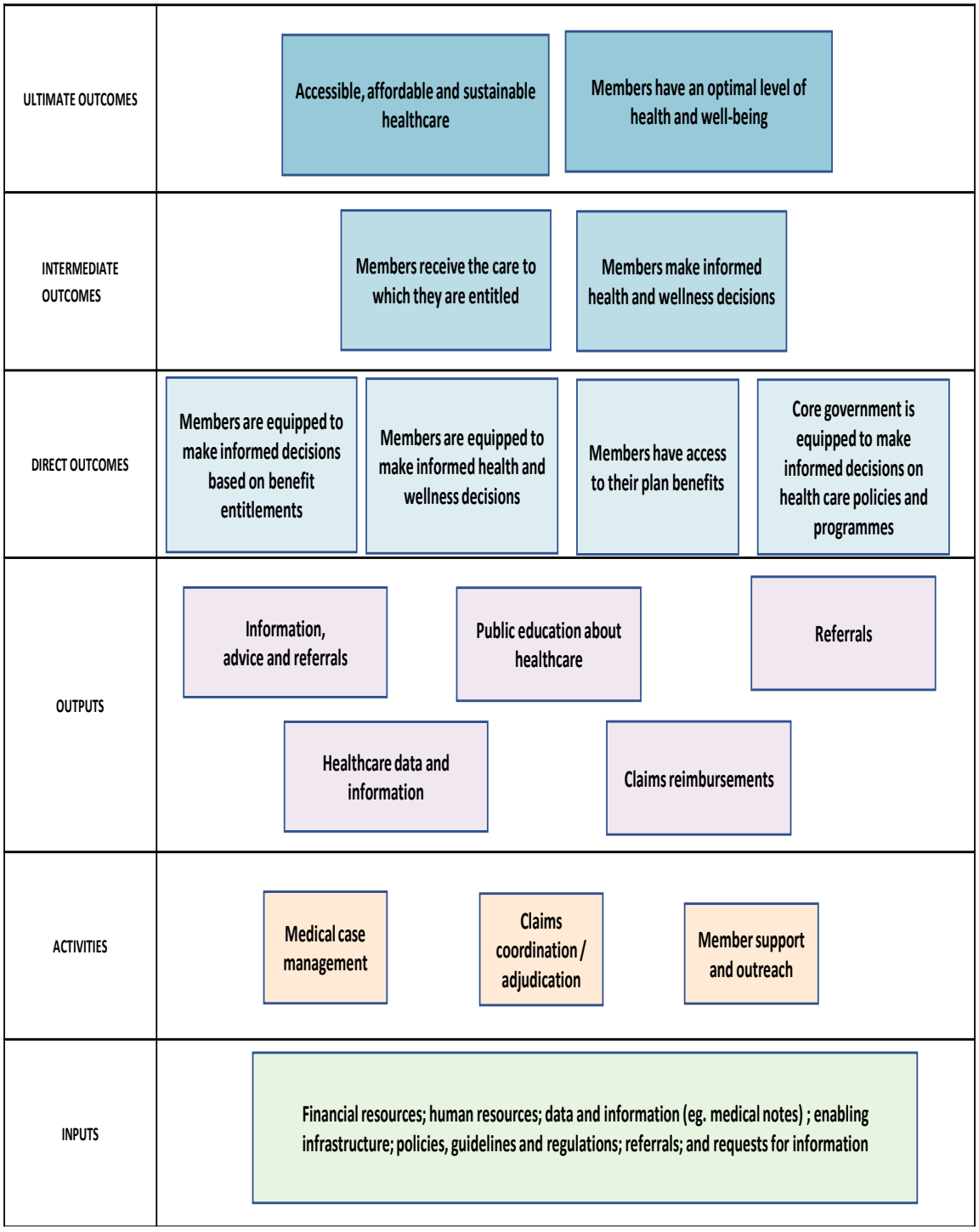
Group 31304

The Health Insurance Law (Revision 2013) mandates that all Class 'A' Health Insurers provide, as a minimum, the Standard Health Insurance Contract (SHIC) to all residents of the Cayman Islands. CINICO offers subscription to its SHIC plans year round. There are two categories of SHIC Plans: a) Silver – available to residents to 60 years of age and over, and b) available to any resident between18 and 59 years of age as an Individual, couple or family subscription. Children under the age of 18 can also be added to individual or couple coverage. Children over the age of 18 and under 30, can also be added to a policy as a "dependent offspring" subject to the Health Insurance Law.

On behalf of the CIG, CINICO also provides the administration of health benefits for those deemed indigent through an Administrative Services Only (ASO) arrangement. The ASO arrangement is also provided for Advanced Patients, Seafarers and Veterans who receive overseas medical care.

CINICO has a Medical Case Management Unit (MCMU) that is responsible for case management of all CINICO members seeking medical services locally and overseas, ensuring that members are receiving appropriate and timely care, with suitable follow-up periods when necessary.

CINICO Delivery Model



CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by CINICO are provided to civil servants, pensioners, various SAGCs, seamen and veterans, indigents, advance patients and the general public subscribing to the Standard Health Insurance Contract. The services are provided from offices at the Cayman Centre, George Town, Country Corner Savannah and Stake bay, Cayman Brac.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for CINICO for the 2022 and 2023 financial periods are as follows:

Strategic Goals

In 2019, the company developed a 5 year strategic plan from 2019 to 2024. The Company's strategic goals are as follows:

1. Ensure CINICO's long term sustainability;
2. Deliver an exceptional customer experience enabled by strong stakeholder relations; and
3. Strengthen our strategic and operational foundation for delivery.

OBJECTIVES/PROJECTS

With respect to each strategic goal, the following projects will be completed or commenced in the 2022 and 2023 financial period.

STRATEGIC GOAL #1: ENSURE CINICO's LONG TERM SUSTAINABILITY

During the life of this strategic plan, we will continue to:

- Maintain adequate reinsurance coverage in line with CINICO's risk appetite.
- Work with shareholders and key stakeholders to ensure that premium income is more closely aligned with the actuarial determination.
- Work with key stakeholders to implement cost containment measures.
- Leverage technology to improve efficiency and enhance data security.

Over the next two years we will also plan on successfully undertaking the following initiatives:

- Establish better methods to engage reputable local/overseas providers, thus achieving value for money
- Improve and maintain robust client management and claims review to minimize potential fraud and overpayment of claims.

STRATEGIC GOAL #2: DELIVER AN EXCEPTIONAL CUSTOMER EXPERIENCE ENABLED BY STRONG STAKEHOLDER RELATIONS

During the life of our strategic plan, therefore, we will continue to:

- Improve the level of customer service to members on all three islands.

- Implement wellness initiatives that would focus on better lifestyle choices and achieving better health.
- Improve how we engage stakeholders and find more effective ways to ensure our relationships are healthy.
- Improve the nature and type of data analytics to stakeholders enabling informed decisions on health care policies and programmes.
- Provide recommendations to CIG on how to lower healthcare costs within their current plans.
- Provide more convenient accessibility to filling prescriptions, processing of claims, while reducing denials for members.
- Further enhance our medical case management capabilities.

Over the next two years we plan on successfully undertaking the following initiatives:

- Update terms of coverage.
- Update our eligibility system.

STRATEGIC GOAL #3: STRENGTHEN OUR STRATEGIC AND OPERATIONAL FOUNDATION FOR DELIVERY

During the life of this strategic plan, therefore, we will continue to:

- Update our policies and procedures to ensure they provide our staff with a clear understanding of how we are managing for results; and
- Carry out extensive staff training and include cross-training of staff for more effective use of our personnel and to ensure that there is a robust succession plan for key positions in the Company.

During the life of the strategic plan, we will undertake the following initiatives:

- Develop and implement risk management and performance measurement policies and frameworks.
- Review the process to ensure the accuracy and timeliness of member data
- Improve the internal audit function including the development of an annual audit plan.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Cayman Islands National Insurance Company Ltd. for the 2022 and 2023 financial years are as follows:

	2022 1 Jan to 31 Dec 2022 $000's	**2023 1 Jan to 31 Dec 2023 $000's**	**2021 12-Month Forecast $000's**
REVENUE FROM CABINET	50,114	51,643	45,988
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	71,901	76,227	63,092
REVENUE FROM OTHERS	3,456	3,609	3,322
OPERATING EXPENSES	123,597	131,548	115,929
OPERATING SURPLUS/DEFICIT	**1,875**	**(68,776)**	**(3,557)**
NET WORTH	**22,605**	**22,536**	**20,730**
CASH FLOWS FROM OPERATING ACTIVITIES	1,705	(3,167)	2,479
CASH FLOWS FROM INVESTING ACTIVITIES	(667)	(398)	(654)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-
CHANGE IN CASH BALANCES	1,038	(3,566)	1,825

FINANCIAL PERFORMANCE RATIO	**2022 1 Jan to 31 Dec 2022 %**	**2023 1 Jan to 31 Dec 2023 %**	**2021 12-Month Forecast %**
CURRENT ASSETS : CURRENT LIABILITIES	2.17	2.40	2.12
TOTAL ASSETS : TOTAL LIABILITIES	2.18	2.43	2.10

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	51	51	51
STAFF TURNOVER (%)			
SENIOR MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
ADMINISTRATIVE STAFF	-	-	-

PHYSICAL CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	43,551	43,608	39,530
ASSET REPLACEMENTS : TOTAL ASSETS	1%	0.3%	1.2%
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	23.4%	19.7%	19%
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	48%	168.1%	34%
CHANGES TO ASSET MANAGEMENT POLICIES	NONE	NONE	NONE

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
TECHNOLOGY	387,000	131,000	-
PHYSICAL INFRASTRUCTURE/OPERATIONAL	30,000	5,000	-

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Claim losses higher than what can be supported by revenues	Improved. Premium rates approved from Cabinet are actuarially based. Increasing risk due to high-cost gene/cell therapy drugs in the pipeline for FDA approval.	• Establish local CINICO direct provider contracts. • Maintain high level of overseas discounts through UHCG. • Utilization of CINICO in-house, Medical Case Management Unit (MCMU). • Monitoring, control and follow-up of local and overseas referrals through referral system (2022) and Apollo guidelines. • Reinsurance arrangement in place to limit the Company's risk to large claims (30100 Group only). • Weekly concurrent review with UHCG of inpatient overseas cases. • Coordination of discharge plan both locally and overseas. • Monthly Risk & Appeals committee meetings. • Wellness program. • Review of pharmacy claims • Review of medical benefits. • Gene/ cell therapy – Sensitizing government to the high costs. Encouraging the development of a national policy.	Not quantifiable
Potential issues with leased claims system	Improved	• Offsite disaster recovery of data. • Robust contracting with vendor supplying system, stipulating functions, penalties, etc. • Vendor SOC1 Internal control report – reviewed by CINICO • 24-hour support • In-house claims department staffed with experienced claim adjudicators • Internal control review of CINICO's claim handling/system processes • To develop "data warehouse" (2021-2023) • Weekly meetings with Vendor	Not quantifiable

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Risk that CINICO's reinsurer will be unable to pay its liabilities	Same as prior year	Reinsurance reviewed every year. As part of the review creditworthiness is looked at semi-annually. Our current reinsurer has an AM Best rating of A+ and has been stable of the last few years.	Not quantifiable
Non-compliance to CIMA's rules and regulations	Improvement over prior year	• Full-time Senior Compliance role • Risk/Compliance Board committee • Documented Corporate Governance, policies and procedures • Compliance calendar • Monitoring compliance with MCR/PCR monthly – quarterly forecasts of capital requirements	CIMA fines
Risk that government would not honor its liabilities under the ASO agreement (Output NGS 55)	Same as last year	• Creation of an ASO Agreement between CINICO and Government • Frequent monitoring • Capital Preservation Policy • Work with CIG to ensure Supplementary budget sought.	$4 million to $8 million
Negative operating cash flow and below CIMA's required capital levels, resulting from shareholder's requirement to discount premium rates below actuary rates, thus depleting capital and exposing Company to liquidity risk	Improved. Premium rates approved from Cabinet are actuarially based and not discounted.	• Enforcement of Company's credit and liquidity risk policy. • Aggressive collection of Government outstanding premium.	Not quantifiable
Cybersecurity threat	Increased globally	• Chief Information Officer added to staff compliment. • Development of robust policies and procedures in accordance with CIMA's Statement of Guidance • Staff training • Increase in security posture via software and monitoring.	Not quantifiable

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Cayman Islands National Insurance Company Ltd. is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE	125,472	131,479	112,402
OPERATING EXPENSES	123,597	131,548	115,959
NET SURPLUS/(DEFICIT)	1,874	(68,776)	(3,557)

BALANCE SHEET	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
ASSETS	41,801	38,348	39,530
LIABILITIES	19,196	15,812	18,800
NET WORTH	22,605	22,536	20,730

STATEMENT OF CASH FLOW	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	1,705	(3,167)	2,479
CASH FLOWS FROM INVESTING ACTIVITIES	(667)	(398)	(653)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's
EQUITY INVESTMENTS INTO CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.	-	-
CAPITAL WITHDRAWALS FROM CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.	-	
GOVERNMENT LOANS TO BE MADE TO CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[11]	-	-
REMUNERATION[12] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	693,171	696,015
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	620,921	623,765

DESCRIPTION	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	7	7
NUMBER OF KEY SENIOR MANAGEMENT (MD)	4	4

[11] Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

[12] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

AGREEMENT

Scope of this Agreement

In signing this document, the Cayman Islands National Insurance Company Ltd. undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will the sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Cayman Islands National Insurance Company Ltd. will seek to achieve for the 2022 and 2023 financial years and that the Cabinet will monitor performance against.

Honourable Chris Saunders
Minister for Finance and Economic Development
On behalf of Cabinet

Chairman of the Board
Cayman Islands National Insurance Company

31 December 2021

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS
GOVERNMENT

CAYMAN ISLAND NATIONAL INSURANCE COMPANY LTD.
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2022 and 31 December 2023 and performance for the Cayman Islands National Insurance Company Ltd. for the financial years ending 31 December 2022 and 31 December 2023; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
Cayman Islands National Insurance Company Ltd.

31 December 2021

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CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the Company's policies.

Critical accounting estimates and judgements

The development of estimates and the exercise of judgment in applying accounting policies may have a material impact on the Company's reported assets, liabilities, revenues and expenses. The item which may have the most effect on the Company's financial statements is set out below.

The ultimate liability arising from claims made under insurance contracts

The estimation of the ultimate liability arising from claims made under insurance contracts is the Company's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Company will ultimately pay for such claims.

The provision for claims incurred is necessarily based on estimates due to the fact that the ultimate disposition of claims incurred prior to the balance sheet date, whether reported or not, is subject to the outcome of events that have not yet occurred. Any estimate of future events includes estimation uncertainty, and, consequently, the amounts recorded in respect of unpaid losses may change significantly in the short term. Management engage independent actuaries to assist them in making such estimates based on the Company's own loss history and relevant industry data.

Insurance and reinsurance contracts – classification

Insurance and reinsurance contracts are those contracts that transfer significant insurance risk. As a general guideline, the Company defines as significant insurance risk using historical claims data and conducting an actuarial analysis of various reinsurance retention limits, to determine the optimum reinsurance retention limit. Under its reinsurance contract, the Company is entitled to any claims in excess of the reinsurance limit which is held or recognized as reinsurance assets.

Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Contracts entered into by the Company with reinsurers under which the Company is compensated for losses on policies issued by the Company and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held.

Insurance/reinsurance assets and liabilities

The Company assesses its insurance/reinsurance assets for impairment on a regular basis, and if there is objective evidence that the insurance/reinsurance asset is impaired, the Company reduces the carrying amount of these assets to their recoverable amounts. The impairment loss is recognised in the statements of income and comprehensive income. Insurance/reinsurance liabilities are recognised when incurred/due.

Claims and provision for claims incurred

Claims paid are recorded based on claims reported to the Company and adjudicated by its third-party administrator. The provision for claims incurred is an estimate determined by an independent actuary, using standard actuarial claims projection techniques and includes amounts for all losses reported but not settled and loss adjustment expenses, as well as reserves for losses which have been incurred but not yet reported at the statement of financial position date. The Company records its estimated liability gross of any amounts recoverable under its own reinsurance. Recoverable amounts, under the reinsurance contract, if any, are estimated and reported separately as assets. The reinsured portion, if any, of reserves for losses is estimated in a manner consistent with the estimation of reserves for losses on the reinsured policies.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash and interest-bearing deposits with original maturities of three months or less.

Premiums

Premiums are accounted for on a pro-rata basis over the periods covered by the insurance policy. Premiums for privately insured persons are payable monthly in advance on the first day of the month. Premiums for Government insured persons are payable monthly. Premiums received in advance are deferred and included in Premiums received in advance in the balance sheet. Reinsurance premiums ceded are similarly recognized on a pro-rata basis based on the contractual premium rate and number of insureds covered under the reinsurance policy.

It is the Company's policy to lapse any policies where the premiums are unpaid for generally around forty-five days after the due date.

Leases

The Company assesses whether a contract is or contains a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to control the asset is determined if the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use and has the right to direct use of the asset.

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after January 1, 2019.

Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for most leases. The Company recognises a right-of-use asset and the lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date and discounted using the Company's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, and an estimate of costs to dismantle and remove the underlying asset. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

Disclosures about fair value of financial instruments

With the exception of balances in respect of insurance contracts, the carrying amounts of all financial instruments approximate their fair values due to their short-term maturities.

Depreciation

Fixed assets are carried at cost less depreciation and impairment. Depreciation is calculated on a straight-line basis over their expected useful lives of these assets. The following depreciation rates have been estimated by management to approximate the expected useful life of each class of assets:

Office Equipment	5 years
Computer and Telecommunications Equipment	3 years
Leasehold Improvements	Over the term of the lease
System Development Costs	3 to 5 years

The assets' useful lives are reviewed at each balance sheet date and adjusted where appropriate.

Income taxes

There is presently no taxation imposed on the Company by the Government of the Cayman Islands. As a result, no tax liability or expense has been recorded in the accompanying financial statements.

Administrative Services Only Fees

Administrative Services Only Fees ("ASO") are recognised as earned on a per month basis and recognized in full each month.

Investment and other income

Investment and other income are accrued as earned.

Foreign currency translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in Cayman Islands dollars, which is the Company's presentation and functional currency.

Revenue and expense transactions denominated in currencies other than the Cayman Islands dollar have been translated using exchange rates ruling at the dates of those transactions. Assets and liabilities denominated in currencies other than the Cayman Islands dollar have been translated using year-end foreign exchange rates. Gains or losses on translation of foreign currency transactions are included in general and administrative expenses.

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast Ending Dec-21	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
	Current Assets			
28,322,631	Cash and cash equivalents	**1**	29,361,135	25,795,227
-	Marketable securities and deposits		-	-
3,737,075	Trade receivables	**2**	5,000,000	5,350,000
6,106,100	Other receivables	**2**	6,107,850	6,200,350
-	Inventories	**3**	-	-
-	Investments	**4**	-	-
193,902	Prepayments	**5**	192,152	199,651
-	Loans	**6**	-	-
38,359,708	**Total Current Assets**		**40,661,137**	**37,545,228**
	Non-Current Assets			
-	Trade receivables	**2**	-	-
-	Other receivables	**2**	-	-
-	Inventories	**3**	-	-
-	Investments	**4**	-	-
-	Prepayments	**5**	-	-
-	Loans	**6**	-	-
-	Pension Plan Surplus	**13**	-	-
1,170,300	Property, plant and equipment	**7**	1,140,172	803,623
-	Intangible Assets	**8**	-	-
1,170,300	**Total Non-Current Assets**		**1,140,172**	**803,623**
39,530,008	**Total Assets**		**41,801,309**	**38,348,851**
	Current Liabilities			
-	Trade payables	**9**	-	-
17,909,645	Other payables and accruals	**9**	18,596,342	15,467,161
-	Dividends/Surplus Payable	**9**	-	-
-	Bank Overdraft	**1**	-	-
200,000	Unearned revenue	**10**	160,000	168,000
-	Employee entitlements	**11**	-	-
-	Current Portion of Borrowings	**12**	-	-
18,109,645	**Total Current Liabilities**		**18,756,342**	**15,635,161**
	Non-Current Liabilities			
-	Trade payables	**9**	-	-
689,974	Other payables and accruals	**9**	439,626	177,125
-	Dividends/Surplus Payable	**9**	-	-
-	Unearned revenue	**10**	-	-
-	Employee entitlements	**11**	-	-
-	Unfunded pension liability	**13**	-	-
-	Unfunded post retirement health care	**14**	-	-
-	Currency Issued		-	-
-	Long Term portion of Borrowings	**12**	-	-
689,974	**Total Non-Current Liabilities**		**439,626**	**177,125**
18,799,619	**Total Liabilities**		**19,195,968**	**15,812,286**
20,730,389	**Net Assets**		**22,605,341**	**22,536,565**
	NET WORTH			
40,723,251	Contributed capital		40,723,251	40,723,251
-	Other Reserves		-	-
-	Revaluation reserve		-	-
(19,992,862)	Accumulated surpluses/(deficits)		(18,117,910)	(18,186,686)
20,730,389	**Total Net Worth**		**22,605,341**	**22,536,565**

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast Ending Dec-21	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
	Revenue			
112,211,954	Sale of goods and services	15	125,357,703	131,340,251
190,002	Investment revenue	16	114,399	139,401
-	Donations	17	-	-
-	Other revenue		-	-
112,401,956	**Total Revenue**		**125,472,102**	**131,479,652**
	Expenses			
3,733,409	Personnel costs	18	5,046,497	5,079,157
111,862,339	Supplies and consumables	19	118,103,525	125,996,722
363,059	Depreciation and Amortisation	7	447,128	472,549
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	20	-	-
-	Litigation costs	21	-	-
-	Other (Gains)/losses	22	-	-
-	Other Operating expenses		-	-
115,958,807	**Total Expenses**		**123,597,150**	**131,548,428**
(3,556,851)	**Surplus or (Deficit) for the period**		**1,874,952**	**(68,776)**

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.

FORECAST STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast Ending Dec-21	CASH FLOW STATEMENT	Notes	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
46,988,200	Sale of goods and services to Cabinet		50,114,750	50,143,391
59,984,139	Sale of goods and services to Ministries/Portfolios		68,051,479	70,726,864
3,608,000	Sale of goods and services to Statutory Agencies and Government Conpanies		3,850,000	4,000,000
3,131,615	Sale of goods and services - third party		3,341,474	3,469,996
190,002	Interest received		114,399	139,401
-	Donations / Grants		-	-
-	Other receipts		-	-
	Payments			
(3,733,409)	Personnel costs		(5,046,497)	(5,079,157)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(107,689,856)	Supplies and consumables - third party		(118,719,753)	(126,567,902)
	Interest paid		-	-
	Other payments		-	-
2,478,691	**Net cash flows from operating activities**	23	**1,705,852**	**(3,167,407)**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(461,749)	Purchase of property, plant and equipment		(417,000)	(136,000)
-	Proceeds from sale of property, plant and equipment		-	-
(192,054)	Purchase of investments		(250,348)	(262,501)
-	Proceeds from sale of investments		-	-
(653,803)	**Net cash flows from investing activities**		**(667,348)**	**(398,501)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Equity Investment from Cabinet		-	-
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	Borrowings		-	-
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
-	**Net cash flows from financing activities**		**-**	**-**
1,824,888	**Net increase/(decrease) in cash and cash equivalents**		**1,038,504**	**(3,565,908)**
26,497,743	Cash and cash equivalents at beginning of period		28,322,631	29,361,135
28,322,631	**Cash and cash equivalents at end of period**		**29,361,135**	**25,795,227**

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.

FORECAST STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2019 brought forward	40,723,251	-	-	(26,983,870)	13,739,381
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2019	40,723,251	-	-	(26,983,870)	13,739,381
Changes in net worth for 2020					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2020				10,547,859	10,547,859
Total recognised revenues and expenses for the period	-	-	-	10,547,859	10,547,859
Balance at 31 December 2020	40,723,251	-	-	(16,436,011)	24,287,240
Balance at 31 December 2020 brought forward	40,723,251	-	-	(16,436,011)	24,287,240
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2020	40,723,251	-	-	(16,436,011)	24,287,240
Changes in net worth for 2021					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2021				(3,556,851)	(3,556,851)
Total recognised revenues and expenses for the period	-	-	-	(3,556,851)	(3,556,851)
Balance at 31 December 2021 carried forward	40,723,251	-	-	(19,992,862)	20,730,389

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.

FORECAST STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	40,723,251	-	-	(19,992,862)	20,730,389
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	40,723,251	-	-	(19,992,862)	20,730,389
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2022				1,874,952	1,874,952
Total recognised revenues and expenses for the period	-	-	-	1,874,952	1,874,952
Balance at 31 December 2022 carried forward	40,723,251	-	-	(18,117,910)	22,605,341
Balance at 31 December 2022 brought forward	40,723,251	-	-	(18,117,910)	22,605,341
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	40,723,251	-	-	(18,117,910)	22,605,341
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2023				(68,776)	(68,776)
Total recognised revenues and expenses for the period	-	-	-	(68,776)	(68,776)
Balance at 31 December 2023	40,723,251	-	-	(18,186,686)	22,536,565

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast Ending Dec-21	Description	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
500	Cash on hand	500	500
10,102,131	CI$ Account	12,660,635	9,094,727
5,000,000	US$ Account	5,500,000	5,500,000
300,000	Payroll Current Account	300,000	300,000
900,000	Bank Accounts held at other financial institutions	900,000	900,000
12,020,000	Short-Term Fixed Deposits	10,000,000	10,000,000
28,322,631	**TOTAL**	**29,361,135**	**25,795,227**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
2,716,075	Sale of goods and services to Cabinet	3,715,000	4,010,000
950,000	Sale of goods and services to Ministries/Portfolios	1,200,000	1,250,000
31,000	Sale of goods and services to Statutory Agencies and Government Conpanies	40,000	40,000
55,000	Sale of goods and services - third party	65,000	65,000
	Other		
(15,000)	**Less: provision for doubtful debts**	(20,000)	(15,000)
3,737,075	**Total trade receivables**	**5,000,000**	**5,350,000**

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
2,627,952	Past due 1-30 days	3,513,500	3,760,000
1,109,123	Past due 31-60 days	1,486,500	1,590,000
3,737,075	**Total**	**5,000,000**	**5,350,000**

NOTE 2: TRADE AND OTHER RECEIVABLES (CONTINUED)

12-Month Forecast 2021	Other Receivables	12-Month Budget 2022	12-Month Budget 2023
20,000	Interest receivable	15,000	12,000
6,086,100	Other	6,092,850	6,188,350
6,106,100	**Total other receivables**	**6,107,850**	**6,200,350**

12-Month Forecast 2021	Other Receivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
3,906,100	Past due 1-30 days	3,907,850	4,000,350
2,200,000	Past due 31-60 days	2,200,000	2,200,000
6,106,100	**Total**	**6,107,850**	**6,200,350**

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(29,722)	Balance at begining of period	(15,000)	(20,000)
-	Additional provisions made during the year	-	-
14,722	Receivables written off during the period	(5,000)	5,000
(15,000)	**Balance at 31 December**	**(20,000)**	**(15,000)**

NOTE 5: PREPAYMENTS

12-Month Forecast 2021	Prepayments	12-Month Budget 2022	12-Month Budget 2023
	Current Prepayments		
10,000	Workpermits	10,000	10,000
75,000	**CIMA Annual Fees**	75,000	75,000
63,900	Software licences	57,150	64,650
45,002	Other	50,002	50,001
193,902	**Prepayments - Current**	**192,152**	**199,651**
193,902	**Total Prepayments**	**192,152**	**199,651**

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Buildings and Leasehold	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Total*
Balance as at 1 January 2020	700,630	352,399	559,821	188,352	-	1,031,554	2,832,756
Additions	210,212	22,480	79,066	16,870	-	6,250	334,878
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	2,443	(2,443)	-	-	-
Balance as at 31 December 2020	910,842	374,879	641,330	202,779	-	1,037,804	3,167,634

	Buildings and Leasehold	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Total*
Balance as at 1 January 2021	910,842	374,879	641,330	202,779	-	1,037,804	3,167,634
Additions	187,852	287,705	20,379	118,665	25,000	10,000	649,601
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2021	1,098,694	662,584	661,709	321,444	25,000	1,047,804	3,817,235

	Buildings and Leasehold	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Total*
Balance as at 1 January 2022	1,098,694	662,584	661,709	321,444	25,000	1,047,804	3,817,235
Additions	-	25,000	22,000	5,000	-	365,000	417,000
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2022	1,098,694	687,584	683,709	326,444	25,000	1,412,804	4,234,235

	Buildings and Leasehold	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Total*
Balance as at 1 January 2023	1,098,694	687,584	683,709	326,444	25,000	1,412,804	4,234,235
Additions	-	-	51,000	5,000	-	80,000	136,000
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2023	1,098,694	687,584	734,709	331,444	25,000	1,492,804	4,370,235

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT

	Buildings and Leasehold	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Total*
Balance as at 1 January 2020	70,063	348,869	495,529	152,943	-	908,785	1,976,189
Transfers	-	-	83	(83)	-	-	-
Impairment Reserve 2018 (closing balance)	-	-	-	-	-	-	-
Depreciation Expense 2018	168,152	2,370	47,066	15,656	-	74,443	307,687
Eliminate on Disposal or Derecognisation 2018	-	-	-	-	-	-	-
Balance as at 31 December 2020	238,215	351,239	542,678	168,516	-	983,228	2,283,876

	Buildings and Leasehold	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Total*
Balance as at 1 January 2021	238,215	351,239	542,678	168,516	-	983,228	2,283,876
Transfers	-	-	-	-	-	-	-
Impairment Reserve 2019 (closing balance)	-	-	-	-	-	-	-
Depreciation Expense 2019	207,814	31,841	55,273	26,463	625	41,043	363,059
Eliminate on Disposal or Derecognisation 2019	-	-	-	-	-	-	-
Balance as at 31 December 2021	446,029	383,080	597,951	194,979	625	1,024,271	2,646,935

	Buildings and Leasehold	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Total*
Balance as at 1 January 2022	446,029	383,080	597,951	194,979	625	1,024,271	2,646,935
Transfers	-	-	-	-	-	-	-
Impairment change 2020	-	-	-	-	-	-	-
Depreciation Expense 2020	247,052	64,876	42,660	32,956	5,000	54,584	447,128
Eliminate on Disposal or Derecognisation 2020	-	-	-	-	-	-	-
Balance as at 31 December 2022	693,081	447,956	640,611	227,935	5,625	1,078,855	3,094,063

	Buildings and Leasehold	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Total*
Balance as at 1 January 2023	693,081	447,956	640,611	227,935	5,625	1,078,855	3,094,063
Transfers	-	-	-	-	-	-	-
Impairment change 2021	-	-	-	-	-	-	-
Depreciation Expense 2021	247,052	67,037	37,376	30,303	5,000	85,781	472,549
Eliminate on Disposal or Derecognisation 2021	-	-	-	-	-	-	-
Balance as at 31 December 2023	940,133	514,993	677,987	258,238	10,625	1,164,636	3,566,612

Net Book value 31 December 2020	672,627	23,640	98,652	34,263	-	54,576	883,758
Net Book value 31 December 2021	652,665	279,504	63,758	126,465	24,375	23,533	1,170,300
Net Book value 31 December 2022	405,613	239,628	43,098	98,509	19,375	333,949	1,140,172
Net Book value 31 December 2023	158,561	172,591	56,722	73,206	14,375	328,168	803,623

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
915,000	Accrued Expenses	820,000	1,020,000
16,994,645	Other payables	17,776,342	14,447,161
-	Dividends/Surplus Payable	-	-
17,909,645	**Trade payables other payables and accruals - Current**	**18,596,342**	**15,467,161**
	Non-Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
-	Accrued Expenses	-	-
689,974	Other payables	439,626	177,125
-	Dividends/Surplus Payable	-	-
689,974	**Trade payables other payables and accruals - Non-Current**	**439,626**	**177,125**
18,599,619	**Total trade payables other payables and accruals**	**19,035,968**	**15,644,286**

NOTE 10: UNEARNED REVENUE

12-Month Forecast 2021	Details	12-Month Budget 2022	12-Month Budget 2023
	Current Unearned Revenue		
200,000	Prepaid Premium	160,000	168,000
200,000	**Total current portion**	**160,000**	**168,000**
	Non-Current Unearned Revenue		
-	**Total non-current portion**	**-**	**-**
200,000	**Total Unearned Revenue**	**160,000**	**168,000**

NOTE 15: SALES OF GOODS AND SERVICES

12-Month Forecast Ending Dec-21	Revenue type	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
3,131,615	Other Goods & Services Revenue	3,341,474	3,469,996
45,988,200	Sale of goods and services to Cabinet	50,114,750	51,643,391
63,092,139	Sale of goods and services to Other Ministries and Portfolios	71,901,479	76,226,864
112,211,954	**Total sales of goods and services**	**125,357,703**	**131,340,251**

12-Month Forecast Ending Dec-21	Other Goods & Services Revenue	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
4,058,264	SHIC premium	4,264,300	4,464,915
(990,681)	Reinsurance Premium (Offset with Gross premium)	(990,698)	(1,048,559)
64,032	Seafarer and Veterans self Pay	67,872	53,640
3,131,615	**Total Other Goods & Services Revenue**	**3,341,474**	**3,469,996**
	Sales of Outputs to Cabinet		
45,988,200	Sales of Outputs to Cabinet	50,114,750	51,643,391
45,988,200	**Total Sales of Outputs to Cabinet**	**50,114,750**	**51,643,391**
	Other Interdepartmental Revenue		
59,484,139	Revenue from Ministries/Portfolios	68,051,479	72,226,864
3,608,000	Revenue from Statutory Authorities and Government Companies	3,850,000	4,000,000
63,092,139	**Total Other Interdepartmental Revenue**	**71,901,479**	**76,226,864**
112,211,954	**Total Goods and Services**	**125,357,703**	**131,340,251**

NOTE 16: INVESTMENT REVENUE

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
-	Interest on deposits	-	-
-	Interest on cash balances	-	-
-	Royalties	-	-
190,002	Other	114,399	139,401
-	Other	-	-
190,002	**Total Investment revenue**	**114,399**	**139,401**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
2,985,388	Salaries, wages and allowances	3,962,596	3,967,596
471,428	Health care CINICO	734,940	777,600
-	Health care other	-	-
221,818	Pension	293,961	293,961
-	Leave	-	-
54,775	Other personnel related costs	55,000	40,000
3,733,409	**Total Personnel Costs**	**5,046,497**	**5,079,157**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
45,000	Supplies and Materials	60,000	55,000
403,660	Purchase of services	446,578	433,678
11,484	Lease of Property and Equipment	4,800	4,800
48,267	Utilities	64,380	65,668
20,760	General Insurance	22,760	22,760
-	Interdepartmental expenses	-	-
20,000	Travel and Subsistence	30,000	45,000
71,000	Recruitment and Training	76,500	76,500
111,242,168	Other	117,398,507	125,293,316
111,862,339	**Total Supplies & consumables**	**118,103,525**	**125,996,722**

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Forecast Ending Dec-21	Description	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
(3,556,851)	**Surplus/(deficit) from ordinary activities**	1,874,952	(68,776)
	Non-cash movements		
363,059	Depreciation & Amortisation	447,128	472,549
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
	Other Non-cash movement		
	Changes in current assets and liabilities:		
(211,534)	(Increase)/decrease in other current assets - Cabinet	(500,000)	(100,000)
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
1,476,827	(Increase)/decrease in other current assets - Ministries Portfolios	(762,924)	(350,001)
171,247	(Increase)/decrease in other current assets - Other	-	-
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
3,441	(Increase/(decrease) in current liabilities - Ministries Portfolios	(40,000)	8,000
4,232,502	(Increase/(decrease) in current liabilities - Other	686,696	(3,129,179)
2,478,691	**Net cash flows from operating activities**	**1,705,852**	**(3,167,407)**

NOTE 26: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
639,029	Salaries & other short-term employee benefits	620,921	623,765
36,000	Other long-term benefits	32,000	32,000
675,029	**Total**	**652,921**	**655,765**

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OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

CAYMAN ISLANDS NATIONAL MUSEUM

FOR THE 2022 FINANCIAL YEAR ENDING 31 DECEMBER 2022
AND THE 2023 FINANCIAL YEAR ENDING 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT (2020 REVISION)

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1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Cayman Islands National Museum have agreed the Cayman Islands National Museum will seek to achieve during the 2022 and 2023 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Cayman Islands National Museum is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Cayman lslands National Museum was established as a permanent institution committed to the preservation of the tangible and intangible cultural and natural heritage of the Cayman lslands: to collect, care for, conserve, research, interpret and display objects of historical, cultural, environmental, artistic, or scientific value to the Cayman lslands, both terrestrial and underwater, for the benefit of present and future generations.

Through the organisation's dynamic programmes, exhibits, and collections the National Museum is the living connection with the Cayman Islands' past and ensures that future generations value our unique natural and cultural heritage.

SCOPE OF ACTIVITIES

The scope of the Cayman Islands National Museum activities is as follows:

- Collection and preservation of material evidence significant to our culture, history and heritage, including:
  - Collection, documentation, and preservation of material; and
  - Protection, scientific research of, and limited (controlled) public access to Museum Collections, and materials of Caymanian Heritage.

- Public access to and educational services from displays, exhibitions, library, publications, research collections and programmes of the Cayman Islands National Museum including:
  - Providing museum facilities, exhibitions and displays, and general public access to them
  - Provision of a land-based Maritime Heritage Trail and Shipwreck Preserves
  - Provision of restaurants, shops and other facilities for the use by the public and in furtherance of the mission and purposes of the Museum
  - Liaising with local and international groups having similar objectives, for loan or exchange of artefacts and exhibits, and the exchange of knowledge and information

- Services to support the Ministry, Cabinet, and Other Departments:

Direct, manage and assist the National Museum in fulfilling its mission and purposes
Support Government's requests for information to further the cultural well-being of the Cayman Islands
Assist the Ministry in creating National Culture Policies and plans, and any necessary legislation
Provide reports and other documentation requested by the Ministry, Cabinet, and other Government Departments

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by Cayman Islands National Museum are provided only in the Cayman lslands.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Cayman Islands National Museum for the 2022 and 2023 financial years are as follows:

CINM 1 - COLLECTIONS, CONSERVATION, CURATION AND RESEARCH

1.1 Continue to collect, conserve, protect, research, and manage material evidence of artistic, historic, or scientific significance to the Cayman lslands, both terrestrial and underwater (*Note - The Museum would like to re-establish and revitalise the Museum Conservation Programme by employing a Conservator and developing a Conservation Policy and revitalised Conservation Plan).

1.2 As common practice, incorporate on-going research findings on collections, terrestrial and underwater archaeological sites into public exhibitions, programmes and publications.

1.3 Liaise with local, regional and international groups having similar objectives, for loan or exchange of artefacts and exhibits, and the exchange of knowledge and information.

CINM 2 – OPERATIONS, EDUCATION AND EXHIBITS

2.1 Enhance the effectiveness of the Board in support of the vision, mission and goals.

2.2 Align organisational structure in support of vision, mission and core values.

2.3 Acquire a purposed Collections facility (*Note - This is dependent upon Governmental Capital Funding being granted and Museum supplemental fundraising)

2.4 Assess, evaluate and repurpose or dispose of old non-Collections items (e.g. furniture, exhibit panels and props, maintenance equipment) housed at the Museum Support Facility at Pasadora Place.

2.5 Move the Collections to the purposed Collections facility (*Note - This is dependent upon capital funding for acquisition of a purposed facility).

2.6 Provide exhibitions and displays and general public access to them.

2.7 Develop and promote a variety of educational programmes in support of the Museum's mission, vision and goals, e.g. Changing exhibits, Museum tours, Speakers' Series, Traditional arts, Summer camps, Special opportunities for older person and for youth (*Note - The Museum seeks to enhance our educational programme offerings through employing a teaching/ educational staff member/coordinator).

2.8 Re-establish and revitalise the Museum Archaeology Programme by employing a supporting Archaeologist, developing an Archaeology Policy, and updating a National Archaeology Plan (to assist the present Museum Director/Archaeologist).

2.9 Continue to partner with our Maritime Heritage Trail Partners in initiatives of the Cayman lslands Maritime Archaeology Programme (CIMAP): National Archive, National Trust and the Department of Environment on maritime related issues in the protection, research, legislation, and educational programmes and activities relating to the lslands maritime heritage e.g. shipwrecks. Work with all partners to develop a marketing plan that maximises learning and visibility.

2.10 Continue to partner with cultural organisations: Cayman National Cultural Foundation, National Trust, National Archive, National Gallery, and the Cayman Brac Museum to promote Cayman lslands cultural heritage.

2.11 Assist the Department of Tourism and other related organisations/institutions in marketing the cultural product of the Cayman Islands.

2.12 Coordinate the following special events: Looky Ya! (bi-monthly), International Museum Day (May), Mango Season at the Museum (June/July), Summer Camp (July), VIP Pirates Landing and Parade Event (November), Museum Anniversary (November), Museum Friends and Volunteers Christmas Appreciation Party and Kitchen Dance (December).

2.13 Continue to assist the Sister Islands and the districts in Grand Cayman with Museum related issues and activities as needed.

2.14 Provide a cafe, a gift shop, and other facilities to include a Museum Library (reference and research books and digital/virtual images of the Collection), Education and Research Centre, and Interpretive Gardens for the benefit and enjoyment of the public, and to enhance income streams for the Museum.

2.15 Maintain an up-to-date Emergency Management Plan that addresses professional standards of protection and security for Museum visitors, staff, collections, building contents, and facilities, and that addresses continuity of business in the event of an emergency or disaster.

2.16 Continue to develop a robust Membership plan and network to ensure appreciation of the Museum, its mission, vision, and goals, and to provide income to the Museum.

2.17 Regularly update gift shop and visitor services policies.

CINM 3- MINISTRY AND GOVERNMENTAL DEPARTMENT SUPPORT

3.1 Continue to prepare and support Government's requests for information in a timely manner to further the cultural well-being of the Cayman lslands.

3.2 Provide reports and other documents requested by the Ministry on a monthly, quarterly, and annual basis, and as needs arise.

3.3 Assist the Ministry in creating a National Cultural Policy, a National Youth Policy, and other culture related plans as requested.

3.4 Assist the Ministry and Board in review or development of any necessary legislation.

3.5 Seek Cabinet approval for extending the lease for the Old Courts Building to 99 years (current 50- year lease term is 5 June 1990 - 5 June 2040) or vesting the Old Courts Building to the Museum.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Cayman Islands National Museum for the 2022 and 2023 financial years are as follows:

	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE FROM CABINET	892	892	855
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	141	186	78
OPERATING EXPENSES	1,129	1,289	956
OPERATING SURPLUS/DEFICIT	**(68)**	**(171)**	**(16)**
NET WORTH	**2,448**	**2,657**	**(2,092)**
CASH FLOWS FROM OPERATING ACTIVITIES	(24)	(100)	236
CASH FLOWS FROM INVESTING ACTIVITIES	(436)	(380)	(350)
CASH FLOWS FROM FINANCING ACTIVITIES	424	380	341
CHANGE IN CASH BALANCES	(36)	(100)	227

FINANCIAL PERFORMANCE RATIO	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
CURRENT ASSETS : CURRENT LIABILITIES	38.12	25.45	38.48
TOTAL ASSETS : TOTAL LIABILITIES	73.35	57.73	62.45

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	9.5	10.5	8.5
STAFF TURNOVER (%)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	18%
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	10	10	10
PROFESSIONAL AND TECHNICAL STAFF	3	3	3
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	-	-	-

PHYSICAL CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	1,768.242	3,708.168	816.316
ASSET REPLACEMENTS : TOTAL ASSETS	-	-	-
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	55%	71%	37%
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	-	-	-
CHANGES TO ASSET MANAGEMENT POLICIES	-	-	-

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
20K SQ. FT. MUSEUM, PURPOSED SUPPORT FACILITY: LAND	1,000	-	-
20K SQ. FT. MUSEUM, PURPOSED SUPPORT FACILITY: CONSTRUCTION	-	2,000	-
MUSEUM BUILDING ENHANCEMENTS (I.E. ELEVATOR, FIRE SUPPRESSION); RE-ESTABLISH AND ENHANCE NATIONAL HERITAGE TRAIL AND BEGIN ESTABLISHMENT OF SHIPWRECK PRESERVES	-	-	350
TOTAL	**1,000**	**2,000**	**350**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
1. Loss or damage to the non-renewable National Collection by:	No	Insurance, new roof, building repairs and maintenance, monitoring system	N.B. see note (k) or accounting policies regarding the Collection
a) Fire	No	Sufficient fire extinguishers that are regularly serviced. Hired security during after-hours events i.e. street dances. Determine the feasibility of installing fire sprinklers in the Museum and any purpose-built facilities.	Replacement or restoration cost of items lost or damaged as a result of the event
b) Hurricane or Severe Storm Due to the close proximity to the water the National Collection is at risk throughout the year	No	Annual hurricane preparedness exercises and updating of the plan and supplies. Removal and/or safe storage of artefacts when a hurricane is approaching. Continuous internal and external building maintenance.	Replacement or restoration cost of items lost or damaged as a result of the event
c) Pest infestation The building's materials and construction increase its vulnerability	No	Regular pest control management	Replacement or restoration cost of items lost or damaged as a result of the event
d) Insurance	No	Basic insurance coverage is in place for the buildings and their contents. Need to review and revise as needed. Seek the expertise of a certified art appraiser to establish the replacement values of the Museum's National Art Collection for insurance purposes.	Financial loss of the replacement value of the Museum's art collection and other measurable items

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
2. Inadequate shelving and storage facilities and inactive conservation programme result in gradual deterioration of the National Collection	No	The collection is in a new rental storage Post Ivan. Plan and build a purpose-built facility to accommodate the current and future needs of the National Collection.	Replacement or restoration cost of items lost or damaged as a result of the event.
3. The Museum needs specialized staff in the areas of conservation, curation, collections management, design, archaeology, business, public relations, programmes and operations.	Yes	One staff member's position was upgraded during the 2021 financial year, based on completion of advanced degree. Staff are continually being encouraged to undertake studies and obtain qualifications. The Museum is working to improve professional staffing of the organisation to create a positive professional environment and to address the specialized needs of the Museum	Inability to professionally manage, research, care for, curate, interpret, and exhibit the Museum's collections - resulting in replacement or restoration cost of items lost.

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Cayman Islands National Museum is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE	1,060.605	1,117.127	939.597
OPERATING EXPENSES	1,128.531	1,288.358	955.886
NET SURPLUS/(DEFICIT)	(67.926)	(171.231)	(16.289)

BALANCE SHEET	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
ASSETS	3,058.287	4,900.057	2,216.422
LIABILITIES	33.840	46.840	34.049
NET WORTH	3,024.448	4,853.217	2,092.373

STATEMENT OF CASH FLOW	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	(24.291)	(99.978)	236.049
CASH FLOWS FROM INVESTING ACTIVITIES	(1,012)	(2,000)	(350.00)
CASH FLOWS FROM FINANCING ACTIVITIES	1,000	2,000	341

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's
EQUITY INVESTMENTS INTO CAYMAN ISLANDS NATIONAL MUSEUM	436	436
CAPITAL WITHDRAWALS FROM CAYMAN ISLANDS NATIONAL MUSEUM	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN ISLANDS NATIONAL MUSEUM	-	-
GOVERNMENT LOANS TO BE MADE TO CAYMAN ISLANDS NATIONAL MUSEUM	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN ISLANDS NATIONAL MUSEUM	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[13]	-	-
REMUNERATION[14] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	323.028	323.028
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	323.028	323.028

DESCRIPTION	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	7	7
NUMBER OF KEY SENIOR MANAGEMENT (MD)	4	4

[13] Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

[14] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the Cayman Islands National Museum undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will the sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Cayman Islands National Museum will seek to achieve for the 2022 and 2023 financial years and that the Cabinet will monitor performance against.

Honourable Bernie Bush
Minister for Youth, Sports, Culture and Heritage
On behalf of Cabinet

Chairman of the Board
Cayman Islands National Museum

31 December 2021

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS GOVERNMENT

CAYMAN ISLANDS NATIONAL MUSEUM
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2022 and 31 December 2023 and performance for the Cayman Islands National Museum for the financial years ending 31 December 2022 and 31 December 2023; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
Cayman Islands National Museum

31 December 2021

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(a) Reporting periods

In compliance with the *Public Management and Finance Act (2020 Revision)*, the current financial statements are prepared for 12 months from January 1, 2020 to December 31, 2020.

(b) Basis of preparation

In compliance with the *Public Management and Finance Act (2020 Revision)*, the Museum's financial statements are prepared in accordance with International Public Sector Accounting Standards ("IPSAS").

As outlined in Note 1, the continued existence of the Museum is contingent on the ongoing support from the Government. As Management considers that this support will be ongoing and there are no indications which suggest otherwise, Management considers the preparation of the financial statements under the going concern assumption to be appropriate.

These financial statements are presented in Cayman Islands dollars ("CI$"), which is the Museum's functional currency. All amounts have been rounded to the nearest dollar, unless otherwise indicated.

The measurement base applied to these financial statements is the historical cost basis.

(c) Use of estimates

The preparation of financial statements in accordance with IPSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to these financial statements, relate to estimating the useful lives of property, plant and equipment and management's assessment of whether an impairment is required to be recognized in respect of property and equipment (Note 7) and whether an impairment provision is required in respect of inventory (Note 6).

(d) New and revised standards and interpretations that are not yet effective

Certain new accounting standards have been published. The Museum's assessments of the impact of these new standards are set out below.

IPSAS 41, *Financial Instruments* was issued in August 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2022. IPSAS 41 establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement. It is anticipated that IPSAS 41 will not have a significant impact on the Museum's financial statements. This will be assessed more fully closer to the effective date of adoption.

IPSAS 42, *Social Benefits* was issued in December 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2022. IPSAS 42 defines social benefits and determines when expenses and liabilities for social benefits are recognized and how they are measured. It is anticipated that IPSAS 42 will not have an impact on the Museum's financial statements, but this will be assessed more fully closer to the effective date of adoption.

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

(e) Cash and cash equivalents
The Museum considers all cash and short-term deposits with a maturity of three months or less to be cash or cash equivalents.

(f) Inventories
Inventories consist of products sold in the Museum giftshop and are valued at the lower of cost or net realisable value, using an average cost basis less an allowance for obsolete and slow-moving items.

(g) Property and equipment
Property and equipment are stated at cost less accumulated depreciation and impairment losses.
An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of financial performance.
Depreciation is charged to write-off the cost of the asset over their estimated useful life, using the straight-line method.

Estimated useful lives are as follows:

Computer hardware and software	3-5 years
Furniture, fixtures and equipment	5-8 years
Leasehold improvements	10-25 years
Permanent exhibits	30 years
Vehicles	5 years

Cost comprises the purchase price of an asset and any directly attributable costs of bringing the asset to working condition for its intended use such as import duties, initial delivery and storage cost.

Repairs and maintenance are charged to expenses as incurred.

(h) Income recognition
Income on the sale of goods is recognized in the statement of financial performance at the point of the sale. Rental income, interest and other income are recognized on an accrual basis. Income earned from admissions, membership dues, fundraising, and donations are recorded in the period in which the payment is received.

(i) Government grants
Government grants are recognized and accrued quarterly. Certain grants cover staff costs and related expenditures of the Museum. Grant income and expenditures are recorded gross in the financial statements.

(j) Foreign currency translation

Transactions during the year and assets and liabilities at the statement of financial position dates denominated in United States dollars are translated into Cayman Islands dollars at a fixed rate of US$1.00 = CI$0.80. Gains and losses on foreign currencies, if any, are included in administration and other expenses.

(k) Collections, exhibits and artefacts

Consistent with the practice followed by many museums, collections, exhibits (excluding permanent exhibits) and artefacts purchased and donated are not recorded in the Statement of Financial Position. The costs of all objects purchased are recorded as an expense in the Statement of Financial Performance. Objects acquired by gift or donations are not recorded in these financial statements since it is difficult to obtain an objective measurement or valuation of these items.

(l) Contributed services

During the course of the period covered by these financial statements, unpaid volunteers made contributions of their time and resources to support the Museum's activities. The value of these contributions is not reflected in these financial statements since it is not susceptible to objective measurement or valuation.

(m) Financial assets and liabilities

(i) Classification

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset, or to exchange financial instruments with another enterprise under conditions that are potentially favourable or an equity instrument of another enterprise. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

(ii) Recognition

The Museum recognizes financial assets and liabilities on the date it becomes a party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in financial assets and liabilities measured at amortised cost are recognised in the Statement of Financial Performance.

Financial assets comprise cash and cash equivalents, accounts receivable and deposits. Financial liabilities comprise accounts payable and accrued liabilities. Management determines the classification of its financial assets and liabilities at initial recognition.

(iii) Measurement

Financial instruments are measured initially at cost, including transaction costs. For financial assets acquired, cost is the fair value of the consideration given, while for financial liabilities cost is the fair value of consideration received.

(iv) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position when the Museum has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis. At December 31 2020 and December 31 2019, there were no assets or liabilities reported on a net basis.

(v) Impairment

A financial asset is impaired if there is objective evidence indicating that one or more events have had a negative effect on the estimated future cash flows of that asset. The amount of the impairment loss for assets carried at amortised cost is calculated as the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the financial instrument's original effective interest rate. All impairment losses are recognised in the statement of financial performance.

(vi) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Museum has transferred all the risks and rewards of ownership. A financial liability is derecognised when it is discharged, cancelled or expires.

(vii) Fair value

The fair value of financial instruments approximates their carrying value principally due to the short-term nature of such instruments.

(n) Restricted funds

Restricted funds are derived from gifts, grants, and contracts received by the Museum for operating purposes but restricted by donors, grantors, and outside agencies as to the specific purpose for which the funds may be expended. As these funds have traditionally not been reimbursable, and the Museum does not consider there to be a legal or constructive obligation to do so, they form a part of the Museum's equity position as reflected on the Statement of Financial Position. Contributions that are restricted for specific purposes by the donor must be used as intended and cannot fund other activities or general operations without the proper consent of the original donor.

(o) Operating leases

Operating lease payments are recognised as an expense in the Statement of Financial Performance on a straight-line basis over the lease term.

(l)Contributed services

During the course of the period covered by these financial statements, unpaid volunteers made contributions of their time and resources to support the Museum's activities. The value of these contributions is not reflected in these financial statements since it is not susceptible to objective measurement or valuation.

(p) Financial assets and liabilities

(i) Classification

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset, or to exchange financial instruments with another enterprise under conditions that are potentially favourable or an equity instrument of another enterprise. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

(ii) Recognition

The Museum recognizes financial assets and liabilities on the date it becomes a party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in financial assets and liabilities measured at amortised cost are recognised in the Statement of Financial Performance.

Financial assets comprise cash and cash equivalents, accounts receivable and deposits. Financial liabilities comprise accounts payable and accrued liabilities. Management determines the classification of its financial assets and liabilities at initial recognition.

(iii) Measurement

Financial instruments are measured initially at cost, including transaction costs. For financial assets acquired, cost is the fair value of the consideration given, while for financial liabilities cost is the fair value of consideration received.

(iv) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position when the Museum has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis. At December 31, 2020 and December 31, 2019, there were no assets or liabilities reported on a net basis.

(v) Impairment

A financial asset is impaired if there is objective evidence indicating that one or more events have had a negative effect on the estimated future cash flows of that asset. The amount of the impairment loss for assets carried at amortised cost is calculated as the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the financial instrument's original effective interest rate. All impairment losses are recognised in the statement of financial performance.

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Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Museum has transferred all the risks and rewards of ownership. A financial liability is derecognised when it is discharged, cancelled or expires.

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(r) Operating leases

Operating lease payments are recognised as an expense in the Statement of Financial Performance on a straight-line basis over the lease term.

CAYMAN ISLANDS NATIONAL MUSEUM

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL POSITION	Note	12-Month Budget 2022	12-Month Budget 2023
	Current Assets			
977,838	Cash and cash equivalents	1	941,547	841,569
-	Marketable securities and deposits		-	-
218,750	Trade receivables	2	229,980	231,980
-	Other receivables	2	-	-
56,325	Inventories	3	61,325	64,325
-	Investments	4	-	-
57,194	Prepayments	5	57,194	54,015
-	Loans	6	-	-
1,310,107	**Total Current Assets**		**1,290,046**	**1,191,889**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
816,316	Property, plant and equipment	7	1,192,242	1,512,168
-	Intangible Assets	8	-	-
816,316	**Total Non-Current Assets**		**1,192,242**	**1,512,168**
2,126,422	**Total Assets**		**2,482,287**	**2,704,057**
	Current Liabilities			
1,289	Trade payables	9	3,687	16,687
11,631	Other payables and accruals	9	9,024	9,024
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
-	Unearned revenue	10	-	-
21,129	Employee entitlements	11	21,129	21,129
-	Current Portion of Borrowings	12	-	-
34,049	**Total Current Liabilities**		**33,840**	**46,840**
	Non-Current Liabilities			
-	Trade payables	9	-	-
-	Other payables and accruals	9	-	-
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Unfunded pension liability	13	-	-
-	Unfunded post retirement health care	14	-	-
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
-	**Total Non-Current Liabilities**		**-**	**-**
34,049	**Total Liabilities**		**33,840**	**46,840**
2,092,373	**Net Assets**		**2,448,448**	**2,657,217**
	NET WORTH			
1,485,211	Contributed capital		1,909,211	2,289,211
287,272	Other Reserves		287,272	287,272
-	Revaluation reserve		-	-
319,890	Accumulated surpluses/(deficits)		251,965	80,734
2,092,373	**Total Net Worth**		**2,448,448**	**2,657,217**

CAYMAN ISLANDS NATIONAL MUSEUM

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL PERFORMANCE	Note	12-Month Budget 2022	12-Month Budget 2023
	Revenue			
933,463	Sale of goods and services	**15**	1,032,670	1,078,254
134	Investment revenue	**16**	141	148
6,000	Donations	**17**	27,794	38,726
-	Other revenue		-	-
939,597	**Total Revenue**		**1,060,605**	**1,117,127**
	Expenses			
488,398	Personnel costs	**18**	560,922	648,042
420,860	Supplies and consumables	**19**	507,535	580,242
47,196	Depreciation and Amortisation	**7**	60,074	60,074
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	**20**	-	-
-	Litigation costs	**21**	-	-
(567)	Other (Gains)/losses	**22**	-	-
-	Other Operating expenses		-	-
955,886	**Total Expenses**		**1,128,531**	**1,288,358**
(16,289)	**Surplus or (Deficit) for the period**		**(67,925.65)**	**(171,230.71)**

CAYMAN ISLANDS NATIONAL MUSEUM

FORECAST STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	CASH FLOW STATEMENT	Note	12-Month Budget 2022	12-Month Budget 2023
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
1,068,750	Sale of goods and services to Cabinet		882,690	891,920
6,500	Sale of goods and services to Ministries/Portfolios		7,156	8,120
2,330	Sale of goods and services to Statutory Agencies and Government Conpanies		2,655	3,000
47,844	Sale of goods and services - third party		58,304	80,365
134	Interest received		141	148
6,000	Donations / Grants		27,794	38,726
9,079	Other receipts		14,352	19,136
	Payments			
(488,398)	Personnel costs		(560,922)	(648,042)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(416,190)	Supplies and consumables - third party		(456,460)	(493,350)
-	Interest paid		-	-
-	Other payments		-	-
236,049	**Net cash flows from operating activities**	**23**	**(24,291)**	**(99,978)**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(350,000)	Purchase of property, plant and equipment		(436,000)	(380,000)
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
-	Proceeds from sale of investments		-	-
(350,000)	**Net cash flows from investing activities**		**(436,000)**	**(380,000)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
350,000	Equity Investment from Cabinet		424,000	380,000
(9,000)	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	Borrowings		-	-
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
341,000	**Net cash flows from financing activities**		**424,000**	**380,000**
227,049	**Net increase/(decrease) in cash and cash equivalents**		**(36,291)**	**(99,978)**
750,788	Cash and cash equivalents at beginning of period		977,838	941,547
977,838	**Cash and cash equivalents at end of period**		**941,547**	**841,569**

CAYMAN ISLANDS NATIONAL MUSEUM

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2019 brought forward	1,135,211	346,272	-	292,855	1,774,338
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2019	1,135,211	346,272	-	292,855	1,774,338
Changes in net worth for 2020					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	(50,000)	-	-	(50,000)
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	(50,000)	-	-	(50,000)
Surplus/(deficit)for the period 2020				43,325	43,325
Total recognised revenues and expenses for the period	-	(50,000)	-	43,325	(6,675)
Balance at 31 December 2020	1,135,211	296,272	-	336,179	1,767,663
Balance at 31 December 2020 brought forward	1,135,211	296,272	-	336,179	1,767,663
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2020	1,135,211	296,272	-	336,179	1,767,663
Changes in net worth for 2021					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	(9,001)	-	-	(9,001)
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	350,000	-	-	-	350,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	350,000	(9,001)	-	-	341,000
Surplus/(deficit)for the period 2021				(16,289)	(16,289)
Total recognised revenues and expenses for the period	350,000	(9,001)	-	(16,289)	324,710
Balance at 31 December 2021 carried forward	1,485,211	287,272	-	319,890	2,092,373

CAYMAN ISLANDS NATIONAL MUSEUM

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	1,485,211	287,272	-	319,890	2,092,373
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	1,485,211	287,272	-	319,890	2,092,373
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	424,000	-	-	-	424,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	424,000	-	-	-	424,000
Surplus/(deficit)for the period 2022				(67,926)	(67,926)
Total recognised revenues and expenses for the period	424,000	-	-	(67,926)	356,074
Balance at 31 December 2022 carried forward	1,909,211	287,272	-	251,965	2,448,448
Balance at 31 December 2022 brought forward	1,909,211	287,272	-	251,965	2,448,448
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	1,909,211	287,272	-	251,965	2,448,448
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	380,000	-	-	-	380,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	380,000	-	-	-	380,000
Surplus/(deficit)for the period 2023				(171,231)	(171,231)
Total recognised revenues and expenses for the period	380,000	-	-	(171,231)	208,769
Balance at 31 December 2023	2,289,211	287,272	-	80,734	2,657,217

CAYMAN ISLANDS NATIONAL MUSEUM

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
1,095	Cash on hand	1,095	1,095
250	Cash in transit	250	250
688,315	CI$ Account	647,010	541,926
74,989	US$ Account	75,739	76,497
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
213,188	Short-Term Fixed Deposits	217,452	221,801
977,838	**TOTAL**	**941,547**	**841,569**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
213,750	Sale of goods and services to Cabinet	222,980	222,980
3,500	Sale of goods and services to Ministries/Portfolios	4,500	5,500
1,000	Sale of goods and services to Statutory Agencies and Government Conpanies	2,000	3,000
500	Sale of goods and services - third party	500	500
218,750	**Total trade receivables**	**229,980**	**231,980**

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
218,750	Past due 1-30 days	229,980	231,980
218,750	**Total**	**229,980**	**231,980**

NOTE 3: INVENTORIES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Inventories		
-	Inventory held for use in the provision of goods and services	-	-
57,331	Inventory held for sale	62,331	65,331
-	Inventory Other	-	-
(1,006)	Impairment of Inventory	(1,006)	(1,006)
56,325	**INVENTORIES - Current**	**61,325**	**64,325**
	Non-Current Inventories		
-	Inventory held for use in the provision of goods and services	-	-
-	Inventory held for sale	-	-
-	Inventory Other	-	-
-	Impairment of Inventory	-	-
-	**INVENTORIES - Non-Current**	-	-
56,325	**TOTAL INVENTORIES**	**61,325**	**64,325**

NOTE 5: PREPAYMENTS

12-Month Forecast 2021	Prepayments	12-Month Budget 2022	12-Month Budget 2023
	Current Prepayments		
57,194	Deposits and Prepayments	57,194	54,015
57,194	**Prepayments - Current**	**57,194**	**54,015**
57,194	**Total Prepayments**	**57,194**	**54,015**

CAYMAN ISLANDS NATIONAL MUSEUM

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY PLANT AND EQUIPMENT

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2020	722,283	402,376	158,663	67,187	50,200	432,628	-	1,833,337
Additions	-	-	-	-	-	-	-	-
Disposals and Derecognisation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2020	722,283	402,376	158,663	67,187	50,200	432,628	-	1,833,337

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2021	722,283	402,376	158,663	67,187	50,200	432,628	-	1,833,337
Additions	350,000	-	-	-	-	-	-	350,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	1,072,283	402,376	158,663	67,187	50,200	432,628	-	2,183,337

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	1,072,283	402,376	158,663	67,187	50,200	432,628	-	2,183,337
Additions	-	10,000	2,000	-	-	-	424,000	436,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	1,072,283	412,376	160,663	67,187	50,200	432,628	424,000	2,619,337

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	1,072,283	412,376	160,663	67,187	50,200	432,628	424,000	2,619,337
Additions	-	-	-	-	-	-	380,000	380,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	1,072,283	412,376	160,663	67,187	50,200	432,628	804,000	2,999,337

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2020	477,320	396,783	152,291	65,628	32,775	143,431	-	1,268,228
Transfers	-	-	-	-	-	-	-	-
Impairment Reserve 2018 (closing balance)	-	-	-	-	-	-	-	-
Depreciation Expense 2018	23,976	2,797	5,387	336	4,354	14,748	-	51,598
Eliminate on Disposal or Derecognisation 2018	-	-	-	-	-	-	-	-
Balance as at 31 December 2020	501,296	399,579	157,678	65,964	37,129	158,179	-	1,319,826

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2021	501,296	399,579	157,678	65,964	37,129	158,179	-	1,319,826
Transfers	-	-	-	-	-	-	-	-
Impairment Reserve 2019 (closing balance)	-	-	-	-	-	-	-	-
Depreciation Expense 2019	23,976	2,797	985	336	4,354	14,748	-	47,196
Eliminate on Disposal or Derecognisation 2019	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	525,272	402,376	158,663	66,300	41,483	172,927	-	1,367,021

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	525,272	402,376	158,663	66,300	41,483	172,927	-	1,367,021
Transfers	-	-	-	-	-	-	-	-
Impairment change 2020	-	-	-	-	-	-	-	-
Depreciation Expense 2020	37,976	2,000	660	336	4,354	14,748	-	60,074
Eliminate on Disposal or Derecognisation 2020	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	563,248	404,376	159,323	66,636	45,837	187,675	-	1,427,095

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	563,248	404,376	159,323	66,636	45,837	187,675	-	1,427,095
Transfers	-	-	-	-	-	-	-	-
Impairment change 2021	-	-	-	-	-	-	-	-
Depreciation Expense 2021	37,976	2,000	660	336	4,354	14,748	-	60,074
Eliminate on Disposal or Derecognisation 2021	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	601,224	406,376	159,983	66,972	50,191	202,423	-	1,487,169

Net Book value 31 December 2020	220,987	2,797	985	1,223	13,071	274,449	-	513,511

Net Book value 31 December 2021	547,011	-	-	887	8,717	259,701	-	816,316

Net Book value 31 December 2022	509,035	8,000	1,340	551	4,363	244,953	424,000	1,192,242

Net Book value 31 December 2023	471,059	6,000	680	215	9	230,205	804,000	1,512,168

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Trade payables other payables and accruals		
1,289	Creditors Third party	3,687	16,687
10,131	Accrued Expenses	7,524	7,524
1,500	Other payables	1,500	1,500
12,920	**Trade payables other payables and accruals - Current**	**12,711**	**25,711**
12,920	**Total trade payables other payables and accruals**	**12,711**	**25,711**

NOTE 11: EMPLOYEE ENTITLEMENTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current employee entitlements		
19,195	Annual Leave/Comp-time	19,195	19,195
1,933	Other	1,933	1,933
21,129	**Total current portion**	**21,129**	**21,129**
21,129	**Total employee entitlements**	**21,129**	**21,129**

NOTE 15A: SALES OF GOODS AND SERVICES

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
11,677	Fees and Charges	56,285	73,713
57,708	General Sales	70,114	93,485
9,079	Rentals	14,352	19,136
-	Other Goods & Services Revenue	-	-
855,000	Sale of goods and services to Cabinet	891,920	891,920
-	Sale of goods and services to Other Ministries and Portfolios	-	-
933,463	**Total sales of goods and services**	**1,032,670**	**1,078,254**

NOTE 15A: SALES OF GOODS AND SERVICES (CONTINUED)

12-Month Forecast 2021	Fees and Charges	12-Month Budget 2022	12-Month Budget 2023
3,037	Admissions	46,285	61,713
8,640	Membership	10,000	12,000
11,677	**Total Fees & Charges**	**56,285**	**73,713**

12-Month Forecast 2021	General Sales	12-Month Budget 2022	12-Month Budget 2023
57,708	Giftshop Sales	70,114	93,485
57,708	**Total General Sales**	**70,114**	**93,485**

12-Month Forecast 2021	Rentals	12-Month Budget 2022	12-Month Budget 2023
9,079	Café Rental	14,352	19,136
9,079	**Total Rentals**	**14,352**	**19,136**

12-Month Forecast 2021	Other Goods & Services Revenue	12-Month Budget 2022	12-Month Budget 2023
	Sales of Outputs to Cabinet		
855,000	Sales of Outputs to Cabinet	891,920	891,920
-	Other Outputs	-	-
855,000	**Total Sales of Outputs to Cabinet**	**891,920**	**891,920**
	Other Interdepartmental Revenue		
-	Revenue from Ministries/Portfolios	-	-
-	Revenue from Statutory Authorities and Government Companies	-	-
-	**Total Other Interdepartmental Revenue**	-	-
933,463	**Total Goods and Services**	**1,032,670**	**1,078,254**

NOTE 16: INVESTMENT REVENUE

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
-	Interest on deposits	-	-
134	Interest on cash balances	141	148
-	Royalties	-	-
-	Other	-	-
134	**Total Investment revenue**	**141**	**148**

NOTE 17: DONATIONS

12-Month Forecast 2021	Source	12-Month Budget 2022	12-Month Budget 2023
1,000	**Charitable contribution**	2,794	3,726
5,000	**Fundraising**	25,000	35,000
6,000	**Total donations**	**27,794**	**38,726**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
391,572	Salaries, wages and allowances	463,572	535,572
77,247	Health care CINICO	74,171	85,691
-	Health care other	-	-
19,579	Pension	23,179	26,779
-	Leave	-	-
-	Other personnel related costs	-	-
488,398	**Total Personnel Costs**	**560,922**	**648,042**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
68,869	Supplies and Materials	124,089	165,238
126,279	Purchase of services	140,817	167,319
131,560	Lease of Property and Equipment	137,650	137,650
48,699	Utilities	56,873	59,354
22,863	General Insurance	23,863	24,863
-	Interdepartmental expenses	-	-
-	Travel and Subsistence	-	-
-	Recruitment and Training	-	-
22,589	Other	24,243	25,819
420,860	**Total Supplies & consumables**	**507,535**	**580,242**

NOTE 22: OTHER GAINS/(LOSSES)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
-	Net (gain) / loss on disposal of property, plant and equipment	-	-
-	Net (gain) / loss on derecognition and revaluation of assets	-	-
(567)	Net (gain) / loss on foreign exchange Transactions	-	-
(567)	**Total gains/ (losses)**	-	-

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(16,289)	**Surplus/(deficit) from ordinary activities**	(67,926)	(171,231)
	Non-cash movements		
47,196	Depreciation and Amortisation	60,074	60,074
213,750	(Increase)/decrease in other current assets - Cabinet	(9,230)	-
(34)	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	(1,000)	(1,000)
(1,000)	(Increase)/decrease in other current assets - Ministries Portfolios	(1,000)	(1,000)
18,277	(Increase)/decrease in other current assets - Other	(5,000)	179
(25,850)	(Increase/(decrease) in current liabilities - Other	(209)	13,000
236,049	**Net cash flows from operating activities**	**(24,291)**	**(99,978)**

NOTE 25: COMMITMENTS

Type	One year or less	One to five Years	Over five Years	12-Month Budget 2022	12-Month Budget 2023
Capital Commitments					
Property, plant and equipment	-	-	-	-	-
Other fixed assets	-	-	-	-	-
Other commitments (list separately if material)	-	-	-	-	-
Total Capital Commitments	-	-	-	-	-
Operating Commitments					
Non-cancellable accommodation leases	38,689	-	-	38,689	-
Other non-cancellable leases	-	-	-	-	-
Non-cancellable contracts for the supply of goods and services	-	-	-	-	-
Other operating commitments	-	-	-	-	-
Total Operating Commitments	38,689	-	-	38,689	-
Total Commitments	38,689	-	-	38,689	-

NOTE 26: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
239,508	Salaries & other short-term employee benefits	323,028	323,028
-	Past employee benefits	-	-
-	Other long-term benefits	-	-
-	Termination benefits	-	-
-	Loans	-	-
239,508	**Total**	**323,028**	**323,028**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

CAYMAN ISLANDS STOCK EXCHANGE

FOR THE 2022 FINANCIAL YEAR ENDING 31 DECEMBER 2022
AND THE 2023 FINANCIAL YEAR ENDING 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT (2020 REVISION)

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1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Cayman Islands Stock Exchange have agreed the Cayman Islands Stock Exchange will seek to achieve during the 2022 and 2023 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the *Cayman Islands Stock Exchange* is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Cayman Islands Stock Exchange Ltd activities involve establishing and operating a securities market for the listing and trading of securities in the Cayman Islands.

SCOPE OF ACTIVITIES

The scope of *The Cayman Islands Stock Exchange Ltd.* activities is as follows:

To operate the Exchange for the trading of securities, including the operation of an electronic trading platform and related trading and clearance tracking processes and the operation of a crossing market.

- To admit persons (brokers) as Exchange members;
- To list securities on the Exchange and to appoint Listing Agents;
- To regulate listed issuers and broker members through the establishment and monitoring of Listing Rules and Membership Rules; and
- To promote listing, membership and use of the Exchange.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by *Cayman Islands Stock Exchange Ltd.* are provided only in the Cayman Islands.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Cayman Islands Stock Exchange for the 2022 and 2023 financial years are as follows:

1. continue to be financially self-sufficient and not require capital injections or loans from the Cayman Islands Government;

2. continue to produce an operating profit and continue to pay a dividend to the Cayman Islands Government;

3. increase the number of issuers of equity securities listed on the Exchange; and

4. examine potential co-operations and synergies with regional and other offshore exchanges.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Cayman Islands Stock Exchange for the 2022 and 2023 financial years are as follows:

	2022 1 Jan to 31 Dec 2022 $000's	**2023 1 Jan to 31 Dec 2023 $000's**	**2021 12-Month Forecast $000's**
REVENUE FROM CABINET	-	-	-
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	3,179	2,917	3,386
OPERATING EXPENSES	2,191	2,154	1,962
OPERATING SURPLUS/DEFICIT	988	763	1,424
NET WORTH	**6,218**	**6,600**	**5,469**
CASH FLOWS FROM OPERATING ACTIVITIES	**1,162**	**923**	**1,573**
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	(510)	(255)	(1,080)
CHANGE IN CASH BALANCES	652	668	493

FINANCIAL PERFORMANCE RATIO	**2022 1 Jan to 31 Dec 2022 %**	**2023 1 Jan to 31 Dec 2023 %**	**2021 12-Month Forecast %**
CURRENT ASSETS : CURRENT LIABILITIES	9.91	9.08	7.00
TOTAL ASSETS : TOTAL LIABILITIES	3.41	3.44	2.91

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	9	9	9
STAFF TURNOVER (%)	-	-	-
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)	-	-	-
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	-	-	-

PHYSICAL CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	8,803	9,310	8,324
ASSET REPLACEMENTS : TOTAL ASSETS	-	-	-
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	-	-	-
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	-	-	-
CHANGES TO ASSET MANAGEMENT POLICIES	-	-	-

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
TECHNOLOGY – EQUIPMENT, SOFTWARE, SECURITY	750	-	-
TOTAL	**750**	**-**	**-**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Loss of key personnel	Risk unchanged	Creating incentives to retain such personnel	Unquantifiable
Loss of international reputation	Risk unchanged	Active programme to maintain reputation including management of suitability of applications for listing and broker membership, monitoring of ongoing compliance with listing and membership rules and gaining and maintaining international recognitions	Potentially equal to the total assets of the Exchange
Loss of listed issuers	Risk unchanged	Establishment and maintenance of relationships with issuers and listing agents and a programme of diversification into different types of products	Loss of turnover
Inability to obtain international recognitions	Risk unchanged	Active programme to persuade international regulatory bodies to grant recognitions and diversification into different geographical markets	Unquantifiable
Loss of CUSIP agency	Risk unchanged	Programme of diversification into different business activities and growth of the core listing business	Loss of turnover

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Cayman Islands Stock Exchange is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE	3,179	2,917	3,386
OPERATING EXPENSES	2,191	2,154	1,962
NET SURPLUS/(DEFICIT)	988	763	1,424

BALANCE SHEET	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
ASSETS	8,803	9,310	8,324
LIABILITIES	2,584	2,710	2,855
NET WORTH	6,219	6,600	5,469

STATEMENT OF CASH FLOW	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	1,162	924	1,573
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	(510)	(255)	(1,080)

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's
EQUITY INVESTMENTS INTO CAYMAN ISLANDS STOCK EXCHANGE	-	-
CAPITAL WITHDRAWALS FROM CAYMAN ISLANDS STOCK EXCHANGE	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN ISLANDS STOCK EXCHANGE	493	238
GOVERNMENT LOANS TO BE MADE TO CAYMAN ISLANDS STOCK EXCHANGE	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN ISLANDS STOCK EXCHANGE	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[15]	144	144
REMUNERATION[16] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	596	596
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	596	596

DESCRIPTION	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	6	6
NUMBER OF KEY SENIOR MANAGEMENT (MD)	4	4

[15] Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

[16] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the Cayman Islands Stock Exchange undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will the sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Cayman Islands Stock Exchange will seek to achieve for the 2022 and 2023 financial years and that the Cabinet will monitor performance against.

Honourable Andre Ebanks
Minister for Financial Services and Commerce
On behalf of Cabinet

Chairman of the Board
Cayman Islands Stock Exchange

31 December 2021

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS
GOVERNMENT

CAYMAN ISLANDS STOCK EXCHANGE
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2022 and 31 December 2023 and performance for the Cayman Islands Stock Exchange for the financial years ending 31 December 2022 and 31 December 2023; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
Cayman Islands Stock Exchange

31 December 2021

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The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Cash and cash equivalents

The Company considers cash and short-term deposits with an original maturity of three months or less to be cash and cash equivalents.

Translation of foreign currencies

Assets and liabilities denominated, or accounted for, in currencies other than Cayman Islands dollars are translated into Cayman Islands dollars at the applicable exchange rate ruling at the Statement of Financial Position date. Foreign currency income and expense transactions are translated at the appropriate exchange rate ruling at the transaction date. Realised and unrealised gains and losses arising from such transactions are included in the Statement of Comprehensive Income. Cayman Islands dollars is the functional and reporting currency.

Property, plant and equipment recognition and valuation

Property, plant and equipment is initially recognised, at the date on which it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Subsequently, property, plant and equipment shall be carried at its cost less any accumulated depreciation and accumulated impairment loss.

Depreciation and amortisation

Property, plant and equipment and intangible assets are depreciated using the straight-line method over their estimated useful lives as follows:

Type of non-current asset	*Estimated useful life*
Leasehold improvements	Remainder of current lease term
Computer hardware	3 years
Office furniture and equipment	10 years
Intangible assets	5 years

Leases (IFRS 16)

The Company initially applied IFRS 16 from 1 January 2019. IFRS 16 sets out requirements for companies to recognize right-of-use assets and lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. IFRS 16 introduces a single, on-balance sheet lease accounting model. A lessee recognises a right-of-use asset respecting its right to use the underlying asset and a lease liability respecting its obligation to make lease payments. The right-of-use asset is depreciated over the lease term, being 10 years. Finance charges are incurred over the remainder of the lease payments reduce the lease liability balance. See Note 8.

Financial assets and liabilities

IFRS 9 *Financial Instruments* ("IFRS 9") sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Company initially adopted IFRS 9 from 1 January 2018.

Classification and measurement

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, Fair Value through Other Comprehensive Income ("FVOCI") and Fair Value through Profit or Loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Under IFRS 9, the Company classifies its financial assets as Cash, Trade receivables and Other receivables. Trade receivables are held at amortised cost. IFRS 9 divides all financial assets into two classifications - those measured at amortized cost and those measured at fair value. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Cash and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's cash and receivables comprise trade and other receivables, short term deposits and cash and cash equivalents in the balance sheet.

Financial assets are initially recognised at fair value, and transaction costs are expensed in the Statement of Comprehensive Income.

The Company classifies its financial liabilities as accounts payables and accrued liabilities. Such financial liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers or obligations to the Cayman Islands Government for dividends based on net income and comprehensive income. Accounts payable and accruals are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its Statement of Financial Position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment

The “expected credit loss” (“ECL”) model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The Company only has financial assets carried at amortised cost.

Allowance for credit losses

An allowance for credit losses (“ACL”) is established for all financial assets, except for financial assets classified or designated as FVTPL and equity securities designated as FVOCI, which are not subject to impairment assessment. Financial assets carried at amortized cost are presented net of ACL on the Statement of Financial Position. The Company measures the ACL on each reporting date according to a three-stage expected credit loss impairment model, with Stages 1 and 2 for performing financial assets, and Stage 3 for impaired financial assets.

Stage 1 – From initial recognition of a financial asset to the date on which the asset has experienced a significant increase in credit risk relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the 12 months following the reporting date.

Stage 2 – Following a significant increase in credit risk relative to the initial recognition of the financial asset, a loss allowance is recognised equal to the credit losses expected over the remaining lifetime of the asset.

Stage 3 – When a financial asset is considered to be credit-impaired, a loss allowance is recognised equal to credit losses expected over the remaining lifetime of the asset.

The ECL is a discounted probability-weighted estimate of the cash shortfalls expected to result from defaults over the relevant time horizon.

Increases or decreases in the required ACL attributable to derecognitions and remeasurements due to changes in loss expectations or stage migrations are recorded in provision for credit losses. Write-off and recoveries are recorded against allowance for credit losses. The ACL represents an unbiased estimate of expected credit losses on financial assets as at the reporting date. Judgement is required in making assumptions and estimations when calculating the ACL, including movements between the three stages and the application of forward-looking information.

The underlying assumptions and estimates could result in changes to the allowances from period to period that significantly affects the results of operations.

The stages don't apply to accounts receivable as lifetime losses are considered within the ECL calculation.

Measurement of expected credit losses

Expected credit losses are based on a range of possible outcomes and consider available reasonable and supportable information including internal and external ratings, historical credit loss experience, and expectations about future cash flows. The measurement of expected credit losses is based primarily on the product of the instrument's probability of default ("PD"), loss given default ("LGD"), and exposure at default ("EAD") discounted to the reporting date. The main difference between Stage 1 and Stage 2 expected credit losses for performing financial assets is the respective calculation horizon. Stage 1 estimates project PD, LGD and EAD over a maximum period of 12 months while Stage 2 estimates project PD, LGD and EAD over the remaining lifetime of the instrument.

Expected credit losses are discounted to the reporting period date using the effective interest rate.

The Company has adopted a "simplified approach" for trade receivables. The simplified approach, as permitted by IFRS 9, allows entities to recognise lifetime expected losses without the need to identify significant increases in credit risk (see Note 7).

Expected life

For instruments in Stage 2 or Stage 3, loss allowances reflect expected credit losses over the expected remaining lifetime of the instrument. For most instruments, the expected life is limited to the remaining contractual life.

Critical accounting judgements and key sources of estimation uncertainty

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates are continually evaluated based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The key areas of judgement or estimation are with regard to the recoverability of trade receivables. Trade receivables are considered to be recoverable in full by the Company after taking into consideration the age of the receivable, the financial stability of the debtors, and the post period-end receipts to the date of the report.

CAYMAN ISLANDS STOCK EXCHANGE

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL POSITION	Note	12-Month Budget 2022	12-Month Budget 2023
	Current Assets			
6,920,042	Cash and cash equivalents	1	7,571,574	8,239,855
-	Marketable securities and deposits		-	-
540,730	Trade receivables	2	486,657	437,992
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
35,131	Prepayments	5	35,131	35,131
-	Loans	6	-	-
7,495,903	**Total Current Assets**		**8,093,362**	**8,712,978**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
446,147	Investments	4	390,379	334,611
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
382,350	Property, plant and equipment	7	318,931	263,161
-	Intangible Assets	8	-	-
828,497	**Total Non-Current Assets**		**709,310**	**597,772**
8,324,400	**Total Assets**		**8,802,672**	**9,310,750**
	Current Liabilities			
578,197	Trade payables	9	578,197	578,197
-	Other payables and accruals	9	-	-
493,149	Dividends/Surplus Payable	9	238,376	381,704
-	Bank Overdraft	1	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Current Portion of Borrowings	12	-	-
1,071,346	**Total Current Liabilities**		**816,573**	**959,901**
	Non-Current Liabilities			
1,784,405	Trade payables	9	1,767,450	1,750,495
-	Other payables and accruals	9	-	-
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Unfunded pension liability	13	-	-
-	Unfunded post retirement health care	14	-	-
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
1,784,405	**Total Non-Current Liabilities**		**1,767,450**	**1,750,495**
2,855,751	**Total Liabilities**		**2,584,023**	**2,710,396**
5,468,649	**Net Assets**		**6,218,649**	**6,600,354**
	NET WORTH			
100,000	Contributed capital		100,000	100,000
71,926	Other Reserves		71,926	71,926
-	Revaluation reserve		-	-
5,296,723	Accumulated surpluses/(deficits)		6,046,723	6,428,428
5,468,649	**Total Net Worth**		**6,218,649**	**6,600,354**

CAYMAN ISLANDS STOCK EXCHANGE

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 December 2022 AND 31 DECEMBER 2021

12-Month Forecast 2021	STATEMENT OF FINANCIAL PERFORMANCE	Note	12-Month Budget 2022	12-Month Budget 2023
	Revenue			
3,385,687	Sale of goods and services	**15**	3,179,346	2,917,322
-	Investment revenue	**16**	-	-
-	Donations	**17**	-	-
-	Other revenue		-	-
3,385,687	**Total Revenue**		**3,179,346**	**2,917,322**
	Expenses			
1,074,748	Personnel costs	**18**	1,232,093	1,232,093
793,764	Supplies and consumables	**19**	895,458	866,050
92,684	Depreciation and Amortisation	**7**	63,419	55,770
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	**20**	-	-
-	Litigation costs	**21**	-	-
-	Other (Gains)/losses	**22**	-	-
-	Other Operating expenses		-	-
1,961,196	**Total Expenses**		**2,190,970**	**2,153,913**
1,424,491	**Surplus or (Deficit) for the period**		**988,376**	**763,409**

CAYMAN ISLANDS STOCK EXCHANGE

FORECAST STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	CASH FLOW STATEMENT	Note	12-Month Budget 2022	12-Month Budget 2023
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
-	Sale of goods and services to Cabinet		-	-
-	Sale of goods and services to Ministries/Portfolios		-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
3,372,024	Sale of goods and services - third party		3,165,683	2,903,660
1,363	Interest received		1,363	1,363
-	Donations / Grants		-	-
12,300	Other receipts		12,300	12,300
	Payments			
(1,074,748)	Personnel costs		(1,232,093)	(1,232,093)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(35,120)	Supplies and consumables - third party		(35,120)	(35,120)
-	Interest paid		-	-
(702,877)	Other payments		(750,496)	(726,498)
1,572,942	**Net cash flows from operating activities**	**23**	**1,161,637**	**923,612**
	CASH FLOWS FROM INVESTING ACTIVITIES			
-	Purchase of property, plant and equipment		-	-
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
-	Proceeds from sale of investments		-	-
-	**Net cash flows from investing activities**		**-**	**-**
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Equity Investment from Cabinet		-	-
(1,062,839)	Repayment of Surplus/Dividends or Capital withdrawal		(493,149)	(238,376)
(16,955)	Borrowings		(16,955)	(16,955)
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
(1,079,794)	**Net cash flows from financing activities**		**(510,104)**	**(255,331)**
493,148	**Net increase/(decrease) in cash and cash equivalents**		**651,533**	**668,281**
6,426,893	Cash and cash equivalents at beginning of period		6,920,041	7,571,574
6,920,041	**Cash and cash equivalents at end of period**		**7,571,574**	**8,239,855**

CAYMAN ISLANDS STOCK EXCHANGE

FORECAST STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2019 brought forward	100,000	71,926		3,909,682	4,081,608
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2019	100,000	71,926	-	3,909,682	4,081,608
Changes in net worth for 2020					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(1,669,979)	(1,669,979)
Net revenue / expenses recognised directly in net worth	-	-	-	(1,669,979)	(1,669,979)
Surplus/(deficit)for the period 2020				2,125,678	2,125,678
Total recognised revenues and expenses for the period	-	-	-	455,699	455,699
Balance at 31 December 2020	100,000	71,926	-	4,365,381	4,537,307
Balance at 31 December 2020 brought forward	100,000	71,926	-	4,365,381	4,537,307
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2020	100,000	71,926	-	4,365,381	4,537,307
Changes in net worth for 2021					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(493,149)	(493,149)
Net revenue / expenses recognised directly in net worth	-	-	-	(493,149)	(493,149)
Surplus/(deficit)for the period 2021				1,424,491	1,424,491
Total recognised revenues and expenses for the period	-	-	-	931,342	931,342
Balance at 31 December 2021 carried forward	100,000	71,926	-	5,296,723	5,468,649

CAYMAN ISLANDS STOCK EXCHANGE

FORECAST STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	100,000	71,926	-	5,296,723	5,468,649
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	100,000	71,926	-	5,296,723	5,468,649
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(238,376)	(238,376)
Net revenue / expenses recognised directly in net worth	-	-	-	(238,376)	(238,376)
Surplus/(deficit)for the period 2022				988,376	988,376
Total recognised revenues and expenses for the period	-	-	-	750,000	750,000
Balance at 31 December 2022 carried forward	100,000	71,926	-	6,046,723	6,218,649
Balance at 31 December 2022 brought forward	100,000	71,926	-	6,046,723	6,218,649
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	100,000	71,926	-	6,046,723	6,218,649
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(381,704)	(381,704)
Net revenue / expenses recognised directly in net worth	-	-	-	(381,704)	(381,704)
Surplus/(deficit)for the period 2023				763,409	763,409
Total recognised revenues and expenses for the period	-	-	-	381,705	381,705
Balance at 31 December 2023	100,000	71,926	-	6,428,428	6,600,354

CAYMAN ISLANDS STOCK EXCHANGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
200	Cash on hand	200	200
-	Cash in transit	-	-
269,216	CI$ Account	269,216	269,216
5,970,652	US$ Account	6,622,184	7,290,465
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
679,974	Short-Term Fixed Deposits	679,974	679,974
6,920,042	**TOTAL**	**7,571,574**	**8,239,855**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
-	Sale of goods and services to Cabinet	-	-
-	Sale of goods and services to Ministries/Portfolios	-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies	-	-
540,730	Sale of goods and services - third party	486,657	437,992
-	Other	-	-
-	**Less: provision for doubtful debts**	-	-
540,730	**Total trade receivables**	**486,657**	**437,992**

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
540,730	Past due 1-30 days	486,657	437,992
-	Past due 31-60 days	-	-
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
540,730	**Total**	**486,657**	**437,992**

NOTE 4: INVESTMENTS

12-Month Forecast 2021	Investments - at the lower of cost or market value	12-Month Budget 2022	12-Month Budget 2023
	Current Investments		
-	**Investments - Current**	**-**	**-**
	Non-Current Investments		
446,147	Right of Use Asset	390,379	334,611
446,147	**Investments -Non-Current**	**390,379**	**334,611**
446,147	**Total Investments**	**390,379**	**334,611**

NOTE 5: PREPAYMENTS

12-Month Forecast 2021	Prepayments	12-Month Budget 2022	12-Month Budget 2023
	Current Prepayments		
35,131	Prepayments	35,131	35,131
35,131	**Prepayments - Current**	**35,131**	**35,131**
	Non-Current Prepayments		
-	**Prepayments -Non-Current**	**-**	**-**
35,131	**Total Prepayments**	**35,131**	**35,131**

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2020	389,396	867,442	236,372	1,493,210
Additions	38,173	14,879		53,052
Disposals and Derecognisation	-	-	(163,120)	(163,120)
Revaluation	-	-	-	-
Transfers	-	-	-	-
Balance as at 31 December 2020	427,569	882,321	73,252	1,383,142

	Leasehold Improvements	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2021	427,569	882,321	73,252	1,383,142
Additions	-	-	-	-
Disposals and Derecognisation	-	-	-	-
Revaluation	-	-	-	-
Transfers	-	-	-	-
Balance as at 31 December 2021	427,569	882,321	73,252	1,383,142

	Leasehold Improvements	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2022	427,569	882,321	73,252	1,383,142
Additions	-	-	-	-
Disposals and Derecognisation	-	-	-	-
Revaluation	-	-	-	-
Transfers	-	-	-	-
Balance as at 31 December 2022	427,569	882,321	73,252	1,383,142

	Leasehold Improvements	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2023	427,569	882,321	73,252	1,383,142
Additions	-	-	-	-
Disposals and Derecognisation	-	-	-	-
Revaluation	-	-	-	-
Transfers	-	-	-	-
Balance as at 31 December 2023	427,569	882,321	73,252	1,383,142

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCUMULATED DEPRECIATION

	Leasehold Improvements	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2020	12,844	802,594	164,856	980,294
Transfers	-	-	-	-
Impairment Reserve 2020 (closing balance)	-	-	-	-
Depreciation Expense 2020	44,165	36,039	11,605	91,809
Eliminate on Disposal or Derecognisation 2020	-	-	(163,120)	(163,120)
Balance as at 31 December 2020	57,009	838,633	13,341	908,983

	Leasehold Improvements	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2021	57,009	838,633	13,341	908,983
Transfers	-	-	-	-
Impairment Reserve 2021 (closing balance)	-	-	-	-
Depreciation Expense 2021	44,165	36,039	11,605	91,809
Eliminate on Disposal or Derecognisation 2021	-	-	-	-
Balance as at 31 December 2021	101,174	874,672	24,946	1,000,792

	Leasehold Improvements	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2022	101,174	874,672	24,946	1,000,792
Transfers	-	-	-	-
Impairment change 2022	-	-	-	-
Depreciation Expense 2022	44,165	7,649	11,605	63,419
Eliminate on Disposal or Derecognisation 2022	-	-	-	-
Balance as at 31 December 2022	145,339	882,321	36,551	1,064,211

	Leasehold Improvements	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2023	145,339	882,321	36,551	1,064,211
Transfers	-	-	-	-
Impairment change 2023	-	-	-	-
Depreciation Expense 2023	44,165	-	11,605	55,770
Eliminate on Disposal or Derecognisation 2023	-	-	-	-
Balance as at 31 December 2023	189,504	882,321	48,156	1,119,981

Net Book value 31 December 2020	370,560	43,688	59,911	474,159
Net Book value 31 December 2021	326,395	7,649	48,306	382,350
Net Book value 31 December 2022	282,230	-	36,701	318,931
Net Book value 31 December 2023	238,065	-	25,096	263,161

NOTE 8: INTANGIBLE ASSETS

COST OF INTANGIBLE ASSETS

	Other Intangible Assets	*Total*
Balance as at 1 January 2020	6,560	6,560
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2020	6,560	6,560

	Other Intangible Assets	*Total*
Balance as at 1 January 2021	6,560	6,560
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2021	6,560	6,560

	Other Intangible Assets	*Total*
Balance as at 1 January 2022	6,560	6,560
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2022	6,560	6,560

	Other Intangible Assets	*Total*
Balance as at 1 January 2023	6,560	6,560
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2023	6,560	6,560

NOTE 8: INTANGIBLE ASSETS

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Other Intangible Assets	*Total*
Balance as at 1 January 2020	4,373	4,373
Transfers	-	-
Impairment Reserve 2020 (closing balance)	-	-
Depreciation Expense 2020	1,312	1,312
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2020	5,685	5,685

	Other Intangible Assets	*Total*
Balance as at 1 January 2021	5,685	5,685
Transfers	-	-
Impairment Reserve 2021 (closing balance)	-	-
Depreciation Expense 2021	875	875
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2021	6,560	6,560

	Other Intangible Assets	*Total*
Balance as at 1 January 2022	6,560	6,560
Transfers	-	-
Impairment change 2022	-	-
Depreciation Expense 2022	-	-
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2022	6,560	6,560

	Other Intangible Assets	*Total*
Balance as at 1 January 2023	6,560	6,560
Transfers	-	-
Impairment change 2023	-	-
Depreciation Expense 2023	-	-
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2023	6,560	6,560

Net Book value 31 December 2020	875	875
Net Book value 31 December 2021	-	-
Net Book value 31 December 2022	-	-
Net Book value 31 December 2023	-	-

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Trade payables other payables and accruals		
578,197	Creditors Third party	578,197	578,197
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
-	Accrued Expenses	-	-
-	Other payables	-	-
493,149	Dividends/Surplus Payable	238,376	381,704
1,071,346	**Trade payables other payables and accruals - Current**	**816,573**	**959,901**
	Non-Current Trade payables other payables and accruals		
1,784,405	Creditors Third party	1,767,450	1,750,495
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
-	Accrued Expenses	-	-
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
1,784,405	**Trade payables other payables and accruals - Non-Current**	**1,767,450**	**1,750,495**
2,855,751	**Total trade payables other payables and accruals**	**2,584,023**	**2,710,396**

CAYMAN ISLANDS STOCK EXCHANGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 15A: SALE OF GOODS AND SERVICES

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
-	Fees and Charges	-	-
-	General Sales	-	-
-	Rentals	-	-
3,385,687	Other Goods & Services Revenue	3,179,346	2,917,322
-	Sale of goods and services to Cabinet	-	-
-	Sale of goods and services to Other Ministries and Portfolios	-	-
3,385,687	**Total sales of goods and services**	**3,179,346**	**2,917,322**

12-Month Forecast 2021	Other Goods & Services Revenue	12-Month Budget 2022	12-Month Budget 2023
2,826,580	Operations	2,620,239	2,358,215
545,444	CUSIP	545,444	545,444
12,300	Consultancy & miscellaneous	12,300	12,300
1,363	Interest	1,363	1,363
3,385,687	**Total Other Goods & Services Revenue**	**3,179,346**	**2,917,322**
	Other Interdepartmental Revenue		
-	Revenue from Ministries/Portfolios	-	-
-	Revenue from Statutory Authorities and Government Companies	-	-
-	**Total Other Interdepartmental Revenue**	-	-
3,385,687	**Total Goods and Services**	**3,179,346**	**2,917,322**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
1,074,748	Salaries, wages and allowances	1,232,093	1,232,093
-	Health care CINICO	-	-
-	Health care other	-	-
-	Pension	-	-
-	Leave	-	-
-	Other personnel related costs	-	-
1,074,748	**Total Personnel Costs**	**1,232,093**	**1,232,093**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
35,120	Supplies and Materials	35,120	35,120
-	Purchase of services	-	-
23,425	Lease of Property and Equipment	23,425	23,425
40,179	Utilities	40,179	40,179
10,988	General Insurance	12,296	13,759
-	Interdepartmental expenses	-	-
100,000	Travel and Subsistence	100,000	100,000
-	Recruitment and Training	-	-
584,052	Other	684,438	653,567
793,764	**Total Supplies & consumables**	**895,458**	**866,050**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
1,424,491	**Surplus/(deficit) from ordinary activities**	988,376	763,409
	Non-cash movements		
92,684	Depreciation & Amortisation	63,419	55,770
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:		
-	(Increase)/decrease in other current assets - Cabinet	-	-
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
-	(Increase)/decrease in other current assets - Other	-	-
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
55,767	(Increase/(decrease) in current liabilities - Other	109,842	104,433
1,572,942	**Net cash flows from operating activities**	**1,161,637**	**923,612**

NOTE 26: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
578,864	Salaries & other short-term employee benefits	596,230	596,230
-	Past employee benefits	-	-
-	Other long-term benefits	-	-
-	Termination benefits	-	-
-	Loans	-	-
578,864	**Total**	**596,230**	**596,230**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

CAYMAN NATIONAL CULTURAL FOUNDATION

FOR THE 2022 FINANCIAL YEAR ENDING 31 DECEMBER 2022
AND THE 2023 FINANCIAL YEAR ENDING 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT (2020 REVISION)

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CONTENTS

1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Cayman National Cultural Foundation have agreed the Cayman National Cultural Foundation will seek to achieve during the 2022 and 2023 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Cayman National Cultural Foundation is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Cayman National Cultural Foundation mission is to stimulate, facilitate and preserve cultural and artistic expression generally, particularly the preservation and exploration of Caymanian performing, visual and literary arts.

SCOPE OF ACTIVITIES

The scope of Cayman National Cultural Foundation activities is as follows:

1. The stimulation and facilitation of culture generally;
2. The development, maintenance and management of theatres and other cultural facilities, in particular the F.J. Harquail Cultural Centre;
3. Organising cultural festivals;
4. Stimulation of the development of local talent by means of training, workshops, competitions, exhibitions, pageants, parades, displays and other such activities;
5. Assisting persons in developing cultural and artistic expression, including the preservation and exploration of Caymanian cultural heritage.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by Cayman National Cultural Foundation are provided to the community of the Cayman Islands.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Cayman National Cultural Foundation for the 2022 and 2023 financial years are as follows:

- The Foundation's remit to assist persons in developing cultural and artistic expression, and preserving and exploring Caymanian cultural heritage, and
- Manifold National Culture and Heritage Policy goals, specifically:

GOVERNANCE NCHPP Policy Direction 2, Strategic Aim 3: With existing culture and heritage organisations, help to build, improve or sustain culture and heritage programming at district or national levels.

CNCF will –

Produce, or monitor organizers' achievement of key performance indicators and administer CIG funding for:

- Cayfest, the Cayman Islands National Festival of the Arts (since 1995)
- Gimistory, the Cayman Islands International Storytelling Festival (since 1998)
- Cayman Carnival (as of 2020)

DEVELOPMENT NCHPP Policy Direction 5, Strategic Aim 2: Research, promulgate and protect traditional Caymanian sites, objects, mores and cultural practices

CNCF will –

- Maintain or exceed current levels of intangible cultural heritage preservation and programming, such as researching and promulgating traditional and current Caymanian customs, retentions, indigenous forms of speech, oral history, the art of storytelling, original folk songs, national dishes and so forth;
- Judiciously bolster the Cayman Islands National Art Collection by purchasing artworks that represent the history, traditions and daily life of the Cayman Islands. Examples of such works include paintings that depict historic sites, and/or community activities that are distinctive elements of Cayman's heritage.

GOVERNANCE NCHPP Policy Direction 2, Strategic Aim 2: Establish a funding mechanism through which resources for culture and heritage initiatives may be accessed by individuals, collectives or cultural entities at district or national level

AND

ENTERPRISE NCHPP Policy Direction 7, Strategic Aim 2: Create a funding mechanism which individuals and entities may access for enhancing culture and heritage in the Cayman Islands.

CNCF will –

Provide appropriate scholarship and grant support for meaningful arts and culture project proposals submitted by local artists, artisans, academics and others.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Cayman National Cultural Foundation for the 2022 and 2023 financial years are as follows:

	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE FROM CABINET	1,110	1,110	1,089
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	174	174	20
OPERATING EXPENSES	1,284	1,284	1,401
OPERATING SURPLUS/DEFICIT		**-**	**(92)**
NET WORTH	**11,574**	**11,664**	**11,334**
CASH FLOWS FROM OPERATING ACTIVITIES	161	174	125
CASH FLOWS FROM INVESTING ACTIVITIES	(420)	(300)	233
CASH FLOWS FROM FINANCING ACTIVITIES	270	90	(28)
CHANGE IN CASH BALANCES	11	(36)	96

FINANCIAL PERFORMANCE RATIO	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
CURRENT ASSETS : CURRENT LIABILITIES	5.87	5.82	5.85
TOTAL ASSETS : TOTAL LIABILITIES	17.89	18.02	18.42

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	8	8	7
STAFF TURNOVER (%)			
MANAGERS	-	-	29%
PROFESSIONAL AND TECHNICAL STAFF	15%	15%	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	1	1	30
PROFESSIONAL AND TECHNICAL STAFF	6	7	5
CLERICAL AND LABOURER STAFF	8	9	7
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	-	-	-

PHYSICAL CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	12,259	12,349	11,988
ASSET REPLACEMENTS : TOTAL ASSETS	-	-	-
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	-	-	-
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	-	-	-
CHANGES TO ASSET MANAGEMENT POLICIES	-	-	-

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CNCF'S CONTRIBUTION TO BUILDING A NEW TARMACKED PUBLIC ROAD BETWEEN THE FJ HARQUAIL CULTURAL CENTRE AND THE NATIONAL GALLERY OF THE CAYMAN ISLANDS	150	-	-
TOTAL	**150**	**-**	**-**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Vulnerability to winds and storm surge form Hurricanes and Tropical Storms	Ongoing	Act of God	10,000,000
Vulnerability to fire damage from nearby Landfill	Ongoing	Act of God	10,000,000
Vulnerability to flooding due to high water table	Ongoing	CNCF will be conducting a storm water management survey to determine recommended actions	50,000

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Cayman National Cultural Foundation is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE	1,284	1,284	1,309
OPERATING EXPENSES	1,284	1,284	1,401
NET SURPLUS/(DEFICIT)	-	-	-

BALANCE SHEET	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
ASSETS	12,259	12,349	11,988
LIABILITIES	685	685	654
NET WORTH	11,574	11,664	11,334

STATEMENT OF CASH FLOW	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	161	174	125
CASH FLOWS FROM INVESTING ACTIVITIES	(420)	(300)	-
CASH FLOWS FROM FINANCING ACTIVITIES	270	90	(28)

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's
EQUITY INVESTMENTS INTO CAYMAN NATIONAL CULTURAL FOUNDATION	240	90
CAPITAL WITHDRAWALS FROM CAYMAN NATIONAL CULTURAL FOUNDATION	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN NATIONAL CULTURAL FOUNDATION	-	-
GOVERNMENT LOANS TO BE MADE TO CAYMAN NATIONAL CULTURAL FOUNDATION	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN NATIONAL CULTURAL FOUNDATION	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[17]	-	-
REMUNERATION[18] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	-	-
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	120	120

DESCRIPTION	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	7	7
NUMBER OF KEY SENIOR MANAGEMENT (MD)	1	1

[17] Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

[18] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the Cayman National Cultural Foundation undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will the sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Cayman National Cultural Foundation will seek to achieve for the 2022 and 2023 financial years and that the Cabinet will monitor performance against.

Honourable Bernie Bush
Minister for Youth, Sports, Culture and Heritage
On behalf of Cabinet

Chairman of the Board
Cayman National Cultural Foundation

31 December 2021

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS
GOVERNMENT

CAYMAN NATIONAL CULTURAL FOUNDATION
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2022 and 31 December 2023 and performance for the Cayman National Cultural Foundation for the financial years ending 31 December 2022 and 31 December 2023; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
Cayman National Cultural Foundation

31 December 2021

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CAYMAN NATIONAL CULTURAL FOUNDATION

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

Significant Accounting Policies

1. Basis of preparation
The financial statements are presented in Cayman Islands dollars and are prepared on the accrual basis of accounting, unless otherwise stated. The measurement base applied to these financial statements is the historical cost basis.

2. Budget amounts
The original budget amounts for the financial period are as presented in the 2020 Annual Budget Statement and approved by the Minister of Culture on 31 December 2019.

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period and in any future periods that are affected by those revisions. Depreciation and the calculation of the estimated useful lives of Property, Plant and Equipment is considered to be a key judgement made by management in the preparation of the financial statements.

4. Reporting period
The reporting period is for the 12 months commencing 1 January 2020 and ending 31 December 2020.

5. Revenue from exchange transactions
Revenue is generally recognised when earned by the Foundation. The revenue recognised is the fair value of the consideration received for the sale of goods and services. Revenue from exchange transactions includes theatre rentals and ticket sales presented within other revenue in the statement of financial performance.

6. Revenue from non-exchange transactions - government grants
Revenue from non-exchange transactions is generally recognised when the event occurs, and the resulting asset's recognition criteria are met. Revenue from non-exchange transactions includes donations and government grants.

7. Expenses
Expenses are recognised in the accounting period in which they are incurred.

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

9. Property and equipment

Property and equipment is stated at historical cost less accumulated depreciation. Items of property and equipment are initially recorded at cost. Where an asset is acquired for nil or nominal consideration, the asset is recognized initially at fair value, where fair value can be reliably determined, and as revenue in the statement of financial performance in the period in which the asset is acquired. Depreciation is expensed on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property and equipment (other than land and heritage assets); less any estimated residual value, over its estimated useful life.

Asset Type	***Estimated Useful life***
Building	50 years
Land improvements	3-10 years
Furniture and other equipment	7 years
Motor Vehicles	5 years
Property Improvements	7-10 years

Heritage assets

IPSAS 17 *Property, Plant and Equipment* provides optional recognition of heritage assets. Works of art are considered to be heritage assets.

Disposals

Gains and losses on disposals of property and equipment are determined by comparing the sale proceeds with the carrying amount of the asset. Gains and losses on disposals during the period are included in the statement of financial performance.

10. Impairment of assets

The Foundation considers all assets held to be non-cash generating assets, as the primary objective of holding the assets is not to generate a commercial return, but rather to fulfil the Foundation's objectives. The Foundation assesses whether there is any indication that non-cash generating assets may be impaired at each reporting date. If any such indication exists, the Foundation shall make a formal estimate of the recoverable service amount of the asset.

Impairment losses are recognized in the statement of financial performance.

11. Employee benefits

Employee entitlements to salaries and wages, annual leave and other similar benefits are recognised in the statement of financial performance when they are earned by employees. Employee entitlements to be settled within one year following the period end are reported as current liabilities at the amount expected to be paid. Pension contributions for employees of the Foundation are paid to the Silver Thatch Pension Fund (the "Fund"). The Fund is a defined contribution fund. Employees have a mandatory contribution of 5% of their salary, which is matched by the Foundation.

12. Financial instruments

The Foundation is party to financial instruments as part of its normal operations. These financial instruments include cash and cash equivalents, other financial assets, government grant and other receivables, trade payables, other payables and accruals and advance donations, all of which are recognised in the statement of financial position.

Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable. Financial assets comprise of cash and cash equivalents, government grant and other receivables and other financial assets. A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities comprise of trade payables, other payables and accruals and advanced donations.

Recognition

The Foundation recognises financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in fair value of the assets and liabilities are recognised in the statements of financial performance.

Loans and receivables are recognised on the day they are granted by the Foundation.

Measurement

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

Financial liabilities are subsequently measured at amortised cost, being the amount at which the liability was initially recognised less any payment plus any accrued interest of the difference between that initial amount and the maturity amount (i.e. the effective interest method).

De-recognition

A financial asset is de-recognised when the Foundation realises the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or expires.

13. Contingent Liabilities and Assets

Contingent liabilities are not recognised but are disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised but are disclosed in the financial statements when an inflow of economic benefits is probable.

14. Foreign Currency

Foreign currency transactions are recorded in Cayman Islands dollars using the exchange rate in effect at the date of the transaction. Foreign currency gains or losses resulting from settlement of such transactions are recognised in the statement of financial performance.

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

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

CAYMAN NATIONAL CULTURAL FOUNDATION

FORECAST STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast Ending Dec-21	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
	Current Assets			
3,429,670	Cash and cash equivalents	**1**	3,440,967	3,404,905
-	Marketable securities and deposits		-	-
377,162	Trade receivables	**2**	386,553	386,553
-	Other receivables	**2**	-	-
17,281	Inventories	**3**	21,519	21,519
-	Investments	**4**	-	-
-	Prepayments	**5**	-	-
-	Loans	**6**	-	-
3,824,113	**Total Current Assets**		**3,849,039**	**3,812,977**
	Non-Current Assets			
-	Trade receivables	**2**	-	-
-	Other receivables	**2**	-	-
-	Inventories	**3**	-	-
-	Investments	**4**	-	-
-	Prepayments	**5**	-	-
-	Loans	**6**	-	-
-	Pension Plan Surplus	**13**	-	-
7,336,862	Property, plant and equipment	**7**	7,462,924	7,588,986
887,462	Intangible Assets	**8**	947,462	947,462
8,224,324	**Total Non-Current Assets**		**8,410,386**	**8,536,448**
12,048,437	**Total Assets**		**12,259,425**	**12,349,425**
	Current Liabilities			
514,602	Trade payables	**9**	556,189	556,189
130,365	Other payables and accruals	**9**	90,000	90,000
-	Dividends/Surplus Payable	**9**	-	-
-	Bank Overdraft	**1**	-	-
-	Unearned revenue	**10**	-	-
9,000	Employee entitlements	**11**	9,000	9,000
-	Current Portion of Borrowings	**12**	-	-
653,967	**Total Current Liabilities**		**655,189**	**655,189**
	Non-Current Liabilities			
-	Trade payables	**9**	-	-
-	Other payables and accruals	**9**	30,000	30,000
-	Dividends/Surplus Payable	**9**	-	-
-	Unearned revenue	**10**	-	-
-	Employee entitlements	**11**	-	-
-	Unfunded pension liability	**13**	-	-
-	Unfunded post retirement health care	**14**	-	-
	Currency Issued			
-	Long Term portion of Borrowings	**12**	-	-
-	**Total Non-Current Liabilities**		**30,000**	**30,000**
653,967	**Total Liabilities**		**685,189**	**685,189**
11,394,470	**Net Assets**		**11,574,236**	**11,664,236**
	NET WORTH			
3,556,857	Contributed capital		3,796,857	3,886,857
-	Other Reserves		-	-
4,019,673	Revaluation reserve		4,019,673	4,019,673
3,757,706	Accumulated surpluses/(deficits)		3,757,706	3,757,706
11,334,236	**Total Net Worth**		**11,574,236**	**11,664,236**

CAYMAN NATIONAL CULTURAL FOUNDATION

FORECAST STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL PERFORMANCE	Note	12-Month Budget 2022	12-Month Budget 2023
	Revenue			
1,288,800	Sale of goods and services	**15**	1,260,250	1,260,250
-	Investment revenue	**16**	-	-
20,000	Donations	**17**	24,054	24,054
-	Other revenue		-	-
1,308,800	**Total Revenue**		**1,284,304**	**1,284,304**
	Expenses			
442,141	Personnel costs	**18**	618,120	618,120
784,550	Supplies and consumables	**19**	492,246	492,246
173,938	Depreciation and Amortisation	**7**	173,938	173,938
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	**20**	-	-
-	Litigation costs	**21**	-	-
-	Other (Gains)/losses	**22**	-	-
-	Other Operating expenses		-	-
1,400,629	**Total Expenses**		**1,284,304**	**1,284,304**
(91,829)	**Surplus or (Deficit) for the period**		**-**	**-**

CAYMAN NATIONAL CULTURAL FOUNDATION

FORECAST STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	CASH FLOW STATEMENT	Note	12-Month Budget 2022	12-Month Budget 2023
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
1,096,017	Sale of goods and services to Cabinet		1,100,859	1,110,250
-	Sale of goods and services to Ministries/Portfolios		-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
-	Sale of goods and services - third party		-	-
-	Interest received		-	-
20,000	Donations / Grants		24,054	24,054
200,000	Other receipts		150,000	150,000
	Payments			
(442,141)	Personnel costs		(618,120)	(618,120)
(749,376)	Supplies and consumables - Ministries/Portfolios		(495,496)	(492,246)
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
-	Supplies and consumables - third party		-	-
-	Interest paid		-	-
-	Other payments		-	-
124,500	**Net cash flows from operating activities**	**23**	**161,297**	**173,938**
	CASH FLOWS FROM INVESTING ACTIVITIES			
233	Purchase of property, plant and equipment		(420,000)	(300,000)
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
-	Proceeds from sale of investments		-	-
233	**Net cash flows from investing activities**		**(420,000)**	**(300,000)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Equity Investment from Cabinet		240,000	90,000
(27,877)	Repayment of Surplus/Dividends or Capital withdrawal		30,000	-
-	Borrowings		-	-
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
(27,877)	**Net cash flows from financing activities**		**270,000**	**90,000**
96,856	**Net increase/(decrease) in cash and cash equivalents**		**11,297**	**(36,062)**
3,332,814	Cash and cash equivalents at beginning of period		3,429,670	3,440,967
3,429,670	**Cash and cash equivalents at end of period**		**3,440,967**	**3,404,905**

CAYMAN NATIONAL CULTURAL FOUNDATION

FORECAST STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2019 brought forward	3,359,558	-	4,019,673	719,451	8,098,682
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2019	3,359,558	-	4,019,673	719,451	8,098,682
Changes in net worth for 2020					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	197,299	-	-	-	197,299
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	197,299	-	-	-	197,299
Surplus/(deficit)for the period 2020				3,130,084	3,130,084
Total recognised revenues and expenses for the period	197,299	-	-	3,130,084	3,327,383
Balance at 31 December 2020	3,556,857	-	4,019,673	3,849,535	11,426,065
Balance at 31 December 2020 brought forward	3,556,857	-	4,019,673	3,849,535	11,426,065
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2020	3,556,857	-	4,019,673	3,849,535	11,426,065
Changes in net worth for 2021					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2021				(91,829)	(91,829)
Total recognised revenues and expenses for the period	-	-	-	(91,829)	(91,829)
Balance at 31 December 2021 carried forward	3,556,857	-	4,019,673	3,757,706	11,334,236

CAYMAN NATIONAL CULTURAL FOUNDATION

FORECAST STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	3,556,857	-	4,019,673	3,757,706	11,334,236
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	3,556,857	-	4,019,673	3,757,706	11,334,236
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	240,000	-	-	-	240,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	240,000	-	-	-	240,000
Surplus/(deficit)for the period 2022				-	-
Total recognised revenues and expenses for the period	240,000	-	-	-	240,000
Balance at 31 December 2022 carried forward	3,796,857	-	4,019,673	3,757,706	11,574,236
Balance at 31 December 2022 brought forward	3,796,857	-	4,019,673	3,757,706	11,574,236
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	3,796,857	-	4,019,673	3,757,706	11,574,236
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	90,000	-	-	-	90,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	90,000	-	-	-	90,000
Surplus/(deficit)for the period 2023				-	-
Total recognised revenues and expenses for the period	90,000	-	-	-	90,000
Balance at 31 December 2023	3,886,857	-	4,019,673	3,757,706	11,664,236

CAYMAN NATIONAL CULTURAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
-	Cash on hand	-	-
-	Cash in transit	-	-
262,261	CI$ Account	228,004	191,942
5,000	US$ Account	3,000	3,000
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
3,162,409	Short-Term Fixed Deposits	3,209,963	3,209,963
3,429,670	**TOTAL**	**3,440,967**	**3,404,905**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
272,200	Sale of goods and services to Cabinet	261,553	261,553
-	Sale of goods and services to Ministries/Portfolios	-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies	-	-
-	Sale of goods and services - third party	-	-
107,686	Other	125,000	125,000
(2,724)	**Less: provision for doubtful debts**	-	-
377,162	**Total trade receivables**	**386,553**	**386,553**

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
377,162	Past due 1-30 days	386,553	386,553
-	Past due 31-60 days	-	-
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
377,162	**Total**	**386,553**	**386,553**

NOTE 2: TRADE AND OTHER RECEIVABLES (CONTINUED)

12-Month Forecast Ending Dec-21	Description	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
(2,724)	Balance at begining oF period	(2,724)	-
	Receivables written off during the period	2,724	
(2,724)	**Balance at 31st December**	**-**	**-**

NOTE 3: INVENTORIES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Inventories		
-	Inventory held for use in the provision of goods and services	-	-
8,504	Inventory held for sale	14,004	13,000
8,777	Inventory Other	7,515	8,519
	Impairment of Inventory	-	-
17,281	**INVENTORIES - Current**	**21,519**	**21,519**
	Non-Current Inventories		
-	**INVENTORIES - Non-Current**	**-**	**-**
17,281	**TOTAL INVENTORIES**	**21,519**	**21,519**

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Roads and Sidewalks*	*Motor Vehicles*	*Total*
Balance as at 1 January 2020	3,230,000	4,173,051	100,198	336,595	-	23,611	7,863,455
Additions	-	-	-	105,512	-	-	105,512
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	95,777	136,548	-	-	232,325
Balance as at 31 December 2020	3,230,000	4,173,051	195,975	578,655	-	23,611	8,201,292

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Roads and Sidewalks*	*Motor Vehicles*	*Total*
Balance as at 1 January 2021	3,230,000	4,173,051	195,777	578,655	-	23,611	8,201,094
Additions	-	-	-	-	-	-	-
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2021	3,230,000	4,173,051	195,777	578,655	-	23,611	8,201,094

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Roads and Sidewalks*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	3,230,000	4,173,051	195,777	578,655	-	23,611	8,201,094
Additions	-	-	-	-	300,000	-	300,000
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2022	3,230,000	4,173,051	195,777	578,655	300,000	23,611	8,501,094

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Roads and Sidewalks*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	3,230,000	4,173,051	195,777	578,655	300,000	23,611	8,501,094
Additions	-	-	300,000	-	-	-	300,000
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2023	3,230,000	4,173,051	495,777	578,655	300,000	23,611	8,801,094

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Roads and Sidewalks*	*Motor Vehicles*	*Total*
Balance as at 1 January 2020	-	112,079	4,455	260,329	-	23,611	400,474
Transfers	-	-	-	136,548	-	-	136,548
Impairment Reserve 2018 (closing balance)	-	-	-		-	-	-
Depreciation Expense 2018	-	112,079	15,486	25,905	-	-	153,470
Eliminate on Disposal or Derecognisation 2018	-	-	-	-	-	-	-
Balance as at 31 December 2020	-	224,158	19,941	422,782	-	23,611	690,492

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Roads and Sidewalks*	*Motor Vehicles*	*Total*
Balance as at 1 January 2021	-	224,158	19,941	422,818	-	23,611	690,528
Transfers	-	-	-	-	-	-	-
Impairment Reserve 2019 (closing balance)	-	-	-	-	-	-	-
Depreciation Expense 2019	-	112,079	19,578	42,281	-	-	173,938
Eliminate on Disposal or Derecognisation 2019	-	-	-	-	-	-	-
Balance as at 31 December 2021	-	336,237	39,519	465,099	-	23,611	864,466

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Roads and Sidewalks*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	-	336,237	39,519	465,099	-	23,611	864,466
Transfers	-	-	-	-	-	-	-
Impairment change 2020	-	-	-	-	-	-	-
Depreciation Expense 2020	-	112,079	19,578	42,281	-	-	173,938
Eliminate on Disposal or Derecognisation 2020	-	-	-	-	-	-	-
Balance as at 31 December 2022	-	448,316	59,097	507,380	-	23,611	1,038,404

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Roads and Sidewalks*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	-	448,316	59,097	507,380	-	23,611	1,038,404
Transfers	-	-	-	-	-	-	-
Impairment change 2021	-	-	-	-	-	-	-
Depreciation Expense 2021	-	112,079	19,578	42,281	-	-	173,938
Eliminate on Disposal or Derecognisation 2021	-	-	-	-	-	-	-
Balance as at 31 December 2023	-	560,395	78,675	549,661	-	23,611	1,212,342

Net Book value 31 December 2020	3,230,000	3,948,893	176,034	155,873	-	-	7,510,800
Net Book value 31 December 2021	3,230,000	3,836,814	156,258	113,556	-	-	7,336,628
Net Book value 31 December 2022	3,230,000	3,724,735	136,680	71,275	300,000	-	7,462,690
Net Book value 31 December 2023	3,230,000	3,612,656	417,102	28,994	300,000	-	7,588,752

NOTE 8: INTANGIBLE ASSETS

COST OF INTANGIBLE ASSETS

	Other Intangible Assets	*Total*
Balance as at 1 January 2020	914,822	914,822
Additions	22,800	22,800
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2020	937,622	937,622

	Other Intangible Assets	*Total*
Balance as at 1 January 2021	937,622	937,622
Additions	60,000	60,000
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2021	997,622	997,622

	Other Intangible Assets	*Total*
Balance as at 1 January 2022	997,622	997,622
Additions	60,000	60,000
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2022	1,057,622	1,057,622

	Other Intangible Assets	*Total*
Balance as at 1 January 2023	1,057,622	1,057,622
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2023	1,057,622	1,057,622

NOTE 8: INTANGIBLE ASSETS

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Other Intangible Assets	*Total*
Balance as at 1 January 2020	110,160	110,160
Transfers	-	-
Impairment Reserve 2018 (closing balance)	-	-
Depreciation Expense 2018	-	-
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2020	110,160	110,160

	Other Intangible Assets	*Total*
Balance as at 1 January 2021	110,160	110,160
Transfers	-	-
Impairment Reserve 2019 (closing balance)	-	-
Depreciation Expense 2019	-	-
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2021	110,160	110,160

	Other Intangible Assets	*Total*
Balance as at 1 January 2022	110,160	110,160
Transfers	-	-
Impairment change 2020	-	-
Depreciation Expense 2020	-	-
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2022	110,160	110,160

	Other Intangible Assets	*Total*
Balance as at 1 January 2023	110,160	110,160
Transfers	-	-
Impairment change 2021	-	-
Depreciation Expense 2021	-	-
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2023	110,160	110,160

Net Book value 31 December 2020	827,462	827,462
Net Book value 31 December 2021	887,462	887,462
Net Book value 31 December 2022	947,462	947,462
Net Book value 31 December 2023	947,462	947,462

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast Ending Dec-21		12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
	Current Trade payables other payables and accruals		
514,602	Creditors Third party	556,189	556,189
130,365	Other payables	90,000	90,000
	Dividends/Surplus Payable		
644,967	**Trade payables other payables and accruals - Current**	**646,189**	**646,189**
	Non-Current Trade payables other payables and accruals		
-	Other payables	30,000	30,000
-	**Trade payables other payables and accruals - Non-Current**	**30,000**	**30,000**
644,967	**Total trade payables other payables and accruals**	**676,189**	**676,189**

CAYMAN NATIONAL CULTURAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 11: EMPLOYEE ENTITLEMENTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current employee entitlements		
9,000	Annual Leave/Comp-time	9,000	9,000
-	Retirement and long service leave	-	-
-	Accrued salaries	-	-
-	Travel	-	-
-	Other	-	-
9,000	**Total current portion**	**9,000**	**9,000**
	Non-current employee entitlements		
-	Retirement and long service leave	-	-
-	Other	-	-
-	**Total non-current portion**	-	-
9,000	**Total employee entitlements**	**9,000**	**9,000**

NOTE 15A: SALES OF GOODS AND SERVICES

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
-	Fees and Charges	-	-
120,000	General Sales	70,000	70,000
80,000	Rentals	80,000	80,000
-	Other Goods & Services Revenue	-	-
1,088,800	Sale of goods and services to Cabinet	1,110,250	1,110,250
-	Sale of goods and services to Other Ministries and Portfolios	-	-
1,288,800	**Total sales of goods and services**	**1,260,250**	**1,260,250**

12-Month Forecast 2021	General Sales	12-Month Budget 2022	12-Month Budget 2023
120,000		70,000	70,000
120,000	**Total General Sales**	**70,000**	**70,000**

NOTE 15A: SALES OF GOODS AND SERVICES (CONTINUED)

12-Month Forecast 2021	Rentals	12-Month Budget 2022	12-Month Budget 2023
80,000		80,000	80,000
80,000	**Total Rentals**	**80,000**	**80,000**

12-Month Forecast 2021	Other Goods & Services Revenue	12-Month Budget 2022	12-Month Budget 2023
	Sales of Outputs to Cabinet		
1,088,800	Sales of Outputs to Cabinet	1,110,250	1,110,250
	Other Outputs		
1,088,800	**Total Sales of Outputs to Cabinet**	**1,110,250**	**1,110,250**
	Other Interdepartmental Revenue		
-	Revenue from Ministries/Portfolios	-	-
-	Revenue from Statutory Authorities and Government Companies	-	-
-	**Total Other Interdepartmental Revenue**	-	-
1,288,800	**Total Goods and Services**	**1,260,250**	**1,260,250**

NOTE 17: DONATIONS

12-Month Forecast 2021	Source	12-Month Budget 2022	12-Month Budget 2023
-	**Helen Harquail Bequest**	-	-
20,000	**Sponsorships**	24,054	24,054
20,000	**Total donations**	**24,054**	**24,054**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
366,600	Salaries, wages and allowances	516,600	516,600
-	Health care CINICO	-	-
57,211	Health care other	75,690	75,690
18,330	Pension	25,830	25,830
-	Leave	-	-
-	Other personnel related costs	-	-
442,141	**Total Personnel Costs**	**618,120**	**618,120**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
664,550	Supplies and Materials	375,446	375,446
-	Purchase of services	-	-
-	Lease of Property and Equipment	-	-
60,000	Utilities	61,800	61,800
55,000	General Insurance	55,000	55,000
5,000	Interdepartmental expenses	-	-
-	Travel and Subsistence	-	-
-	Recruitment and Training	-	-
-	Other	-	-
784,550	**Total Supplies & consumables**	**492,246**	**492,246**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(91,829)	**Surplus/(deficit) from ordinary activities**	-	-
	Non-cash movements		
173,938	Depreciation & Amortisation	173,938	173,938
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:		
-	(Increase)/decrease in other current assets - Cabinet		-
42,391	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	(12,641)	-
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
-	(Increase)/decrease in other current assets - Other	-	-
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
-	(Increase/(decrease) in current liabilities - Other	-	-
124,500	**Net cash flows from operating activities**	**161,297**	**173,938**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED

FOR THE 2022 FINANCIAL YEAR ENDING 31 DECEMBER 2022
AND THE 2023 FINANCIAL YEAR ENDING 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT (2020 REVISION)

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1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Cayman Turtle Conservation and Education Centre Ltd. have agreed the Cayman Turtle Conservation and Education Centre Ltd. will seek to achieve during the 2022 and 2023 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Cayman Turtle Conservation and Education Centre Ltd. is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Cayman Turtle Conservation and Education Centre Ltd activities involve sustainable aquaculture, the rearing of marine turtles for conservation, research, and education reasons, as well as the self-sustaining renewable supply of turtle meat to the resident population as a means of minimising poaching of turtles from the wild, known as consumption conservation. From its early days, the facility also doubled as a tourist attraction, including a gift shop. Commencing in fiscal year 2004, the "Boatswain's Beach" project increased the scope of operations to that of a Family Entertainment Centre (FEC), boasting saltwater and freshwater artificial lagoons, a free-flight Caribbean aviary, a nature trail, and a restaurant with a bar, as well as a gift shop. The major portion of the company's revenues is derived from the tourist attraction components of the business. In 2010 the company changed its trading name back to "Cayman Turtle Farm" with the tagline "Island Wildlife Encounter" to portray the primary activity of the company. The official company name was changed from "Cayman Turtle Farm (1983) Ltd" to "Cayman Turtle Conservation and Education Centre Ltd" (herein abbreviated to "CTCEC") in 2017 following Cabinet approval. Its conservation, education, research and tourist attraction functions now trade as "Cayman Turtle Centre: Island Wildlife Encounter" (hereinafter referred to as "CTC"). Turtle meat products are sold under the trade name "Cayman Turtle Products".

SCOPE OF ACTIVITIES

The scope of Cayman Turtle Conservation and Education Centre Ltd activities is as follows:

- Conservation of sea turtles, with education and research on those and other related animals;
- Operation of an FEC tourist attraction, providing island wildlife encounters with marine and terrestrial animal species endemic to Cayman, and bird species endemic to the Caribbean;
- Operation of a gift-shop on site, and a kiosk at Royal Watler Terminal (when international cruise borders are open);
- Operation of a restaurant and bar, plus a snack shop and a café on site;
- Hosting of events;
- Sale of aqua cultured green sea turtle meat to the local population, which contributes significantly to sea turtle conservation by eliminating the need to take turtles from the wild to sustain those popular traditions, conservation through consumption, and in turn enables sustenance of popular local culinary traditions without the need to negatively impact wild turtle populations;
- Leasing of space to another marine theme park facility offering dolphin encounters.

CUSTOMERS AND LOCATION OF ACTIVITIES

The revenue-earning services provided by Cayman Turtle Conservation and Education Centre Ltd. (CTCEC) are provided mainly to tourists, as well as residents. Services are provided in Grand Cayman, the main site being at 786 North West Point Road, West Bay, Grand Cayman. Normally, when borders are open and cruise ships are in, the company operates a kiosk comprising a small gift shop at the Royal Watler Terminal. Turtle meat sales, aimed

at satisfying the demand from residents and local restaurants, take place at the company's site in a separate retail outlet on the north side of the property.

During normal times when there are no restrictions on international travel, the largest portion of revenues for CTCEC are derived from sales of admission to the park, the majority of this being as the main feature of an "island tour" shore excursion, the primary customers of which are day-visitors arriving on cruise ships. Other important customer segments for park admissions are stay-over visitors, and residents. With the current Global Pandemic and uncertainty of when our borders will reopen and how successful this opening will be, our main revenue streams come from local residents who patronize our Family Entertainment Centre mainly on the weekend enjoying our pool and waterslide facilities.

Some of the tourist attraction service packages are sold wholesale to cruise lines, which in turn sell to their passengers online and on-board, at a mark-up. Those packages include bus transportation from and to the cruise ship terminal, and some packages also include a boat trip to Stingray Sandbar, or visits to other attractions. The bus and boat transportation for those packages is provided to CTCEC by local industry partners under wholesale pricing arrangements.

CTCEC also sells admissions wholesale to independent tour operators who typically offer tours of the western part of the island, on buses that pick up and drop off passengers at the cruise terminals. Some of their tours also include a visit to Stingray Sandbar. In most cases those independent tour operators have also sold the tour packages wholesale to the cruise lines, which in turn sell to their passengers online and on-board, at a mark-up.

Customer segments for the bar and restaurant and the gift-shop are the same segments as for admissions.
Customer segments for turtle meat products are individual residents, and local restaurants.

In keeping with the CITES conventions and related regulations, products derived from sea turtles cannot be exported.

The tenant for the dolphinarium which is on the company's property adjacent to the car park across the street from the Company's main site is Dolphin Discovery (Cayman) Ltd. That same company currently owns both dolphinariums in Grand Cayman.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Cayman Turtle Conservation and Education Centre Ltd. for the 2022 and 2023 financial years are as follows:

The following key strategic goals and objectives are predicated on Cabinet approval of the Sea Turtle Species Conservation Plan that CTCEC has already produced and submitted or, an equivalent Plan that merges the plan submitted by the National Conservation Council/Doe with that from the CTCEC, and that the resulting "collaborative plan" is in force by the start of the budget period.

Turtle Conservation, Sustainable Tourism and Eco-tourism

- Continue annual releases of "head-started" sea turtles into the wild:
    - Pre-release quarantine tests and protocols to be sustained to continue to support clinical health status of "head-started" turtles for release;
    - Collaborate with beach-front tourist accommodation properties in Grand Cayman, and when feasible in Cayman Brac and Little Cayman as sites for turtle release events in various months and seasons of the year, so as to:
        - Create sustainable and eco-tourism experiences, promotional and educational opportunities, thereby supporting development and enhancement of our country's sustainable tourism industry while raising conservation awareness;
        - Encourage properties to adopt a marine friendly and sustainable approach of ocean awareness, such as installing "turtle-friendly" beach-front lighting, beach grooming, and beach furniture placement thereby enhancing the likelihood and success rate of sea turtles attempting to nest on tourist-zone beaches;
- Continue annual translocations of captive-bred sea turtle eggs into the wild:
    - Collaborate with a select and limited number of scientifically data-driven and qualified "turtle friendly" beach-front properties in Grand Cayman as sites for turtle nest implantation and hatchling emergence events using translocated captive-bred sea turtle eggs during turtle breeding season each year, so as to:
        - Create sustainable and eco-tourism experiences, promotional and educational opportunities, thereby supporting development and enhancement of our country's sustainable tourism industry while raising conservation awareness;
        - Encourage properties to adopt a marine friendly and sustainable approach of ocean awareness, such as installing "turtle-friendly" beach-front lighting, beach grooming, and beach furniture placement thereby enhancing the likelihood and success rate of sea turtles attempting to nest on tourist-zone beaches;
- Thereby release a combined total of at least 1,000 sea turtle hatchlings and "head-starts" per annum into Cayman Islands waters. CTCEC commits to further sustainable tourism by releasing more turtles to the wild, while encouraging turtle consumption limited to special occasions.

- Develop, document, and implement strategies aimed at restoring endangered indigenous sea turtle species.

SPS alignment: *These initiatives contribute to achievement of:*
- *2022/24 SPS Broad Outcome 10: Improve our tourism, as an industry, product and economic driver.*
- *2022/24 SPS Broad Outcome 5: Supporting climate change resilience and sustainable development*

Turtle Conservation and Cultural Traditions
- Contribute to the conservation of sea turtles in the wild around the Cayman Islands, and to sustaining local culinary traditions practiced by residents, by making available from self-sustaining closed-cycle aquaculture a stock of green sea turtle meat for local consumption thus suppressing the risk of turtles being poached from the wild.

    - Production Rate: Maintain turtle meat products production capacity of at least 40,000 pounds per annum (equivalent to at least approx. 900 turtles per annum), unless and until demand for such products is reduced below that level.

SPS alignment: *This program contributes to achievement of:*
- *2022/24 SPS Broad Outcome 3: Providing solutions to improve the well-being of our people so they can achieve their full potential*

Research and Education
- Continue participation in research on sea turtles in-house and in collaboration with overseas researchers.

- Host students from local and overseas schools, educating them on sea turtles and other island wildlife.

    - Host at least 1,500 students and chaperones per year.
    - Host interns where possible.
    - Host Masters and PhD level university students conducting research where possible.

SPS alignment: *This program contributes to achievement of:*
- *2022/24 SPS Broad Outcome 1: Improving education to promote lifelong learning and greater economic mobility*

Tourist Attraction
- Provide a high-quality Family Entertainment Centre attraction for visitors to Grand Cayman offering educational display and visual interaction with sea turtles and other island wildlife along with the opportunity to experience a unique snorkeling experience with up-close encounters with sea turtles and 100's of other Caribbean fish.

    - Sustain market shares of stay-over and cruise visitors to the island to above 10% of the visitors per annum in each category for CTC admissions.

- Collaborate with other entities and entrepreneurs in the tourism industry to offer visitors "packages" incorporating a visit to CTC together with other products and services (e.g. transportation, visits to other attractions) thereby producing additional positive impact on the islands' economy and employment. The below accomplishments are reliant on how successful the reopening plan is implemented, and the number of visitors coming by air and cruise, which would allow for these relationships to come to fruition.

- Maintain and develop relations with tour bus companies, watersports companies, other attractions and other tourism service providers to offer "combination" packages for cruise shore excursions.

- Maintain relations with independent car rental companies, hotels and tourist condos to promote CTC visitation by stay-over visitors.

- Maintain relations with taxis that have a high percentage of tourist clientele, to promote visitation to CTC by offering CTC admission discount vouchers to their patrons.
- Further develop relations for cross-promotion with Cayman Airways:

    - Conduct cross-promotion on social media with Cayman Airways and CTC for discounted admission to CTC as mutually agreed upon with both entities.

SPS alignment: These initiatives contribute to achievement of:
- 2022/24 SPS Broad Outcome 10: Improve our tourism, as an industry, product and economic driver

- 2022/24 SPS Broad Outcome 6: Increasing social justice in the workforce

- This also supports continued achievement of 2016/17 SPS Outcome 1 (d): Encourage collaboration between the Cayman Turtle Centre and other local attractions, with entities and entrepreneurs in the tourism industry (such as tour bus companies, watersports companies, hotels) to offer visitors "packages" thereby producing additional *positive impact on the island's* economy and employment (advice on whether to keep this in or not?)

Revenue goals:
Tours:
- Increase CTC admissions sold to "stay-over" guests by at least a factor of 50% of the percentage increase in air arrivals per annum (Year-on-Year for the fiscal period).

Gift Shop:
- Increase Retail (gift shop sales) Contribution per annum by at least a factor of 50% of the same percentage as annual increase in cruise tourist arrivals (Year-on-Year for the fiscal period).

Food and Beverage:

- Increase Food and Beverage Contribution per annum by at least a factor of 50% of the same percentage as annual increase in cruise tourist arrivals (Year-on-Year for the fiscal period).

SPS alignment: *These initiatives contribute to achievement of:*
- 2022/24 SPS Broad Outcome 10: Improve our tourism, as an industry, product and economic driver

- 2022/24 SPS Broad Outcome 6: Increasing social justice in the workforce

Events Hosting
- Offer the park as a venue for various corporate, social and community events, including catering of food and beverages.

Employment
- Continue employing and developing Caymanians:
- Maintain ratio at 5% or less of employees on Work Permits

SPS alignment: *This program contributes to achievement of:*

- 2022/24 SPS Broad Outcome 6: Increasing social justice in the workforce

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Cayman Turtle Conservation and Education Centre Ltd. for the 2022 and 2023 financial years are as follows:

	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE FROM CABINET	-	-	-
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	5,840	7,941	1,775
OPERATING EXPENSES	(14,663)	(15,039)	(12,506)
OPERATING SURPLUS/DEFICIT	**(8,822)**	**(7,098)**	**(10,731)**
NET WORTH	**2,391**	**(2,207)**	**8,713**
CASH FLOWS FROM OPERATING ACTIVITIES	(6,029)	(4,449)	(7,985)
CASH FLOWS FROM INVESTING ACTIVITIES	(800)	(0)	(185)
CASH FLOWS FROM FINANCING ACTIVITIES	11,351	3,649	5,960
CHANGE IN CASH BALANCES	4,522	(800)	(2,210)

FINANCIAL PERFORMANCE RATIO	2022 1 Jan to 31 Dec 2022 %	2023 1 Jan to 31 Dec 2023 %	2021 12-Month Forecast %
CURRENT ASSETS : CURRENT LIABILITIES	297.3%	38.1%	15.5%
TOTAL ASSETS : TOTAL LIABILITIES	124.7%	81.1%	253.1%

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	109	109	112
STAFF TURNOVER (%)			
MANAGERS	4.5%	4.5%	16.7%
PROFESSIONAL AND TECHNICAL STAFF	1%	1%	5%
CLERICAL AND LABOURER STAFF	18%	18%	10%
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	12.3	12.3	12.8
PROFESSIONAL AND TECHNICAL STAFF	2.9	2.9	2.9
CLERICAL AND LABOURER STAFF	8.8	8.8	9.2
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	NO CHANGES	NO CHANGES	NO CHANGES

PHYSICAL CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	11,645	9,430	14,094
ASSET REPLACEMENTS : TOTAL ASSETS	2.54%	5.18%	1.29%
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	19.12%	15.14%	23.71%
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	996.67%	598.00%	1616.14%
CHANGES TO ASSET MANAGEMENT POLICIES	NO CHANGES	NO CHANGES	NO CHANGES

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
UPGRADES ON AQUATIC LIFE SUPPORT SYSTEM	-	-	-
SALT WATER PIPE LINES REPLACEMENT FROM SEASIDE PUMPING STATION TO TURTLE TANKS	-	-	-
ADDITIONAL TURTLE TANKS AND CONCRETE PADS AND STRUCTURES	-	-	145
CAYMAN STREET OFFICE BUILDING EXPANSION	-	-	-
RENOVATION OF CHANGE ROOMS FOR LAGOON AND POOL SIDE	-	-	45
RESTAURANT EQUIPMENT FOR EXPANSION	-	-	-
OTHER CAPITAL PROJECTS	-	-	-
UPGRADES ON AQUATIC LIFE SUPPORT SYSTEM	-	-	-
TOTAL	**-**	**-**	**185**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Loss of wholesale shore excursion sales relationships with one or more cruise lines Economic downturn in visitor home countries causing reduction in visitor arrivals and in turn reduction in guests coming to CTC.	Not changed.	Maintain Executive and Manager level dialogue and responsiveness with cruise line shore excursion executives. Attend FCCA Annual Conference to network and hold face-to-face meetings with cruise line representatives. Quality control of shore excursions done by Tours & Quality Control Manager.	+/- CI$5,000,000
Various liabilities arising from loss, damage, or injury to customers or staff	Not changed.	Various safety procedures and protocols are in place. Lifeguards monitor guest activities and enforce safety rules in snorkelling lagoon, swimming lagoon, wading pool and turtle touch tanks, and render first-aid assistance. Incidents with cruise passengers are reported same day to the cruise ship shore excursion team. Liability insurance is maintained under the umbrella Government policy, and under secondary insurance carrier for cruise guests.	Various
Multiple turtle mortalities due to outbreak of infectious disease	Not changed.	Maintain biosecurity protocols and preventative medicine program. Daily observations of each turtle tank by Turtle Husbandry team.	+/- CI$2,000,000

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Multiple turtle mortalities due to extended loss of sea water supply	Not changed.	Security Guards notify Infrastructure/ALSS team in the event of pump failures after operating hours. Contingency procedures in place for managing emergency water supplies to tanks in event of sea water supply breakdown (pipes or pumps). All turtle tanks are now partially shaded, which reduces the risk of daytime overheating of turtles in event of lowered water in tanks.	+/- CI$2,000,000
Extreme weather events and natural disasters	Not changed.	The Company has a Hurricane Preparedness Plan which also covers recovery. It is revised and updated annually. Property damage/losses covered by CIG insurance policy.	+/- CI$12,000,000

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Cayman Turtle Conservation and Education Centre Ltd. is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE	5,840	7,941	1,775
OPERATING EXPENSES	14,663	15,039	12,505
NET SURPLUS/(DEFICIT)	(8,822)	(7,098)	(10,731)

BALANCE SHEET	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
ASSETS	12,068	9,469	14,404
LIABILITIES	9,677	11,676	5,690
NET WORTH	2,391	(2,206)	8,713

STATEMENT OF CASH FLOW	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	(6,029)	(4,449)	(7,985)
CASH FLOWS FROM INVESTING ACTIVITIES	(800)	-	(185)
CASH FLOWS FROM FINANCING ACTIVITIES	11,351	3,649	5,960

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's
EQUITY INVESTMENTS INTO CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED	2,500	2,500
CAPITAL WITHDRAWALS FROM CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED	-	-
GOVERNMENT LOANS TO BE MADE TO CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[19]	-	-
REMUNERATION[20] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	724	724
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	708	708

DESCRIPTION	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	15	15
NUMBER OF KEY SENIOR MANAGEMENT (MD)	6	6

[19] Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

[20] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the Cayman Turtle Conservation and Education Centre Ltd. undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will the sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Cayman Turtle Conservation and Education Centre Ltd. will seek to achieve for the 2022 and 2023 financial years and that the Cabinet will monitor performance against.

Honourable Kenneth Bryan
Minister for Tourism
On behalf of Cabinet

Chairman of the Board
Cayman Turtle Conservation and Education Centre Limited

31 December 2021

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS
GOVERNMENT

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2022 and 31 December 2023 and performance for the Cayman Turtle Conservation and Education Centre Ltd. for the financial years ending 31 December 2022 and 31 December 2023; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
Cayman Turtle Conservation and Education Centre Limited

31 December 2021

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CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

Basis of preparation

These financial statements are prepared under the historical cost convention, modified by the valuation of biological assets at fair value, and in accordance with International Financial Reporting Standards ("IFRS"). The continued existence of the Company is contingent on the ongoing support from the Company's shareholder and the maintenance of the credit facilities provided by the Company's bankers. As management consider that this support will be ongoing and there are no indications which suggest otherwise, management consider the preparation of the forecast financial statements under the going concern assumption to be appropriate.

The preparation of forecast financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to these forecast financial statements, relate to management's assessment of whether an impairment provision is required in respect of property, plant, equipment and exhibits, the valuation of biological assets and the provisions for pensions payable and severance payable. Unless otherwise disclosed, these forecast financial statements are presented in Cayman Islands dollars ("CI$").

The significant accounting policies adopted in the preparation of these financial statements are:

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents consists of cash on hand, balances with banks (including overdrafts) on demand and at short notice, and short-term highly liquid investments with original maturity dates of less than 90 days.

Accounts receivable

Accounts receivable comprise receivables from customers and are reduced by any allowance for doubtful accounts where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Biological assets - Secondary herd

The secondary herd, which is reared for the purpose of selling the herd's meat and by-product to satisfy local market demand, is valued at fair value calculated using market prices and expected yields of each type of product based on historical data.

Changes in the carrying amount attributable to physical change in such biological assets and changes attributable to price change are recognized as income or expense in the statement of comprehensive loss.

Biological assets - Breeder herd

It is management's policy to differentiate between turtles which were acquired from the wild and will be released at the end of their breeding lives, and farm bred turtles which may be harvested at the end of their breeding lives. Mature turtles (i.e. those that have reached breeding age) acquired from the wild have been fully depreciated over their useful lives of 20 years and have a zero carrying value. Mature farm-bred turtles have an estimated net realisable value that exceeds cost and are not depreciated.

The direct costs of maintaining the farm-bred turtles are allocated between the mature turtles and those that have not yet reached maturity.

Property, plant, equipment and exhibits

Property, plant, equipment and exhibits are recorded at cost and, with the exception of land which is not depreciated, are depreciated using the straight-line method over their estimated useful lives as follows:

Buildings and lagoons	10 - 20 years
Plant and equipment	4 - 10 years
Motor vehicles	3 - 4 years
Furniture and office equipment	4 - 5 years
Exhibits	6 years
Computer hardware and software	3 years

The estimated useful lives, residual values and depreciation method are reviewed at year-end and the effect of any changes in the estimate is accounted for on a prospective basis.

Cost comprises the purchase price of an asset plus any directly attributable costs of bringing the asset to working condition for its intended use such as import duties (if/when applicable), site preparation, initial delivery and handling cost, installation cost and professional fees (e.g. architects and engineers). Certain borrowing costs are also included in the cost basis of the related asset; see “borrowing costs” below. Costs of improvements are included in the cost of the applicable asset.

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED

FORECAST STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL POSITION	Note	12-Month Budget 2022	12-Month Budget 2023
	Current Assets			
292,591	Cash and cash equivalents	**1**	0	-
-	Marketable securities and deposits		-	-
35,544	Trade receivables	**2**	75,544	35,544
-	Other receivables	**2**	-	-
329,255	Inventories	**3**	404,255	329,255
-	Investments	**4**	-	-
123,150	Prepayments	**5**	23,150	23,150
-	Loans	**6**	-	-
780,539	**Total Current Assets**		**502,949**	**387,948**
	Non-Current Assets			
236,231	Trade receivables	**2**	196,231	236,231
-	Other receivables	**2**	-	-
-	Inventories	**3**	-	-
-	Investments	**4**	-	-
-	Prepayments	**5**	-	-
-	Loans	**6**	-	-
-	Pension Plan Surplus	**13**	-	-
13,378,604	Property, plant and equipment	**7**	11,369,549	8,845,056
9,010	Intangible Assets	**8**	0	0
13,623,846	**Total Non-Current Assets**		**11,565,781**	**9,081,287**
14,404,385	**Total Assets**		**12,068,729**	**9,469,235**
	Current Liabilities			
202,420	Trade payables	**9**	152,420	202,420
16,767	Other payables and accruals	**9**	16,767	16,767
-	Dividends/Surplus Payable	**9**	-	-
4,814,771	Bank Overdraft	**1**	-	800,000
-	Unearned revenue	**10**	-	-
-	Employee entitlements	**11**	-	-
-	Current Portion of Borrowings	**12**	-	-
5,033,958	**Total Current Liabilities**		**169,187**	**1,019,187**
	Non-Current Liabilities			
-	Trade payables	**9**	-	-
-	Other payables and accruals	**9**	-	-
-	Dividends/Surplus Payable	**9**	-	-
-	Unearned revenue	**10**	-	-
-	Employee entitlements	**11**	-	-
656,983	Unfunded pension liability	**13**	656,983	656,983
-	Unfunded post retirement health care	**14**	-	-
	Currency Issued			
-	Long Term portion of Borrowings	**12**	8,851,235	10,000,000
656,983	**Total Non-Current Liabilities**		**9,508,218**	**10,656,983**
5,690,941	**Total Liabilities**		**9,677,405**	**11,676,170**
8,713,444	**Net Assets**		**2,391,324**	**(2,206,935)**
	NET WORTH			
139,996,340	Contributed capital		142,496,340	144,996,340
1,250,000	Other Reserves		1,250,000	1,250,000
-	Revaluation reserve		-	-
(132,532,896)	Accumulated surpluses/(deficits)		(141,355,016)	(148,453,275)
8,713,444	**Total Net Worth**		**2,391,324**	**(2,206,935)**

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED

FORECAST STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL PERFORMANCE	Note	12-Month Budget 2022	12-Month Budget 2023
	Revenue			
1,774,743	Sale of goods and services	15	5,840,469	7,941,080
-	Investment revenue	16	-	-
-	Donations	17	-	-
	Other revenue			
1,774,743	**Total Revenue**		**5,840,469**	**7,941,080**
	Expenses			
4,896,066	Personnel costs	18	5,614,278	5,614,278
4,700,613	Supplies and consumables	19	6,255,246	6,775,567
2,656,593	Depreciation and Amortisation	7	2,818,064	2,524,494
	Impairment of Inventory,property, plant and equipment			
162,644	Finance costs & overdraft interest	20	-	-
-	Litigation costs	21	-	-
89,899	Other (Gains)/losses	22	(25,000)	125,000
	Other Operating expenses			
12,505,815	**Total Expenses**		**14,662,588**	**15,039,339**
(10,731,072)	**Surplus or (Deficit) for the period**		**(8,822,119)**	**(7,098,259)**

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED

FORECAST CASH FLOW STATEMENT

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	CASH FLOW STATEMENT	Note	12-Month Budget 2022	12-Month Budget 2023
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
-	Sale of goods and services to Cabinet		-	-
-	Sale of goods and services to Ministries/Portfolios		-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
1,774,743	Sale of goods and services - third party		5,840,470	7,941,080
-	Interest received		-	-
-	Donations / Grants		-	-
-	Other receipts		-	-
	Payments			
(4,896,066)	Personnel costs		(5,614,278)	(5,614,278)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(4,700,613)	Supplies and consumables - third party		(6,255,246)	(6,775,567)
(162,664)	Interest paid		-	-
-	Other payments		-	-
(7,984,600)	**Net cash flows from operating activities**	**23**	**(6,029,055)**	**(4,448,765)**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(185,101)	Purchase of property, plant and equipment		(800,000)	-
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
-	Proceeds from sale of investments		-	-
(185,101)	**Net cash flows from investing activities**		**(800,000)**	**-**
	CASH FLOWS FROM FINANCING ACTIVITIES			
5,960,000	Equity Investment from Cabinet		2,500,000	2,500,000
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	Borrowings		8,851,235	1,148,765
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
5,960,000	**Net cash flows from financing activities**		**11,351,235**	**3,648,765**
(2,209,701)	**Net increase/(decrease) in cash and cash equivalents**		**4,522,180**	**(800,000)**
(2,312,479)	Cash and cash equivalents at beginning of period		(4,522,180)	-
(4,522,180)	**Cash and cash equivalents at end of period**		**-**	**(800,000)**

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2019 brought forward	130,036,340	1,250,000	-	(111,597,579)	19,688,761
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2019	130,036,340	1,250,000	-	(111,597,579)	19,688,761
Changes in net worth for 2020					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	4,000,000	-	-	-	4,000,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	4,000,000	-	-	-	4,000,000
Surplus/(deficit)for the period 2020				(10,204,244)	(10,204,244)
Total recognised revenues and expenses for the period	4,000,000	-	-	(10,204,244)	(6,204,244)
Balance at 31 December 2020	134,036,340	1,250,000	-	(121,801,824)	13,484,516
Balance at 31 December 2020 brought forward	134,036,340	1,250,000	-	(121,801,824)	13,484,516
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2020	134,036,340	1,250,000	-	(121,801,824)	13,484,516
Changes in net worth for 2021					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	5,960,000	-	-	-	5,960,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	5,960,000	-	-	-	5,960,000
Surplus/(deficit)for the period 2021				(10,731,072)	(10,731,072)
Total recognised revenues and expenses for the period	5,960,000	-	-	(10,731,072)	(4,771,072)
Balance at 31 December 2021 carried forward	139,996,340	1,250,000	-	(132,532,896)	8,713,444

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	139,996,340	1,250,000	-	(132,532,896)	8,713,444
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	139,996,340	1,250,000	-	(132,532,896)	8,713,444
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	2,500,000	-	-	-	2,500,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	2,500,000	-	-	-	2,500,000
Surplus/(deficit)for the period 2022				(8,822,119)	(8,822,119)
Total recognised revenues and expenses for the period	2,500,000	-	-	(8,822,119)	(6,322,119)
Balance at 31 December 2022 carried forward	142,496,340	1,250,000	-	(141,355,016)	2,391,324
Balance at 31 December 2022 brought forward	142,496,340	1,250,000	-	(141,355,016)	2,391,324
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	142,496,340	1,250,000	-	(141,355,016)	2,391,324
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	2,500,000	-	-	-	2,500,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	2,500,000	-	-	-	2,500,000
Surplus/(deficit)for the period 2023				(7,098,259)	(7,098,259)
Total recognised revenues and expenses for the period	2,500,000	-	-	(7,098,259)	(4,598,259)
Balance at 31 December 2023	144,996,340	1,250,000	-	(148,453,275)	(2,206,935)

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
21,333	Cash on hand	-	-
-	Cash in transit	-	-
171,000	CI$ Account	-	-
100,258	US$ Account	-	-
(4,814,771)	Bank Overdraft	-	(800,000)
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
-	Short-Term Fixed Deposits	-	-
(4,522,180)	**TOTAL**	**-**	**(800,000)**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2021	Trade Recivables	12-Month Budget 2022	12-Month Budget 2023
-	Sale of goods and services to Cabinet	-	-
-	Sale of goods and services to Ministries/Portfolios	-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies	-	-
705,203	Sale of goods and services - third party	655,203	605,203
-	Other	-	-
(433,428)	**Less: provision for doubtful debts**	(383,428)	(333,428)
271,775	**Total trade receivables**	**271,775**	**271,775**

12-Month Forecast 2021	Trade Recivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
7,034	Past due 1-30 days	27,034	7,034
28,510	Past due 31-60 days	48,510	28,510
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
236,231	Past due 1 year and above	196,231	236,231
271,775	**Total**	**271,775**	**271,775**

NOTE 2: TRADE AND OTHER RECEIVABLES (CONTINUED)

12-Month Forecast Ending Dec-21	Description	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
(483,428)	Balance at begining oF period	(433,428)	(383,428)
50,000	Receivables written off during the period	50,000	50,000
(433,428)	**Balance at 31st December**	**(383,428)**	**(333,428)**

NOTE 3: INVENTORIES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Inventories		
243,115	Inventory held for use in the provision of goods and services	318,115	243,115
86,140	Inventory held for sale	86,140	86,140
-	Inventory Other	-	-
-	Impairment of Inventory	-	-
329,255	**INVENTORIES - Current**	**404,255**	**329,255**
	Non-Current Inventories		
-	**INVENTORIES - Non-Current**	**-**	**-**
329,255	**TOTAL INVENTORIES**	**404,255**	**329,255**

NOTE 5: PREPAYMENTS

12-Month Forecast 2021	Prepayments	12-Month Budget 2022	12-Month Budget 2023
	Current Prepayments		
-	Operations	-	-
73,150	Retail, Marketing, Admin	23,150	23,150
50,000	IT Support	-	-
		-	-
123,150	**Prepayments - Current**	**23,150**	**23,150**
	Non-Current Prepayments		
-	**Prepayments -Non-Current**	**-**	**-**
123,150	**Total Prepayments**	**23,150**	**23,150**

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Total*
Balance as at 1 January 2020	1,251,349	2,186,782	49,679,314	300,889	917,007	437,716	83,261	54,856,318
Additions		250,000	200,000	50,000	10,000	-	-	510,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2020	1,251,349	2,436,782	49,879,314	350,889	927,007	437,716	83,261	55,366,318

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Total*
Balance as at 1 January 2021	1,251,349	2,436,782	49,879,314	350,889	927,007	437,716	83,261	55,366,318
Additions	-	35,000	45,000	25,101	20,000	38,000	-	163,101
Disposals and Derecognisation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	1,251,349	2,471,782	49,924,314	375,990	947,007	475,716	83,261	55,529,419

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Total*
Balance as at 1 January 2022	1,251,349	2,471,782	49,924,314	375,990	947,007	475,716	83,261	55,529,419
Additions	-	656,999	45,000	40,000	20,000	38,000	-	799,999
Disposals and Derecognisation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	1,251,349	3,128,781	49,969,314	415,990	967,007	513,716	83,261	56,329,418

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Total*
Balance as at 1 January 2023	1,251,349	3,128,781	49,969,314	415,990	967,007	513,716	83,261	56,329,418
Additions	-	-	-	-	-	-	-	-
Disposals and Derecognisation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	1,251,349	3,128,781	49,969,314	415,990	967,007	513,716	83,261	56,329,418

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Total*
Balance as at 1 January 2020		1,607,705	33,719,860	223,079	758,488	336,938	41,039	36,687,110
Transfers	-	-	-	-	-	-	-	-
Impairment Reserve 2020 (closing balance)	-	-	-	-	-	-	-	-
Depreciation Expense 2020	-	304,483	2,406,362	14,163	64,575	70,640	3,333	2,863,556
Eliminate on Disposal or Derecognisation 2020	-	-	-	-	-	-	-	-
Balance as at 31 December 2020	-	1,912,188	36,126,222	237,242	823,063	407,578	44,372	39,550,666

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Total*
Balance as at 1 January 2021		1,912,188	36,126,222	237,242	823,063	407,578	44,372	39,550,666
Transfers	-	-	-	-	-	-	-	-
Impairment Reserve 2021 (closing balance)	-	-	-	-	-	-	-	-
Depreciation Expense 2021	-	344,483	2,122,955	14,163	64,575	50,640	3,333	2,600,149
Eliminate on Disposal or Derecognisation 2021	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	-	2,256,671	38,249,177	251,405	887,638	458,218	47,705	42,150,815

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Total*
Balance as at 1 January 2022	-	2,256,671	38,249,177	251,405	887,638	458,218	47,705	42,150,815
Transfers	-	-	-	-	-	-	-	-
Impairment change 2022	-	-	-	-	-	-	-	-
Depreciation Expense 2022	-	458,991	2,237,854	14,163	64,575	30,138	3,333	2,809,054
Eliminate on Disposal or Derecognisation 2022	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	-	2,715,662	40,487,031	265,568	952,213	488,356	51,038	44,959,869

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Total*
Balance as at 1 January 2023	-	2,715,662	40,487,031	265,568	952,213	488,356	51,038	44,959,869
Transfers	-	-	-	-	-	-	-	-
Impairment change 2023	-	-	-	-	-	-	-	-
Depreciation Expense 2023	-	378,992	2,087,854	14,163	14,793	25,359	3,333	2,524,494
Eliminate on Disposal or Derecognisation 2023	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	-	3,094,654	42,574,885	279,731	967,006	513,715	54,371	47,484,362

Net Book value 31 December 2020	1,251,349	524,594	13,753,092	113,647	103,943	30,138	38,888	15,815,652

Net Book value 31 December 2021	1,251,349	215,111	11,675,137	124,585	59,368	17,498	35,555	13,378,604

Net Book value 31 December 2022	1,251,349	413,119	9,482,283	150,422	14,793	25,360	32,222	11,369,549

Net Book value 31 December 2023	1,251,349	34,127	7,394,429	136,259	0	1	28,889	8,845,056

NOTE 8: INTANGIBLE ASSETS

COST OF INTANGIBLE ASSETS

	Computer Software	*Other Intangible Assets*	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2020	500,767	-	-	500,767
Additions	20,000	-	-	20,000
Disposals and Derecognisation	-	-	-	-
Revaluation	-	-	-	-
Transfers	-	-	-	-
Balance as at 31 December 2020	520,767	-	-	520,767

	Computer Software	*Other Intangible Assets*	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2021	520,767	-	-	520,767
Additions	22,000	-	-	22,000
Disposals and Derecognisation	-	-	-	-
Revaluation	-	-	-	-
Transfers	-	-	-	-
Balance as at 31 December 2021	542,767	-	-	542,767

	Computer Software	*Other Intangible Assets*	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2022	542,767.47	-	-	542,767.47
Additions	-	-	-	-
Disposals and Derecognisation	-	-	-	-
Revaluation	-	-	-	-
Transfers	-	-	-	-
Balance as at 31 December 2022	542,767.47	-	-	542,767.47

	Computer Software	*Other Intangible Assets*	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2023	542,767	-	-	542,767
Additions	-	-	-	-
Disposals and Derecognisation	-	-	-	-
Revaluation	-	-	-	-
Transfers	-	-	-	-
Balance as at 31 December 2023	542,767	-	-	542,767

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Computer Software	*Other Intangible Assets*	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2020	400,869	-	-	400,869
Transfers	-	-	-	-
Impairment Reserve 2020 (closing balance)	-	-	-	-
Depreciation Expense 2020	76,444	-	-	76,444
Eliminate on Disposal or Derecognisation	-	-	-	-
Balance as at 31 December 2020	477,313	-	-	477,313

	Computer Software	*Other Intangible Assets*	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2021	477,313	-	-	477,313
Transfers	-	-	-	-
Impairment Reserve 2021 (closing balance)	-	-	-	-
Depreciation Expense 2021	56,444	-	-	56,444
Eliminate on Disposal or Derecognisation	-	-	-	-
Balance as at 31 December 2021	533,757	-	-	533,757

	Computer Software	*Other Intangible Assets*	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2022	533,757	-	-	533,757
Transfers	-	-	-	-
Impairment change 2022	-	-	-	-
Depreciation Expense 2022	9,010	-	-	9,010
Eliminate on Disposal or Derecognisation	-	-	-	-
Balance as at 31 December 2022	542,767	-	-	542,767

	Computer Software	*Other Intangible Assets*	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2023	542,767	-	-	542,767
Transfers	-	-	-	-
Impairment change 2023	-	-	-	-
Depreciation Expense 2023	-	-	-	-
Eliminate on Disposal or Derecognisation	-	-	-	-
Balance as at 31 December 2023	542,767	-	-	542,767

Net Book value 31 December 2020	43,454	-	-	43,454
Net Book value 31 December 2021	9,010	-	-	9,010
Net Book value 31 December 2022	-	-	-	-
Net Book value 31 December 2023	-	-	-	-

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Trade payables other payables and accruals		
202,420	Creditors Third party	152,420	202,420
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
-	Accrued Expenses	-	-
16,767	Other payables	16,767	16,767
	Dividends/Surplus Payable	-	-
219,187	**Trade payables other payables and accruals - Current**	**169,187**	**219,187**
	Non-Current Trade payables other payables and accruals		
-	**Trade payables other payables and accruals - Non-Current**	**-**	**-**
219,187	**Total trade payables other payables and accruals**	**169,187**	**219,187**

NOTE 12: BORROWINGS

12-Month Forecast Ending Dec-21	*Local Currency Debt*	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
	Between two and five years	5,304,230	5,304,230
	Later than five Years	3,547,005	4,695,770
-	**Total Local Currency Debt**	**8,851,235**	**10,000,000**
	Foreign Currency Debt (state in $CI)		
-	**Total Foreign Currency Debt**	**-**	**-**
-	**Total Outstanding Debt**	**8,851,235**	**10,000,000**

NOTE 13: UNFUNDED PENSION LIABILITY

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(656,983)	Value of pension fund allocated asstes	(656,983)	(656,983)
-	Past service liability	-	-
(656,983)	**Fund (deficiency)/Surplus**	**(656,983)**	**(656,983)**

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 15A: SALES OF GOODS AND SERVICES

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
-	Fees and Charges	-	-
1,628,273	General Sales	5,401,661	7,497,442
146,470	Rentals	438,808	443,638
-	Other Goods & Services Revenue	-	-
-	Sale of goods and services to Cabinet	-	-
-	Sale of goods and services to Other Ministries and Portfolios	-	-
1,774,743	**Total sales of goods and services**	**5,840,469**	**7,941,080**

12-Month Forecast 2021	General Sales	12-Month Budget 2022	12-Month Budget 2023
320,657	Food & Beverage	867,037	1,249,423
189,730	Retail	1,302,540	1,830,312
69,839	Turtle Release Programs	56,200	56,434
284,087	Tours	2,284,390	3,469,779
763,960	Turtle Farm - Proposal of $1 per pound increase subject to board approval effective Jan 2022.	891,494	891,494
1,628,273	**Total General Sales**	**5,401,661**	**7,497,442**

12-Month Forecast 2021	Rentals	12-Month Budget 2022	12-Month Budget 2023
146,470	Income is based on Cruise Tourism Returning April 2022	438,808	443,638
146,470	**Total Rentals**	**438,808**	**443,638**

12-Month Forecast 2021	Other Goods and Services Revenue	12-Month Budget 2022	12-Month Budget 2023
-	**Total Other Goods & Services Revenue**	-	-
	Sales of Outputs to Cabinet		
-	Sales of Outputs to Cabinet	-	-
-	Other Outputs	-	-
-	**Total Sales of Outputs to Cabinet**	-	-
	Other Interdepartmental Revenue		
-	Revenue from Ministries/Portfolios	-	-
-	Revenue from Statutory Authorities and Government Companies	-	-
-	**Total Other Interdepartmental Revenue**	-	-
1,774,743	**Total Goods and Services**	**5,840,469**	**7,941,080**

CAYMAN TURTLE CONSERVATION AND EDUCATION CENTRE LIMITED
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
4,441,286	Salaries, wages and allowances	5,102,464	5,102,464
-	Health care CINICO	-	-
182,969	Health care other	195,461	195,461
271,811	Pension	316,353	316,353
-	Leave	-	-
-	Other personnel related costs	-	-
4,896,066	**Total Personnel Costs**	**5,614,278**	**5,614,278**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
1,559,986	Supplies and Materials	2,559,986	3,059,986
1,144,589	Purchase of services	1,644,422	1,664,743
17,126	Lease of Property and Equipment	17,126	17,126
1,453,265	Utilities	1,503,065	1,503,065
270,726	General Insurance	279,726	279,726
-	Interdepartmental expenses	-	-
40,000	Travel and Subsistence	40,000	40,000
32,920	Recruitment and Training	28,920	28,920
182,000	Other	182,000	182,000
4,700,613	**Total Supplies & consumables**	**6,255,246**	**6,775,567**

NOTE 20: FINANCE COSTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
-	Interest on borrowings	-	-
-	Other borrowing costs	-	-
162,644	Interest on overdraft	-	-
162,644	**Total Finance cost**	**-**	**-**

NOTE 22: OTHER GAINS/(LOSSES)

12-Month Forecast 2021	Descriptions	12-Month Budget 2022	12-Month Budget 2023
-	Net (gain) / loss on disposal of property, plant and equipment	-	-
89,899	Net (gain) / loss on derecognition and revaluation of assets	(25,000)	125,000
-	Net (gain) / loss on foreign exchange Transactions	-	-
89,899	**Total gains/ (losses)**	**(25,000)**	**125,000**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(10,731,072)	**Surplus/(deficit) from ordinary activities**	(8,822,119)	(7,098,259)
	Non-cash movements		
2,656,593	Depreciation & Amortisation	2,818,064	2,524,494
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
89,899	(Gain) / loss on derecognition and revaluation of assets	(25,000)	125,000
-	Other Non-cash movement	**-**	-
	Changes in current assets and liabilities:		
(7,984,580)	**Net cash flows from operating activities**	**(6,029,055)**	**(4,448,765)**

NOTE 26: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
653,137	Salaries & other short-term employee benefits	653,137	653,137
-	Past employee benefits	-	-
-	Other long-term benefits	-	-
-	Termination benefits	-	-
-	Loans	-	-
653,137	**Total**	**653,137**	**653,137**

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OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

CHILDREN AND YOUTH SERVICES FOUNDATION

FOR THE 2022 FINANCIAL YEAR ENDING 31 DECEMBER 2022
AND THE 2023 FINANCIAL YEAR ENDING 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT (2020 REVISION)

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CONTENTS

1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Children and Youth Services (CAYS) Foundation have agreed the Children and Youth Services Foundation will seek to achieve during the 2022 and 2023 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the *Children and Youth Services (CAYS) Foundation* is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Children and Youth Services (CAYS) Foundation activities involve providing 24-hour residential care to youth who have been committed by the Courts in to residential treatment due to care and protection needs and/or offending behaviours. The programme adopts a strength-based approach to decision making and self-awareness.

SCOPE OF ACTIVITIES

- Operate Bonaventure Boys' Home and Frances Bodden *Children's* Home; twenty-four hour residential facilities for youth who require residential care due to being deemed in need of care and protection, as well as youth exhibiting offending behaviours that have been Court ordered.

- Provide administration and supervision of the programmes offered.

- Provide policy advice to the Minister of Investment, Innovation and Social Development on the direction of youth rehabilitation and effective interventions to assist in their integration back into society. The therapeutic process will utilise a strength-based approach and positive youth development to foster change in the lives of its participants. The programme will also seek to engage families and community in the rehabilitative process.

- Develop and deliver specific programmes to address the behaviour problems (including drug and alcohol misuse, promiscuity, and other risky behaviours) and the educational needs of the youth. This will include individual and group counselling.

- Prepare residents for independent living including pre-employment preparation, and life skills training.

- Maintain the government owned residential facilities, namely the Frances Bodden Children's Home and Bonaventure Boys' Home, to facilitate programmes and treatment principles of the highest standards.

CUSTOMERS AND LOCATION OF ACTIVITIES

The customers of the Foundation are youth who have been committed by the Courts into the residential facility. The services of the Children and Youth Services (CAYS) Foundation are primarily provided on behalf of the Ministry of Investment, Innovation and Social Development. The services cater to the youth, their parents/families and other Government Departments and agencies, i.e., Department of Children and Family Services (DCFS), the Court, the Family Support Unit (FSU) Department of Counselling Services (DCS), and the Department of Education Services to facilitate care and reintegration into society.

The location of the activities is in the Cayman Islands, with the physical location of the residential Homes being in Grand Cayman.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the *Children and Youth Services (CAYS) Foundation* for the 2022 and 2023 financial years are as follows:

- CAYS implements programmes that address the care needs and the anti-social attitudes, beliefs and behaviours of its residents in a safe nurturing therapeutic environment. They will focus on changing resident's attitudes and behaviours by working to build trusting relationships between them and their peers and a trusting relationship with their parents. This will assist residents to develop appropriate behaviours and coping skills that will assist with their reintegration into their family, school and community.

- CAYS implements programmes that promote the principles of individual growth, personal development and peer accountability. The programmes will assist residents in setting and meeting educational and vocational goals.

- CAYS assist residents with reintegration into the mainstream education system. This is accomplished by a treatment team meeting to develop a comprehensive plan. This team will consist of key stakeholders.

- CAYS address the vocational issues for residents and partners with the public and private sector to afford the residents every opportunity to participate in some form of vocational training.

- CAYS develops comprehensive treatment plans to address core issues, issues relating to drug and alcohol use, also education and vocational issues, family issues and aftercare plans.

- CAYS provides on-going training to staff to facilitate the delivery of strength-based, individualized treatment in order to ensure that the best practices are maintained.

- CAYS provide training to staff on treatment planning, to include emphasis on family treatment and aftercare planning.

- CAYS will enhance services to families by providing family education groups to help improve family dynamics and create more supportive and productive relationships.

- CAYS will continue to enhance relationships with private sector entities for fundraising and programme support.

Government Obligations

- Nominate one of its officers to be the primary contact for the Government with the Foundation for the purpose of the programmes.
- Provide the Foundation with any policies, operational guidelines and documents held by the Government, which may be reasonably required by the Foundation to perform the services.
- Pay to the Foundation throughout the term of the agreement (so long as the Foundation shall continue to perform the services) the operational budget specified in the Budget.
- Evaluate and monitor the programmes provided by the Foundation.

CAYS Obligations

- Shall perform the services agreed with the Government.
- Nominate a member of the Board who will be the primary contact with the Government for the Foundation.
- Provide the Government with any policies, operational guidelines and documents held by the Foundation which may be reasonably required by the Government to evaluate the services.
- Provide such appropriate trained staff to meet the demands of the programmes.
- Inspect the facilities to ensure that it upholds therapeutic principles, structure, cleanliness and order.
- Staff with the necessary skills and expertise as may be required to perform the services in accordance with recognised professional standards.
- Cooperate fully in the performance of the services with the Government and with any other party, Foundation, consultant or agency identified by Government.
- Ensure that all supplies and materials required for the performance of the services are obtained at the lowest practical cost.
- Perform the services within the financial limits specified in the Budget.
- Not assign or sub-contract any part of the services without prior written approval of the Government.
- Not recruit or hire staff without the prior written approval of the Board and Government.
- Keep all books and records and other documents as may be necessary to evaluate the performance indicators set out in the Purchase Agreement.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Children and Youth Services Foundation for the 2022 and 2023 financial years are as follows:

	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE FROM CABINET	3,100	3,100	3,100
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	-	-	55
OPERATING EXPENSES	(3,899)	(3,935)	(3,022)
OPERATING SURPLUS/DEFICIT	**(799)**	**(835)**	**132**
NET WORTH	**1,112**	**277**	**1,911**
CASH FLOWS FROM OPERATING ACTIVITIES	(712)	(748)	193
CASH FLOWS FROM INVESTING ACTIVITIES	(179)	-	(61)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-
CHANGE IN CASH BALANCES	(891)	(748)	132

FINANCIAL PERFORMANCE RATIO	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
CURRENT ASSETS : CURRENT LIABILITIES	5.64	0.51	13.98
TOTAL ASSETS : TOTAL LIABILITIES	11.40	1.54	18.88

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	50	50	46
STAFF TURNOVER (%)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	-	-	10 years
PROFESSIONAL AND TECHNICAL STAFF	-	-	33 years
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	-	-	-

PHYSICAL CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	2,019	1,984	2,018
ASSET REPLACEMENTS : TOTAL ASSETS	0.53:1	0.54:1	0.44:1
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	0.53:1	0.45:1	0.54:1
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	0.49:1	-	0.97:1
CHANGES TO ASSET MANAGEMENT POLICIES	-	-	-

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
GENERAL MAINTENANCE & UPGRADE TO PREMISES	75	-	42
COMPUTERS	-	-	6
EQUIPMENT TO UPGRADE PREMISES	77.1	-	8
FURNITURE	27	-	5
TOTAL	**179.1**	**-**	**61**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Personnel - High Staff Turnovers which would affect the Therapeutic Services that we provide to our youth. It also diverts valuable resources and management time to recruit and train specialist staff. Affects therapeutic relationships between residents and staff and re traumatize residents with trauma and attachment issues.	-	Personnel - High Retention - Competitive Compensation Packages to attract qualified Caymanians	-
Supplies and Consumables- Increased due to age of facilities. - need for professional cleaning services for Residents' living areas and the Head Office. -Proper servicing of Electronic Machines such as printers and computers - Increased costs of regular servicing and maintenance of aging vehicles (will likely need to replace some vehicles by 2023) - Cost of Living Increases on Food, Utilities and Fuel	-	Jeopardizing the safe and hygienic living and working conditions for Residents and Staff respectively. Compromising the safety and security of the Homes by not properly maintaining and servicing equipment and vehicles Compromising the nutritional health, well-being and living standards of the Residents	-
Capital budget expenses increased due to the need to upgrade and repair facilities, appliances and equipment for the Homes.	-	-	-

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Children and Youth Services Foundation is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE	3,100	3,100	3,155
OPERATING EXPENSES	3,899	3,935	3,022
NET SURPLUS/(DEFICIT)	(799)	(835)	132

BALANCE SHEET	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
ASSETS	1,219	790	2,018
LIABILITIES	107	513	107
NET WORTH	1,112	277	1,911

STATEMENT OF CASH FLOW	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	(712)	(747)	192
CASH FLOWS FROM INVESTING ACTIVITIES	(179)	-	(60)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's
EQUITY INVESTMENTS INTO CHILDREN AND YOUTH SERVICES FOUNDATION	-	-
CAPITAL WITHDRAWALS FROM CHILDREN AND YOUTH SERVICES FOUNDATION	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CHILDREN AND YOUTH SERVICES FOUNDATION	-	-
GOVERNMENT LOANS TO BE MADE TO CHILDREN AND YOUTH SERVICES FOUNDATION	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CHILDREN AND YOUTH SERVICES FOUNDATION	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[21]	-	-
REMUNERATION[22] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	-	-
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	106,572	106,572

DESCRIPTION	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	10	10
NUMBER OF KEY SENIOR MANAGEMENT (MD)	1	1

[21] Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

[22] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

AGREEMENT

Scope of this Agreement

In signing this document, the Children and Youth Services Foundation undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will the sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Children and Youth Services Foundation will seek to achieve for the 2022 and 2023 financial years and that the Cabinet will monitor performance against.

Honourable Andre Ebanks
Minister for Investment, Innovation and Social Development
On behalf of Cabinet

Chairman of the Board
Children and Youth Services Foundation

31 December 2021

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS
GOVERNMENT

NATIONAL DRUG COUNCIL FOUNDATION
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2022 and 31 December 2023 and performance for the Children and Youth Services Foundation for the financial years ending 31 December 2022 and 31 December 2023; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
Children and Youth Services Foundation

31 December 2021

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CHILDREN AND YOUTH SERVICES FOUNDATION

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

Significant Accounting Policies

Cash and cash equivalents – For the purpose of the cash flow statement, cash and cash equivalents comprise deposits held at call with banks, net of overdrafts.

Income recognition – Income and expenses are recorded on the accrual basis.

Government grants – Grants relating to income are presented as a credit in the income statements. Grants relating to assets are presented as a credit in the income statement and an increase in assets.

Fixed assets – Fixed assets are recorded at cost. Depreciation, which is based on the cost of the asset, is computed using the straight-line method at the following annual rates:

Office equipment	25%
Computer equipment	33%
Motor vehicles	25%
Leasehold improvements	25%

CHILDREN AND YOUTH SERVICES FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL POSITION	Note	12-Month Budget 2022	12-Month Budget 2023
	Current Assets			
1,232,992	Cash and cash equivalents	1	341,726	-
-	Marketable securities and deposits		-	-
258,333	Trade receivables	2	258,333	258,333
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
2,643	Prepayments	5	2,643	2,643
-	Loans	6	-	-
1,493,968	**Total Current Assets**		**602,702**	**260,976**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
50,000	Pension Plan Surplus	13	51,000	52,000
473,881	Property, plant and equipment	7	564,965	476,948
-	Intangible Assets	8	-	-
523,881	**Total Non-Current Assets**		**615,965**	**528,948**
2,017,850	**Total Assets**		**1,218,667**	**789,925**
	Current Liabilities			
13,238	Trade payables	9	13,238	13,238
71,404	Other payables and accruals	9	71,404	71,404
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	405,910
-	Unearned revenue	10	-	-
22,250	Employee entitlements	11	22,250	22,250
-	Current Portion of Borrowings	12	-	-
106,892	**Total Current Liabilities**		**106,892**	**512,802**
	Non-Current Liabilities			
-	Trade payables	9	-	-
-	Other payables and accruals	9	-	-
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Unfunded pension liability	13	-	-
-	Unfunded post retirement health care	14	-	-
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
-	**Total Non-Current Liabilities**		**-**	**-**
106,892	**Total Liabilities**		**106,892**	**512,802**
1,910,958	**Net Assets**		**1,111,775**	**277,122**
	NET WORTH			
466,667	Contributed capital		466,667	466,667
-	Other Reserves		-	-
-	Revaluation reserve		-	-
1,444,290	Accumulated surpluses/(deficits)		645,108	(189,545)
1,910,957	**Total Net Worth**		**1,111,775**	**277,122**

CHILDREN AND YOUTH SERVICES FOUNDATION

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL PERFORMANCE	Note	12-Month Budget 2022	12-Month Budget 2023
	Revenue			
3,100,000	Sale of goods and services	**15**	3,100,000	3,100,000
-	Investment revenue	**16**	-	-
54,852	Donations	**17**	-	-
-	Other revenue		-	-
3,154,852	**Total Revenue**		**3,100,000**	**3,100,000**
	Expenses			
2,610,624	Personnel costs	**18**	3,282,983	3,315,332
223,472	Supplies and consumables	**19**	312,338	314,459
58,992	Depreciation and Amortisation	**7**	88,017	88,017
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	**20**	-	-
-	Litigation costs	**21**	-	-
-	Other (Gains)/losses	**22**	-	-
129,356	Other Operating expenses		215,845	216,845
3,022,444	**Total Expenses**		**3,899,182**	**3,934,653**
132,408	**Surplus or (Deficit) for the period**		**(799,182)**	**(834,653)**

CHILDREN AND YOUTH SERVICES FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	CASH FLOW STATEMENT	Note	12-Month Budget 2022	12-Month Budget 2023
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
3,112,107	Sale of goods and services to Cabinet		3,100,000	3,100,000
44,852	Other receipts		-	-
	Payments			
(2,611,624)	Personnel costs		(3,283,983)	(3,316,332)
(352,828)	Supplies and consumables - third party		(528,183)	(531,304)
192,507	**Net cash flows from operating activities**	**23**	**(712,166)**	**(747,636)**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(60,907)	Purchase of property, plant and equipment		(179,100)	-
(60,907)	**Net cash flows from investing activities**		**(179,100)**	**-**
131,600	**Net increase/(decrease) in cash and cash equivalents**		**(891,266)**	**(747,636)**
1,101,392	Cash and cash equivalents at beginning of period		1,232,992	341,726
1,232,992	**Cash and cash equivalents at end of period**		**341,726**	**(405,909)**

CHILDREN AND YOUTH SERVICES FOUNDATION

STATEMENT OF CHANGES IN NET WORTH

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2019 brought forward	466,667	1,013,205	1,479,872
Prior Year Adjustments			
Changes in accounting policy	-	-	-
Accounting Errors	-	-	-
Restated balance 31 December 2019	466,667	1,013,205	1,479,872
Changes in net worth for 2020			
Gain/(loss) on property revaluation	-	-	-
Gain/(loss) on revaluation of investments	-	10,000	10,000
Exchange differences on translating foreign operations	-	-	-
Equity Investment from Cabinet	-	-	-
Capital withdrawals by Cabinet	-	-	-
Dividends payable to Cabinet	-	-	-
Net revenue / expenses recognised directly in net worth	-	10,000	10,000
Surplus/(deficit)for the period 2020		288,677	288,677
Total recognised revenues and expenses for the period	-	298,677	298,677
Balance at 31 December 2020	466,667	1,311,882	1,778,549
Balance at 31 December 2020 brought forward	466,667	1,311,882	1,778,549
Prior Year Adjustments			
Changes in accounting policy	-	-	-
Accounting Errors	-	-	-
Restated balance 31 December 2020	466,667	1,311,882	1,778,549
Net revenue / expenses recognised directly in net worth	-	-	-
Surplus/(deficit)for the period 2021		132,408	132,408
Total recognised revenues and expenses for the period	-	132,408	132,408
Balance at 31 December 2021 carried forward	466,667	1,444,290	1,910,957

CHILDREN AND YOUTH SERVICES FOUNDATION

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	466,667	1,444,290	1,910,957
Prior Year Adjustments			
Changes in accounting policy	-	-	-
Accounting Errors	-	-	-
Restated balance 31 December 2021	466,667	1,444,290	1,910,957
Net revenue / expenses recognised directly in net worth	-	-	-
Surplus/(deficit)for the period 2022		(799,182)	(799,182)
Total recognised revenues and expenses for the period	-	(799,182)	(799,182)
Balance at 31 December 2022 carried forward	466,667	645,108	1,111,775
Balance at 31 December 2022 brought forward	466,667	645,108	1,111,775
Prior Year Adjustments			
Changes in accounting policy	-	-	-
Accounting Errors	-	-	-
Restated balance 31 December 2022	466,667	645,108	1,111,775
Net revenue / expenses recognised directly in net worth	-	-	-
Surplus/(deficit)for the period 2023		(834,653)	(834,653)
Total recognised revenues and expenses for the period	-	(834,653)	(834,653)
Balance at 31 December 2023	466,667	(189,545)	277,122

CHILDREN AND YOUTH SERVICES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
1,232,992	CI$ Account	341,726	-
-	Bank Overdraft	-	(405,910)
1,232,992	**TOTAL**	**341,726**	**(405,910)**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
258,333	Sale of goods and services to Cabinet	258,333	258,333
258,333	**Total trade receivables**	**258,333**	**258,333**

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
258,333	Past due 1-30 days	258,333	258,333
258,333	**Total**	**258,333**	**258,333**

NOTE 5: PREPAYMENTS

12-Month Forecast 2021	Prepayments	12-Month Budget 2022	12-Month Budget 2023
	Current Prepayments		
2,643		2,643	2,643
2,643	**Prepayments - Current**	**2,643**	**2,643**
2,643	**Total Prepayments**	**2,643**	**2,643**

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2020	71,988	496,030	94,957	21,095	45,370	729,440
Additions	13,985	33,439	7,901	7,801	31,940	95,066
Disposals and Derecognisation	-	(1,700)	-	-	-	(1,700)
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2020	85,973	527,769	102,858	28,896	77,310	822,806

	Plant and equipment	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2021	85,973	527,769	102,858	28,896	77,310	822,806
Additions	8,175	41,994	5,180	5,558	-	60,907
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2021	94,148	569,763	108,038	34,454	77,310	883,713

	Plant and equipment	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	94,148	569,763	108,038	34,454	77,310	883,713
Additions	77,100	75,000	27,000	-	-	179,100
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2022	171,248	644,763	135,038	34,454	77,310	1,062,813

	Plant and equipment	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	171,248	644,763	135,038	34,454	77,310	1,062,813
Additions	-	-	-	-	-	-
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2023	171,248	644,763	135,038	34,454	77,310	1,062,813

CHILDREN AND YOUTH SERVICES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Plant and equipment	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2020	45,668	113,345	84,349	14,285	41,457	299,104
Transfers	-	-	-	-	-	-
Impairment Reserve 2018 (closing balance)	-	-	-	-	-	-
Depreciation Expense 2018	15,343	20,467	5,105	4,639	7,882	53,436
Eliminate on Disposal or Derecognisation 2018		(1,700)	-	-	-	(1,700)
Balance as at 31 December 2020	61,011	132,112	89,454	18,924	49,339	350,840

	Plant and equipment	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2021	61,011	132,112	89,454	18,924	49,339	350,840
Transfers	-	-	-	-	-	-
Impairment Reserve 2019 (closing balance)	-	-	-	-	-	-
Depreciation Expense 2019	17,387	22,147	5,105	6,471	7,882	58,992
Eliminate on Disposal or Derecognisation 2019	-	-	-	-	-	-
Balance as at 31 December 2021	78,398	154,259	94,559	25,395	57,221	409,832

	Plant and equipment	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	78,398	154,259	94,559	25,395	57,221	409,832
Transfers	-	-	-	-	-	-
Impairment change 2020	-	-	-	-	-	-
Depreciation Expense 2020	36,662	25,147	11,855	6,471	7,882	88,017
Eliminate on Disposal or Derecognisation 2020	-	-	-	-	-	-
Balance as at 31 December 2022	115,060	179,405	106,414	31,867	65,103	497,848

	Plant and equipment	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	115,060	179,405	106,414	31,867	65,103	497,848
Transfers	-	-	-	-	-	-
Impairment change 2021	-	-	-	-	-	-
Depreciation Expense 2021	36,662	25,147	11,855	6,471	7,882	88,017
Eliminate on Disposal or Derecognisation 2021	-	-	-	-	-	-
Balance as at 31 December 2023	151,721	204,552	118,269	38,338	72,985	585,865

Net Book value 31 December 2020	24,962	395,657	13,404	9,972	27,971	471,966
Net Book value 31 December 2021	15,750	415,505	13,479	9,059	20,089	473,881
Net Book value 31 December 2022	56,189	465,358	28,624	2,587	12,207	564,965
Net Book value 31 December 2023	19,527	440,211	16,769	(3,884)	4,325	476,948

CHILDREN AND YOUTH SERVICES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12 Month Forecast 2021	Description	12 Month Budget 2022	12 Month Budget 2023
	Current Trade payables other payables and accruals		
13,238	Creditors Third party	13,238	13,238
33,562	Payroll Deductions	33,562	33,562
37,842	Accrued Expenses	37,842	37,842
84,642	**Trade payables other payables and accruals - Current**	**84,642**	**84,642**
84,642	**Total trade payables other payables and accruals**	**84,642**	**84,642**

NOTE 11: EMPLOYEE ENTITLEMENTS

12 Month Forecast 2021	Description	12 Month Budget 2022	12 Month Budget 2023
	Current employee entitlements		
22,250	Annual Leave/Comp-time	22,250	22,250
22,250	**Total current portion**	**22,250**	**22,250**
22,250	**Total employee entitlements**	**22,250**	**22,250**

NOTE 13: UNFUNDED PENSION LIABILITY

12 Month Forecast 2021	Description	12 Month Budget 2022	12 Month Budget 2023
50,000	Value of pension fund allocated asstes	51,000	52,000
50,000	**Fund (deficiency)/Surplus**	**51,000**	**52,000**

NOTE 15A: SALE AND GOODS OF SERVICES

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
3,100,000	Sale of goods and services to Cabinet	3,100,000	3,100,000
3,100,000	**Total sales of goods and services**	**3,100,000**	**3,100,000**

NOTE 15A: SALE AND GOODS OF SERVICES (CONTINUED)

12-Month Forecast 2021	Other Goods & Services Revenue	12-Month Budget 2022	12-Month Budget 2023
	Sales of Outputs to Cabinet		
3,100,000	Sales of Outputs to Cabinet	3,100,000	3,100,000
3,100,000	**Total Sales of Outputs to Cabinet**	**3,100,000**	**3,100,000**
3,100,000	**Total Goods and Services**	**3,100,000**	**3,100,000**

NOTE 17: DONATIONS

12 Month Forecast 2021	Source	12 Month Budget 2022	12 Month Budget 2023
54,852	**Various Donors**	-	-
54,852	**Total donations**	-	-

NOTE 18: PERSONNEL COSTS

12 Month Forecast 2021	Description	12 Month Budget 2022	12 Month Budget 2023
2,029,432	Salaries, wages and allowances	2,427,763	2,427,763
322,466	Health care CINICO	539,154	571,503
-	Health care other	-	-
248,897	Pension	301,167	301,167
-	Leave	-	-
9,829	Other personnel related costs	14,900	14,900
2,610,624	**Total Personnel Costs**	**3,282,983**	**3,315,332**

NOTE 19: SUPPLIES AND CONSUMABLES

12 Month Forecast 2021	Description	12 Month Budget 2022	12 Month Budget 2023
103,492	Supplies and Materials	136,450	138,441
25,152	Purchase of services	58,550	58,550
-	Lease of Property and Equipment	-	-
94,828	Utilities	117,338	117,468
223,472	**Total Supplies & consumables**	**312,338**	**314,459**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
132,408	**Surplus/(deficit) from ordinary activities**	(799,182)	(834,653)
	Non-cash movements		
58,992	Depreciation & Amortisation	88,017	88,017
	Changes in current assets and liabilities:		
11,107	(Increase)/decrease in other current assets - Other	(1,000)	(1,000)
(10,000)	(Increase/(decrease) in current liabilities - Other	-	-
192,507	**Net cash flows from operating activities**	**(712,166)**	**(747,636)**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

CIVIL AVIATION AUTHORITY

FOR THE 2022 FINANCIAL YEAR ENDING 31 DECEMBER 2022
AND THE 2023 FINANCIAL YEAR ENDING 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT (2020 REVISION)

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1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Civil Aviation Authority of the Cayman Islands (CAACI) have agreed the Civil Aviation Authority of the Cayman Islands will seek to achieve during the 2022 and 2023 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the **Civil Aviation Authority of the Cayman Islands** is to operate during the financial years ending 2022 and 2023.

GENERAL NATURE OF ACTIVITIES

The Civil Aviation Authority activities involve regulatory oversight of all civil aviation services provided throughout the Cayman Islands, and of aircraft registered on the Cayman Islands Aircraft Register and operate globally.

SCOPE OF ACTIVITIES

The scope of The Civil Aviation Authority activities is as follows:

Local Aviation Industry – Regulation to International Civil Aviation Organisation (ICAO) safety standards

- Certification, licensing and regulation of airports, air navigation facilities and air traffic control services
- Economic regulation of services provided by airports, airlines and air transport operators
- Certification, licensing and regulation of Air Operator Certificate holders and aircraft maintenance facilities
- Registration and certification of locally based aircraft for airworthiness and flight operations
- Personnel licensing for pilot, air traffic control and aircraft maintenance engineers

Cayman Islands Aircraft Registry- Regulation to International Civil Aviation Organisation (ICAO) safety standards

- Registration and certification of globally based aircraft for airworthiness and flight operations
- Certification, licensing and regulation of aircraft maintenance organisations to support safe operation of Cayman Islands registered aircraft.
- Validation of flight crew licenses to operate Cayman Islands registered aircraft.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by the Civil Aviation Authority are provided to:

- The Cayman Islands Airports Authority with respect to Owen Roberts International and Charles Kirkconnell International Airports
- The Cayman Islands Government in respect of Edward Bodden Airfield, Little Cayman
- The Cayman Islands Government in respect of the RCIPS Police Air Support Unit and Mosquito Research Control Unit aerial spraying operations
- The Cayman Islands Government in respect of economic regulatory services
- Cayman Airways Ltd., Cayman Express Ltd., and Cayman Islands Helicopters
- All Cayman Islands registered aircraft operated worldwide, expected to be 330 by 31 December 2021.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Civil Aviation Authority for the 2022 and 2023 financial years are as follows:

a) To achieve the financial results of the approved annual budgets herein.
b) To recruit and retain qualified personnel required to meet the Authority's oversight obligations.
c) To continue staff succession planning initiatives to achieve optimal staffing as a means of ensuring the Authority's business continuity.
d) To maintain financial independence and continue making dividend contributions to CIG.
e) To retain full designation by the Governor for safety oversight of all functional areas.
f) To continue promoting aviation safety through collaborative efforts with industry and key stakeholders throughout the three Cayman Islands.
g) To continue promoting local and global awareness of the Cayman Islands Aircraft Registry by execution of an annual integrated communication plan.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Civil Aviation Authority of the Cayman Islands for the 2022 and 2023 financial years are as follows:

	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE FROM CABINET	-	-	-
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	370	370	370
REVENUE FROM OTHERS	7,270	7,469	7,056
OPERATING EXPENSES	6,304	6,154	5,711
OPERATING SURPLUS/DEFICIT	**1,359**	**1,708**	**1,799**
NET WORTH	**9,973**	**10,400**	**9,633**
CASH FLOWS FROM OPERATING ACTIVITIES	2,304	2,306	2,334
CASH FLOWS FROM INVESTING ACTIVITIES	(489)	(53)	(888)
CASH FLOWS FROM FINANCING ACTIVITIES	(1,019)	(1,281)	(1,350)
CHANGE IN CASH BALANCES	796	972	97

FINANCIAL PERFORMANCE RATIO	2022 1 Jan to 31 Dec 2022 %	2023 1 Jan to 31 Dec 2023 %	2021 12-Month Forecast %
CURRENT ASSETS : CURRENT LIABILITIES	7.64	7.24	6.69
TOTAL ASSETS : TOTAL LIABILITIES	2.14	2.10	2.21

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	24	25	22
STAFF TURNOVER (%)			
MANAGERS	20	-	-
PROFESSIONAL AND TECHNICAL STAFF	7	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	19	8	18
PROFESSIONAL AND TECHNICAL STAFF	6	7	5
CLERICAL AND LABOURER STAFF	13	9	12
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	-	-	-

PHYSICAL CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	4,333	4,381	4,179
ASSET REPLACEMENTS : TOTAL ASSETS	0.444%	0.33%	0.276%
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	90%	88%	83%
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	39%	67%	18%
CHANGES TO ASSET MANAGEMENT POLICIES	-	-	-

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
BESPOKE SOFTWARE DEVELOPMENT (VP-C ONLINE)	214	110	163
TOTAL	**214**	**110**	**163**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Contingent liabilities – potential lawsuits for action or inaction, aircraft accident investigation costs, vehicle accidents	None/Medium	Adequate professional indemnity, accident investigation, vehicle and general insurance policies are in place	
Internal or external fraud perpetrated due to inadequate internal controls (unauthorised payments from bank account)	None/Low	Adequate internal controls are in place surrounding security of cheques and cash and authorisation of payments. Controls have been audited by the Office of the Auditor General as well Government Internal Audit Office and have been found to comply with International Accounting Standards	
Loss of control of funds - Inadequate fiscal controls, or insufficient information provided to CAA managers, leading to excess spending in approved budget	None/Low	Annual budgets are prepared with department heads to provide sufficient resources to obtain optimal performance in all departments with long term sustainability of the Authority being a primary strategic objective. Budgets are approved by CAA Board of Directors. Comparisons of actual financial results to the budget are prepared and reported to Senior Management and Board of Directors on a quarterly basis	
Not achieving financial targets due to competition and global market force	Steady year over year growth is becoming harder to achieve/High	Closely monitoring Key Performance Indicators and researching related market activity to analyse and determine possible correlations to revise internal policies to respond to market requirements	
Not achieving financial targets due global economic downturns	High	Being innovative about creating new revenue streams to supplement reduced revenue in legacy revenue streams (e.g. the transition/leased aircraft register introduced in 2020)	

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Bad debt exposure - being exposed to a client's liquidity problems	Medium	Procedures are in place to prompt clients to pay their outstanding invoices in a timely manner or services and documents are withheld. Prepayments required for certain services where there is no recourse after service is rendered. Adequate due diligence is conducted on all new clients and KYC information on current clients is updated every 2 years. International media is monitored for possible client activity	
Potential clients to the Aircraft Register submitting false information to be accepted. Clients turn out to be a legal, financial and reputational risk.	None/Low	Adherence to local and global Anti-Money Laundering (AML) Regulations and Standards which includes use of due diligence tools for all new client background checks For current clients – bi-annual review of due diligence files for updated client information	
Online banking fraud	None/Low	Strict internal control and monitoring policies by bank and CAA	

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Civil Aviation Authority of the Cayman Islands is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE	7,663	7,862	7,510
OPERATING EXPENSES	6,304	6,154	5,710
NET SURPLUS/(DEFICIT)	1,359	1,708	1,799

BALANCE SHEET	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
ASSETS	18,684	19,872	17,625
LIABILITIES	8,711	9,473	7,992
NET WORTH	9,973	10,400	9,633

STATEMENT OF CASH FLOW	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	2,304	2,306	2,334
CASH FLOWS FROM INVESTING ACTIVITIES	(489)	(53)	(888)
CASH FLOWS FROM FINANCING ACTIVITIES	(1,019)	(1,281)	(1,350)

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's
EQUITY INVESTMENTS INTO CIVIL AVIATION AUTHORITY OF THE CAYMAN ISLANDS	-	-
CAPITAL WITHDRAWALS FROM CIVIL AVIATION AUTHORITY OF THE CAYMAN ISLANDS	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY CIVIL AVIATION AUTHORITY OF THE CAYMAN ISLANDS	1,019	1,281
GOVERNMENT LOANS TO BE MADE TO CIVIL AVIATION AUTHORITY OF THE CAYMAN ISLANDS	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO CIVIL AVIATION AUTHORITY OF THE CAYMAN ISLANDS (CAACI)	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[23]	-	-
REMUNERATION[24] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	9	9
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	975	945

DESCRIPTION	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	8	8
NUMBER OF KEY SENIOR MANAGEMENT (MD)	5	5

[23] Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

[24] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

AGREEMENT

Scope of this Agreement

In signing this document, the Civil Aviation Authority of the Cayman Islands undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will the sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Civil Aviation Authority of the Cayman Islands will seek to achieve for the 2022 and 2023 financial years and that the Cabinet will monitor performance against.

Honourable Andre Ebanks
Minister for Financial Services and Commerce
On behalf of Cabinet

Chairman of the Board
Civil Aviation Authority

31 December 2021

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS
GOVERNMENT

CIVIL AVIATION AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2022 and 31 December 2023 and performance for the Civil Aviation Authority of the Cayman Islands for the financial years ending 31 December 2022 and 31 December 2023; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
Civil Aviation Authority

31 December 2021

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CIVIL AVIATION AUTHORITY

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

1. Significant Accounting Policies

k) Basis of Presentation

Pursuant to the Public Management and Finance Law (PMFL) (Amendment) 2015, the Authority was required to prepare its financial statements for the year ended 31 December 2017 and for each calendar year ending thereafter on 31 December. As a result, the corresponding amounts presented in these financial statements are at 31 December.

The financial statements of the Authority are prepared under the historic cost convention as modified by the revaluation of financial assets and financial liabilities at fair value through profit and loss, in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Authority's accounting policies. Actual results could differ from those estimates, the impact of which would be recorded in future periods. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

l) Property, plant and equipment

Capital assets (property, plant and equipment) are recorded at their historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated using the straight-line method at the following rates estimated to allocate the cost of the assets over their estimated useful lives:

Computer hardware and licensed software	3 years
Leasehold improvements	3 years
Office equipment and vehicles	5 years
Developed computer software	6 years
Furniture and fixtures	10 years
Land	Not depreciated

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other income' in the statement of comprehensive income.

m) Foreign currency translation

i) Functional and presentation currency - Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Cayman Islands dollars, which is the entity's functional and presentation currency.

ii) Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transactions. Assets and liabilities recorded in currencies other than Cayman Islands Dollars are translated at exchange rates in effect at the statement of financial position date.

n) Cash and cash equivalents

Cash and cash equivalents include cash held on demand and on short notice and all deposits with an original maturity date of three months or less.

Significant Accounting Policies (continued)

o) Short-term deposits

Short-term deposits represent term deposits with banks or other financial institutions, including the CIG, with original maturities of greater than three months but less than twelve months. Impairment of short-term deposits has been considered on a 12-month expected credit loss basis and reflects the short maturities of the exposures, the Authority deems any exposure to be immaterial due to the low credit risk based on the external credit ratings of the counterparties.

p) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for the sale of goods and services stated net of discounts. The Authority recognizes revenue when the amount of revenue can be reliably measured and when performance has been completed; and when specific criteria have been met for each of the Authority's activities as described in Note 12. Contract liabilities in the Statement of Financial Position represent unearned revenue where performance obligations have yet to be fully completed. Refer to Note 8 for details on contract liabilities.

q) Financial assets and liabilities

Under IFRS 9, the Authority classifies its financial assets, cash and cash equivalents, short-term deposits and trade and other receivables, as amortised cost.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Cash and cash equivalents, short term deposits and trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period which are classified as non-current assets.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Authority has transferred substantially all risks and rewards of ownership. The Authority's financial assets are carried at amortised cost using the effective interest method.

The Authority classifies its financial liabilities as other financial liabilities. Such financial liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers or obligations to the Cayman Islands Government for dividends based on comprehensive net income. Accounts payable and accrued expenses

are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

r) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Authority or the counterparty.

s) Employee benefits

The Authority operates various post-employment schemes, including a post-employment healthcare plan, and defined benefit and defined contribution pension plans.

(a) Pension obligations

A defined contribution plan is a pension plan under which the Authority pays fixed contributions into a separate entity. The Authority has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Authority pays contributions to publicly administered pension insurance plans on a mandatory, contractual or voluntary basis. The Authority has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future

cash outflows using interest rates of high-quality corporate bonds that are denominated United States Dollars (USD), a currency pegged to in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the Statement of Comprehensive Income.

(b) Post-employment healthcare plan

Certain employees are eligible for post-employment healthcare under the 1987 CIG General Orders and the CAA Law 2004. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

2. Critical Accounting Estimates and Judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) **Employee benefits – post-employment pension and healthcare**

The present value of the obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for defined benefit pensions and healthcare include the discount rate. Any changes in these assumptions will impact the carrying amount of obligations.

The Authority determines the appropriate discount rate at the end of each year in conjunction with the actuary. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations.

In determining the appropriate discount rate, the Authority in conjunction with the actuary considers the interest rates of high-quality corporate bonds that are denominated in the United States Dollars (USD), a currency pegged to the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 10.

CIVIL AVIATION AUTHORITY

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL POSITION	Note	12-Month Budget 2022	12-Month Budget 2023
	Current Assets			
11,940,756	Cash and cash equivalents	1	12,736,303	13,708,377
-	Marketable securities and deposits		-	-
1,444,000	Trade receivables	2	1,555,000	1,723,000
40,000	Other receivables	2	40,000	40,000
-	Inventories	3	-	-
-	Investments	4	-	-
20,000	Prepayments	5	20,000	20,000
-	Loans	6	-	-
13,444,756	**Total Current Assets**		**14,351,303**	**15,491,377**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
3,978,524	Property, plant and equipment	7	3,932,626	3,885,726
201,284	Intangible Assets	8	399,949	495,399
4,179,808	**Total Non-Current Assets**		**4,332,575**	**4,381,125**
17,624,564	**Total Assets**		**18,683,878**	**19,872,502**
	Current Liabilities			
135,000	Trade payables	9	150,000	150,000
100,104	Other payables and accruals	9	195,000	195,000
1,349,580	Dividends/Surplus Payable	9	1,019,248	1,280,904
-	Bank Overdraft	1	-	-
310,000	Unearned revenue	10	350,000	350,000
115,000	Employee entitlements	11	165,000	165,000
-	Current Portion of Borrowings	12	-	-
2,009,684	**Total Current Liabilities**		**1,879,248**	**2,140,904**
	Non-Current Liabilities			
-	Trade payables	9	-	-
-	Other payables and accruals	9	-	-
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
1,927,000	Unfunded pension liability	13	2,277,000	2,527,000
4,055,000	Unfunded post retirement health care	14	4,555,000	4,805,000
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
5,982,000	**Total Non-Current Liabilities**		**6,832,000**	**7,332,000**
7,991,684	**Total Liabilities**		**8,711,248**	**9,472,904**
9,632,880	**Net Assets**		**9,972,630**	**10,399,598**
	NET WORTH			
-	Contributed capital		-	-
-	Other Reserves		-	-
-	Revaluation reserve		-	-
9,632,880	Accumulated surpluses/(deficits)		9,972,630	10,399,598
9,632,880	**Total Net Worth**		**9,972,630**	**10,399,598**

CIVIL AVIATION AUTHORITY

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL PERFORMANCE	Note	12-Month Budget 2022	12-Month Budget 2023
	Revenue			
7,426,000	Sale of goods and services	**15**	7,640,000	7,839,000
84,000	Investment revenue	**16**	23,000	23,000
-	Donations	**17**	-	-
-	Other revenue		-	-
7,510,000	**Total Revenue**		**7,663,000**	**7,862,000**
	Expenses			
3,006,091	Personnel costs	**18**	3,220,330	3,265,647
2,115,621	Supplies and consumables	**19**	2,139,175	2,290,481
81,000	Depreciation and Amortisation	**7**	94,498	98,000
3,848	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	**20**	-	-
-	Litigation costs	**21**	-	-
500,000	Other (Gains)/losses	**22**	850,000	500,000
4,000	Other Operating expenses		-	-
5,710,560	**Total Expenses**		**6,304,003**	**6,154,128**
1,799,440	**Surplus or (Deficit) for the period**		**1,358,997**	**1,707,872**

CIVIL AVIATION AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2021

12-Month Forecast 2021	CASH FLOW STATEMENT	Note	12-Month Budget 2022	12-Month Budget 2023
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
-	Sale of goods and services to Cabinet		-	-
39,000	Sale of goods and services to Ministries/Portfolios		45,000	45,000
328,000	Sale of goods and services to Statutory Agencies and Government Conpanies		325,000	325,000
7,059,103	Sale of goods and services - third party		7,270,000	7,469,000
84,000	Interest received		23,000	23,000
-	Donations / Grants		-	-
-	Other receipts		-	-
	Payments			
(3,006,000)	Personnel costs		(3,220,000)	(3,265,000)
(95,000)	Supplies and consumables - Ministries/Portfolios		(95,000)	(95,000)
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(2,025,000)	Supplies and consumables - third party		(2,044,000)	(2,196,000)
-	Interest paid		-	-
(50,000)	Other payments		-	-
2,334,103	**Net cash flows from operating activities**	**23**	**2,304,000**	**2,306,000**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(454,901)	Purchase of property, plant and equipment		(247,265)	(36,100)
-	Proceeds from sale of property, plant and equipment			
(432,689)	Purchase of investments		(241,940)	(16,922)
-	Proceeds from sale of investments			
(887,590)	**Net cash flows from investing activities**		**(489,205)**	**(53,022)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Equity Investment from Cabinet		-	-
(1,349,580)	Repayment of Surplus/Dividends or Capital withdrawal		(1,019,248)	(1,280,904)
-	Borrowings		-	-
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
(1,349,580)	**Net cash flows from financing activities**		**(1,019,248)**	**(1,280,904)**
96,933	**Net increase/(decrease) in cash and cash equivalents**		**795,547**	**972,074**
11,843,823	Cash and cash equivalents at beginning of period		11,940,756	12,736,303
11,940,756	**Cash and cash equivalents at end of period**		**12,736,303**	**13,708,377**

CIVIL AVIATION AUTHORITY

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2019 brought forward	-	-	-	8,882,066	8,882,066
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2019	-	-	-	8,882,066	8,882,066
Changes in net worth for 2020					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(902,866)	(902,866)
Net revenue / expenses recognised directly in net worth	-	-	-	(902,866)	(902,866)
Surplus/(deficit)for the period 2020				1,203,820	1,203,820
Total recognised revenues and expenses for the period	-	-	-	300,954	300,954
Balance at 31 December 2020	-	-	-	9,183,020	9,183,020
Balance at 31 December 2020 brought forward	-	-	-	9,183,020	9,183,020
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2020	-	-	-	9,183,020	9,183,020
Changes in net worth for 2021					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(1,349,580)	(1,349,580)
Net revenue / expenses recognised directly in net worth	-	-	-	(1,349,580)	(1,349,580)
Surplus/(deficit)for the period 2021				1,799,440	1,799,440
Total recognised revenues and expenses for the period	-	-	-	449,860	449,860
Balance at 31 December 2021 carried forward	-	-	-	9,632,880	9,632,880

CIVIL AVIATION AUTHORITY

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	-	-	-	9,632,880	9,632,880
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	-	-	-	9,632,880	9,632,880
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(1,019,248)	(1,019,248)
Net revenue / expenses recognised directly in net worth	-	-	-	(1,019,248)	(1,019,248)
Surplus/(deficit)for the period 2022				1,358,997	1,358,997
Total recognised revenues and expenses for the period	-	-	-	339,749	339,749
Balance at 31 December 2022 carried forward	-	-	-	9,972,630	9,972,630
Balance at 31 December 2022 brought forward	-	-	-	9,972,630	9,972,630
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	-	-	-	9,972,630	9,972,630
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	(1,280,904)	(1,280,904)
Net revenue / expenses recognised directly in net worth	-	-	-	(1,280,904)	(1,280,904)
Surplus/(deficit)for the period 2023				1,707,872	1,707,872
Total recognised revenues and expenses for the period	-	-	-	426,968	426,968
Balance at 31 December 2023	-	-	-	10,399,598	10,399,598

CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2021	Description change as applicable	12-Month Budget 2022	12-Month Budget 2023
769	Cash on hand	769	769
-	Cash in transit	-	-
585,000	CI$ Account	596,135	697,009
3,068,987	US$ Account	3,469,502	3,500,000
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
8,286,000	Short-Term Fixed Deposits	8,669,897	9,510,599
11,940,756	**TOTAL**	**12,736,303**	**13,708,377**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 21	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
-	Sale of goods and services to Cabinet	-	-
-	Sale of goods and services to Ministries/Portfolios	-	-
105,000	Sale of goods and services to Statutory Agencies and Government Conpanies	105,000	105,000
1,589,000	Sale of goods and services - third party	1,700,000	1,868,000
	Other		
(250,000)	**Less: provision for doubtful debts**	(250,000)	(250,000)
1,444,000	**Total trade receivables**	**1,555,000**	**1,723,000**

12-Month Forecast 21	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
1,444,000	Past due 1-30 days	1,555,000	1,723,000
1,444,000	**Total**	**1,555,000**	**1,723,000**

12-Month Forecast 2021	Other Receivables	12-Month Budget 2022	12-Month Budget 2023
40,000	Other	40,000	40,000
-	**Less: provision for doubtful debts**	-	-
40,000	**Total other receivables**	**40,000**	**40,000**

NOTE 2: TRADE AND OTHER RECEIVABLES (CONTINUED)

12-Month Forecast 2021	Other Receivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
40,000	Past due 1-30 days	40,000	40,000
40,000	**Total**	**40,000**	**40,000**

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(298,750)	Balance at begining oF period	(250,000)	(250,000)
-	Additional provisions made during the year	-	-
48,750	Receivables written off during the period	-	-
(250,000)	**Balance at 31st December**	**(250,000)**	**(250,000)**

NOTE 5: PREPAYMENTS

12-Month Forecast 2021	Prepayments	12-Month Budget 2022	12-Month Budget 2023
20,000	**Prepaid Expenses**	20,000	20,000
20,000	**Prepayments - Current**	**20,000**	**20,000**
20,000	**Total Prepayments**	**20,000**	**20,000**

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2020	400,000	-	144,793	121,584	200,174	50,732	71,754	945,119	1,934,156
Additions	-	-	-	1,192	7,613	-	-	2,394,765	2,403,570
Disposals and Derecognisation	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2020	400,000	-	144,793	122,776	207,787	50,732	71,754	3,339,884	4,337,726

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2021	400,000	-	144,793	122,776	207,787	50,732	71,754	3,339,884	4,337,726
Additions	-	-	-	261,411	30,000	-	-	-	291,411
Disposals and Derecognisation	-	-	(144,793)	(122,776)	(141,828)	(36,947)	-	-	(446,343)
Revaluation	-	-	-	-	-	-	-	-	-
Transfers	-	3,339,884	-	-	-	-	-	(3,339,884)	-
Balance as at 31 December 2021	400,000	3,339,884	-	261,411	95,959	13,785	71,754	-	4,182,794

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	400,000	3,339,884	-	261,411	95,959	13,785	71,754	-	4,182,794
Additions	-	-	-	-	33,600	-	-	-	33,600
Disposals and Derecognisation	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	400,000	3,339,884	-	261,411	129,559	13,785	71,754	-	4,216,394

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	400,000	3,339,884	-	261,411	129,559	13,785	71,754	-	4,216,394
Additions	-	-	-	-	36,100	-	-	-	36,100
Disposals and Derecognisation	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	400,000	3,339,884	-	261,411	165,659	13,785	71,754	-	4,252,494

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2020		-	144,793	116,001	181,755	41,564	71,754	-	555,867
Transfers	-	-	-	-	-	-	-	-	-
Impairment Reserve 2020 (closing balance)	-	-	-	-	-	-	-	-	-
Depreciation Expense 2020	-	-	-	2,018	13,211	2,670	-	-	17,899
Eliminate on Disposal or Derecognisation 2020	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2020	-	-	144,793	118,019	194,966	44,234	71,754	-	573,766

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2021		-	144,793	118,019	194,966	44,234	71,754	-	573,766
Transfers	-	-	-	-	-	-	-	-	-
Impairment Reserve 2021 (closing balance)	-	-	-	-	-	-	-	-	-
Depreciation Expense 2021	-	34,000	-	29,000	7,000	3,000	-	-	73,000
Eliminate on Disposal or Derecognisation 2021	-	-	(144,793)	(118,929)	(141,828)	(36,947)	-	-	(442,496)
Balance as at 31 December 2021	-	34,000	-	28,090	60,138	10,287	71,754	-	204,270

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	-	34,000	-	28,090	60,138	10,287	71,754	-	204,270
Transfers	-	-	-	-	-	-	-	-	-
Impairment change 2022	-	-	-	-	-	-	-	-	-
Depreciation Expense 2022	-	34,000	-	30,000	15,000	498	-	-	79,498
Eliminate on Disposal or Derecognisation 2022	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	-	68,000	-	58,090	75,138	10,785	71,754	-	283,768

	Land	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	-	68,000	-	58,090	75,138	10,785	71,754	-	283,768
Transfers	-	-	-	-	-	-	-	-	-
Impairment change 2023	-	-	-	-	-	-	-	-	-
Depreciation Expense 2023	-	35,000	-	30,000	15,000	3,000	-	-	83,000
Eliminate on Disposal or Derecognisation 2023	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	-	103,000	-	88,090	90,138	13,785	71,754	-	366,768

Net Book value 31 December 2020	400,000	-	-	4,757	12,821	6,498	-	3,339,884	3,763,960
Net Book value 31 December 2021	400,000	3,305,884	-	233,321	35,821	3,498	-	-	3,978,524
Net Book value 31 December 2022	400,000	3,271,884	-	203,321	54,421	3,000	-	-	3,932,626
Net Book value 31 December 2023	400,000	3,236,884	-	173,321	75,521	-	-	-	3,885,726

NOTE 8: INTANGIBLE ASSETS

COST OF INTANGIBLE ASSETS

	Computer Software	*Total*
Balance as at 1 January 2020	210,445	210,445
Additions	5,246	5,246
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2020	215,691	215,691

	Computer Software	*Total*
Balance as at 1 January 2021	215,691	215,691
Additions	163,490	163,490
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2021	379,181	379,181

	Computer Software	*Total*
Balance as at 1 January 2022	379,181	379,181
Additions	213,665	213,665
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2022	592,846	592,846

	Computer Software	*Total*
Balance as at 1 January 2023	592,846	592,846
Additions	110,450	110,450
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2023	703,296	703,296

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Computer Software	*Total*
Balance as at 1 January 2020	159,134	159,134
Transfers	-	-
Impairment Reserve 2020 (closing balance)	-	-
Depreciation Expense 2020	10,763	10,763
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2020	169,897	169,897

	Computer Software	*Total*
Balance as at 1 January 2021	169,897	169,897
Transfers	-	-
Impairment Reserve 2021 (closing balance)	-	-
Depreciation Expense 2021	8,000	8,000
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2021	177,897	177,897

	Computer Software	*Total*
Balance as at 1 January 2022	177,897	177,897
Transfers	-	-
Impairment change 2022	-	-
Depreciation Expense 2022	15,000	15,000
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2022	192,897	192,897

	Computer Software	*Total*
Balance as at 1 January 2023	192,897	192,897
Transfers	-	-
Impairment change 2023	-	-
Depreciation Expense 2023	15,000	15,000
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2023	207,897	207,897

Net Book value 31 December 2020	45,794	45,794
Net Book value 31 December 2021	201,284	201,284
Net Book value 31 December 2022	399,949	399,949
Net Book value 31 December 2023	495,399	495,399

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Trade payables other payables and accruals		
135,000	Creditors Third party	150,000	150,000
-	Operating Lease	-	-
75,000	Accrued Expenses	100,000	100,000
25,104	Other payables	95,000	95,000
1,349,580	Dividends/Surplus Payable	1,019,248	1,280,904
1,584,684	**Trade payables other payables and accruals - Current**	**1,364,248**	**1,625,904**
1,584,684	**Total trade payables other payables and accruals**	**1,364,248**	**1,625,904**

NOTE 10: UNEARNED REVENUE

12-Month Forecast 2021	Details	12-Month Budget 2022	12-Month Budget 2023
	Current Unearned Revenue		
310,000	Prepayments for aircraft certificates (fees)	350,000	350,000
310,000	**Total current portion**	**350,000**	**350,000**
310,000	**Total Unearned Revenue**	**350,000**	**350,000**

NOTE 11: EMPLOYEE ENTITLEMENTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current employee entitlements		
115,000	Annual Leave/Comp-time	50,000	50,000
-	Other	115,000	115,000
115,000	**Total current portion**	**165,000**	**165,000**
115,000	**Total employee entitlements**	**165,000**	**165,000**

NOTE 13: UNFUNDED PENSION LIABILITY

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
-	Value of pension fund allocated asstes	-	-
(1,927,000)	Past service liability	(2,277,000)	(2,527,000)
(1,927,000)	**Fund (deficiency)/Surplus**	**(2,277,000)**	**(2,527,000)**

NOTE 14: UNFUNDED POST-RETIREMENT HEALTH CARE

12-Month Forecast 2021	Description Enter liability	12-Month Budget 2022	12-Month Budget 2023
(4,055,000)	Post Retirement Healthcare Obligation	(4,555,000)	(4,805,000)
(4,055,000)	**Total Unfunded Health Care Liability**	**(4,555,000)**	**(4,805,000)**

NOTE 15A: SALE AND GOODS OF SERVICES

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
-	Fees and Charges	-	-
-	General Sales	-	-
-	Rentals	-	-
7,056,000	Other Goods & Services Revenue	7,270,000	7,469,000
-	Sale of goods and services to Cabinet	-	-
370,000	Sale of goods and services to Other Ministries and Portfolios	370,000	370,000
7,426,000	**Total sales of goods and services**	**7,640,000**	**7,839,000**

12-Month Forecast 2021	Other Goods & Services Revenue	12-Month Budget 2022	12-Month Budget 2023
6,786,000	Aircraft Registry Revenue - third party (non CIG)	6,970,000	7,169,000
270,000	Operating permits -third party into GCM	300,000	300,000
7,056,000	**Total Other Goods & Services Revenue**	**7,270,000**	**7,469,000**
45,000	Revenue from Ministries/Portfolios	45,000	45,000
325,000	Revenue from Statutory Authorities and Government Companies	325,000	325,000
370,000	**Total Other Interdepartmental Revenue**	**370,000**	**370,000**
7,426,000	**Total Goods and Services**	**7,640,000**	**7,839,000**

NOTE 16: INVESTMENT REVENUE

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
84,000	Interest on deposits	23,000	23,000
84,000	**Total Investment revenue**	**23,000**	**23,000**

CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
2,246,716	Salaries, wages and allowances	2,427,998	2,465,191
-	Health care CINICO	-	-
393,871	Health care other	400,677	408,091
154,497	Pension	169,217	168,256
-	Leave	-	-
211,007	Other personnel related costs	222,437	224,110
3,006,091	**Total Personnel Costs**	**3,220,330**	**3,265,647**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
87,425	Supplies and Materials	76,375	81,875
1,073,621	Purchase of services	1,250,939	1,236,542
49,000	Lease of Property and Equipment	10,000	10,000
70,000	Utilities	71,000	71,000
76,000	General Insurance	85,520	88,000
95,000	Interdepartmental expenses	95,000	95,000
330,000	Travel and Subsistence	331,457	416,767
110,000	Recruitment and Training	72,250	88,500
224,575	Other	146,634	202,797
2,115,621	**Total Supplies & consumables**	**2,139,175**	**2,290,481**

NOTE 22: OTHER GAINS/(LOSSES)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
-	Net (gain) / loss on disposal of property, plant and equipment	-	-
500,000	Net (gain) / loss on derecognition and revaluation of assets	850,000	500,000
-	Net (gain) / loss on foreign exchange Transactions	-	-
500,000	**Total gains/ (losses)**	**850,000**	**500,000**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
1,799,440	**Surplus/(deficit) from ordinary activities**	1,358,997	1,707,872
	Non-cash movements		
81,000	Depreciation & Amortisation	94,498	98,000
3,848	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
500,000	(Gain) / loss on derecognition and revaluation of assets	850,000	500,000
(50,185)	(Increase)/decrease in other current assets - Other	505	128
2,334,103	**Net cash flows from operating activities**	**2,304,000**	**2,306,000**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

HEALTH SERVICES AUTHORITY

FOR THE 2022 FINANCIAL YEAR ENDING 31 DECEMBER 2022
AND THE 2023 FINANCIAL YEAR ENDING 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT (2020 REVISION)

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1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
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Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Health Services Authority (HSA) have agreed the Health Services Authority will seek to achieve during the 2022 and 2023 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Health Services Authority is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The **Health Services Authority** is responsible for the provision and administration of health care services in the Cayman Islands.

SCOPE OF ACTIVITIES

The **Health Services Authority** provides primary and secondary levels of healthcare services, and public health functions for the residents of the Cayman Islands in accordance with the National Strategic Plan for Health as agreed with the Ministry of Health.

The Health Services Authority provides patient care through the 124-beds at the Cayman Islands Hospital, and the 18-beds at the Faith Hospital on Cayman Brac. Primary Health care is offered at district health centres in Grand Cayman and a health centre in Little Cayman. This care is supplemented with dental and eye care services on site at the Health Service Complex in Grand Cayman.

As the nation's principal health care facility, the Cayman Islands Hospital in George Town provides a full range of inpatient and outpatient medical and specialist services.

Specialist services are available in the fields of: surgery, gynaecology & obstetrics, paediatrics, internal medicine, dermatology, anaesthesiology, public health, orthopaedics, psychiatry, cardiology, gastroenterology, radiology, neurology, ophthalmology, ear, nose and throat, periodontology, reconstructive surgery, faciomaxillary surgery, and urology.

In the Sister Islands, residents and visitors can turn for their health care needs to the Faith Hospital in Cayman Brac and the Little Cayman Clinic. The 18-beds hospital serves both islands and provides primary, secondary and emergency care. It features a modern inpatient unit, as well as an operating theatre, maternity, accident and emergency department, outpatient clinics and a public health department. This service is rendered through a purchase agreement with the Ministry of Health Services.

The Health Services Authority also provides a full range of dental and ophthalmologic services.

The Little Cayman Clinic is a purpose-built facility, complete with waiting and triage areas, a treatment room, doctors' office, and a dental office. A resident registered nurse is on call around-the-clock.

The Health Services Authority through the Public Health Department is responsible for public health programmes through a purchase agreement with the Ministry of Health & Wellness. A team of public health nurses, a public health surveillance officer, a health promotion officer, a genetics counsellor, a nutritionist, and administrative staff provide this service under the direction of the Medical Officer of Health.

Public Health services include:

- Health advice and vaccines for international travellers.
- Health assessment, including vision and hearing tests for children.
- Nutrition and dietary counselling.
- Child growth and development monitoring.
- Health Promotion.

Communicable disease screening; and disease prevention and control programmes, including immunization.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by the **Health Services Authority** are provided to all members of the community and visitors. It serves as the primary source of healthcare services to groups of people entitled to healthcare by the Cayman Islands' Government. This includes civil servants and their dependants, public office pensioners and their dependents, school age children, seamen and veterans, indigents and prisoners and mental ill patients.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Health Services Authority for the 2022 and 2023 financial years are as follows:

1. **Improve the patient and staff experience:**

Implement measurable and sustainable goals to ensure the HSA remains the premiere healthcare provider in the Cayman Islands through patient and staff satisfaction and loyalty.

2. Expand HSA's clinical capabilities and optimize core services

Evaluate and enhance clinical services to meet changing population growth and demographics of the Cayman Islands to increase the HSA's market share, revenue and patient outcomes.

3. Talent Attraction & Retention

Invest and focus on recruitment processes and engagement of employees.

4. Develop and expand current infrastructure

Expand current facilities to meet current needs and projected growth in patient volumes while being environmentally responsible.

5. Leverage Technology to improve access to and delivery of care

Invest in technology to promote efficiency in all areas of the HSA environment.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Health Services Authority for the 2022 and 2023 financial years are as follows:

	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE FROM CABINET	42,082	41,825	49,624
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	69,983	74,723	55,524
REVENUE FROM OTHERS	55,694	52,602	44,053
OPERATING EXPENSES	167,114	168,776	156,723
OPERATING SURPLUS/DEFICIT	646	375	(7,522)
NET WORTH	(70,053)	(69,678)	(70,698)
CASH FLOWS FROM OPERATING ACTIVITIES	9,306	18,936	15,803
CASH FLOWS FROM INVESTING ACTIVITIES	(16,886)	(11,500)	(16,600)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-
CHANGE IN CASH BALANCES	(7,581)	7,436	(797)

FINANCIAL PERFORMANCE RATIO	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
CURRENT ASSETS : CURRENT LIABILITIES	6.34:1	6.93:1	4.68:1
TOTAL ASSETS : TOTAL LIABILITIES	0.74:1	0.75:1	0.73:1

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	1,000	1,030	960
STAFF TURNOVER (%)			
MANAGERS	0.30	0.27	0.37
PROFESSIONAL AND TECHNICAL STAFF	3.44	3.16	4.36
CLERICAL AND LABOURER STAFF	2.26	2.07	2.87
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	17	16	15
PROFESSIONAL AND TECHNICAL STAFF	10.50	10	9.5
CLERICAL AND LABOURER STAFF	10.5	10	9.5
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	-	-	-

PHYSICAL CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	155,614	167,114	136,728
ASSET REPLACEMENTS : TOTAL ASSETS	12%	7%	12%
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	68%	67%	68%
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	29%	48%	31%
CHANGES TO ASSET MANAGEMENT POLICIES	NONE	NONE	NONE

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
PURCHASE OF VARIOUS MEDICAL EQUIPMENT	3,000	2,500	4,000
ALLOCATION TO PURCHASE VARIOUS OTHER ASSETS	2,000	1,000	3,700
GEORGE TOWN HOSPITAL & SMITH ROAD CENTRE RENOVATION	3,500	-	8,900
PURCHASE OF MINISTRY OF EDUCATION LAND	2,000	-	-
SMITH RD. 3RD FLR (BUY 11,430 SQ. FT., SAVE $183K PA)	3,143	-	-
SEVENTH DAY ADVENTIST CHURCH REQUISITION	3,000	-	-
PURCHASE OF AMBULANCE FOR BODDEN TOWN	243	-	-
PURCHASE OF MRI MACHINE	2,000	-	-
CONSTRUCTION OF SOUTH WING BUILDING	-	8,000	-
TOTAL	**18,886**	**11,500**	**16,600**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Lightning strike to new generator rendering systems inoperable with no reliable back-up power support for critical patient care and operational functions.	N/A	Lightening suppressant system installed. Automatic safety switch in place which detects any system anomaly and initiates safety mode which protects the generator. Frequent rounds and check by Security Guards and Maintenance Supervisor to ensure system is fully operational and carry out manual inspections to detect any anomalies. Redundant generator in place that powers lifesaving medical equipment.	
Potential for catastrophic impact and continuity of operations from fire in the back-up generator room.	N/A	Fire alarm system in place to detect and alert to any fire. Fire suppression system in place to immediately control the fire until fire units arrive on scene. Infrastructure is compartmentalised to protect critical systems and contain fire within the particular compartment. Active fire wardens in place to carry out safety checks; Main generator is in a different location.	
Potential for vicarious liability exposure for claims made against underinsured privileged physicians.	N/A	Levels of minimum med-mal insurance levels instituted. Evidence of med-mal insurance submitted annually prior to the renewal of privileges. MD's office to run quarterly reports of privileged physician's status.	

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Strategic			
Potential for the inappropriate and unsolicited release of confidential material to the public.	N/A	Data Protection Law governs protection of data. Third party gap analysis and vulnerability penetration testing completed. Organization-wide policies in place to protect and govern release of information. Media relations policy in place. All Board and Staff sign a confidentiality agreement. Persons violating this policy will be handled according to HR policy. Awareness sessions and training of the staff in progress.	
Contracts supplied which could leave the organization exposed to consultant's personal benefit/financial gain.		All contracts are vetted by Legal Dept. All Staff involved in the process sign disclosure forms. All Management Staff and Board confirm filing of notice of interest with the Commission on Standards in Public Life. Procurement Act complies with.	
Potential loss of revenue (loss of market share) from increased competition from private healthcare providers in the community.		Annual strategic review undertaken as part of the budget and strategic planning process to identify opportunities and implement measures to improve quality of services and patient experiences. Focus is placed on measures that will reduce waiting list and waiting time.	
Difficulty/inability to provide current level of services due to lack of or disrepair of facilities	Renovations in progress as per facility master plan.	30 years Facility Master Plan. Acquisition and lease of space for service expansion. Prioritizations and completion of preventive maintenance, construction and refurbishment.	$9M

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Financial			
Potential for cost overrun on Contracted Good and Services		Purchase orders required for each payment. All requests for payments on contracts appropriately supported and recorded. Verification of the budget against all IRs prior to payment, by the HSA's Decision Support % Transaction Manager. Legal penalties incorporated in open contracts. Negotiation of fixed cost contracts where possible. Procurement Act complied with. Project Manager hired to assist with monitoring of on-going projects.	500
Potential of cost overrun for professional services and large scale projects		Change order approval at the senior management level. Contract Negotiation. Legal Review of contracts. Establishment of project management office.	$2M
Potential for the payment of unauthorized personnel allowances or amounts in excess of the sum authorized.	Procurement of HRIS in progress.	End dates entered into IRIS to automate completion. Double check completed by another HR Officer after amounts are inputted.	$2M
Potential for unauthorized access to system for payroll and allowances.	Procurement of HRIS in progress	Only HR, DSTM and Payroll Officer have access to payroll info in IRIS. Files saved in Finance directory – only CFO, DCFO, FC, DSTM and Payroll Officer have access to this directory.	$2M

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Financial			
Potential for payments to fictitious employees or former employees that are no longer entitled to payment for payroll and allowances.	Procurement of HRIS in progress	HR guidelines in place. HR team responsible for setting up new employees in system. In addition – Payroll Officer inputs data, reviewed by DSTM and updates made by Payroll Officer. FC performs additional review. Process will be further enhanced once a proper HR/Payroll system is put in place.	$2M
Potential Overpayment of final monies upon exit	Procurement of HRIS in progress	HR guidelines in place for checks and balances. As noted above at row 2, another HR Officer reviews amounts input.	$2M
Potential for the alteration of leave forms once approved, allowing for financial advantage through employees promoting an inaccurate recording of leave.	Procurement of HRIS in progress	Accrued leave balances are reconciled every 6 months. P18 Attendance Records are reconciled annually.	$2M
Potential for the non-declaration of leave taken thus being entitled for false allowance.	Procurement of HRIS in progress	Accrued leave balances are reconciled every 6 months. P18 Attendance Records are reconciled annually	$2M
Potential for the recording of false overtime entries to benefit in payroll and allowances	Procurement of HRIS in progress	Overtime policy reviewed and strengthened and requires preapproval of OT by senior manager. Monthly reporting and monitoring of overtime; Pre-approval of overtime.	$2M

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Financial			
Potential for the procurement of goods or services for personal use	N/A	Several processes in place to ensure this does not occur: All items procured require an IR, signed by relevant Section Manager and Senior Manager. IR must be submitted to Procurement Department for review and PO creation, along with all relevant supporting documents. PO is sent to DSTM for review, check that item is budgeted. Procurement Manager reviews all transactions. Procurement team then send final package to Finance for payment.	
Potential use of Procurement for favourable treatment of suppliers for personal gain.	N/A	Several processes in place to ensure this does not occur: All items procured require an IR, signed by relevant Section Manager and Senior Manager. IR must be submitted to Procurement Department for review and PO creation, along with all relevant supporting documents. PO is sent to DSTM for review, check that item is budgeted. Procurement Manager reviews all transactions. Procurement team then send final package to Finance for payment.	
Potential for unnecessary or excessive purchasing in return for gifts/kickbacks.	N/A	Donations & Gift Register & Policy in place	
Potential overcharging or provision of false accounts by suppliers	N/A	Procurement Policy in place to ensure comparative quotes which are reviewed by Entity Procurement Committee, and PPC for transaction greater thank 200k.	

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Financial			
Potential Manipulation of accounts payable vendor master file	N/A	Creation of Vendor master file is segregated across several teams: All relevant support for a payment is put together by relevant cost centre manager; Procurement team gather all relevant KYC on vendor if not already provided by requesting cost centre; CIG create vendor in IRIS. Process will require updating once HAS move to own accounting software in 2021.	
Potential for the payment of fictitious invoices by accounts payable	N/A	Procurement process followed – 2 to 3 quotes are required prior to purchases going through the Procurement process (dependent on value, may need to go out for Tender) – Procurement committee review, contract creation, IR creation, PO creation, budget review prior to being presented for payment in addition to confirmation of receipt of goods/services.	
Potential for the collusion with suppliers in providing false invoices or invoices that overcharge the organisation by accounts payable.	N/A	Procurement Policy in progress which reflects current practice. Procurement Processes follow regulatory guidelines, including open tender process for larger items which allows for some element of transparency. For smaller purchase – 2 to 3 quotes are required prior to purchases going through the Procurement process (Procurement committee review, contract creation, IR creation, PO creation, and budget review) prior to being presented for payment in addition to confirmation of receipt of goods/services.	

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Financial			
Inability to charge appropriately for services due to inconsistency of charge master pricing and collect for services rendered.	N/A	Continuous review of charge matter to ensure alignment with standard health insurance fees. Payment policy has been updated and monitor for compliance. A collector/counsellor is available to assess need and encourage patients to pay at the point of service. Close collaborations with the NAU continues to provide patients with the necessary financial assistance they need to access services. Assessment & revision of Cabinet outputs periodically.	

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Operational			
Potential loss of supplies due to fire in Materials Management and Pharmacy Stores	N/A	Smoke detectors are functional Flammable items are separated and stored in safety cabinets. Daily rounds by Fire wardens Quarterly Inspections & Risk Assessments by Health & Safety Officer Independent Assessments Fire suppression system installed.	
In-patient pharmacy not well ventilated and too many staff for the space	N/A	Reduced the number of staff working in the facility to 4 at any time. Air Handler replaced and ventilation improved. Expansion of pharmacy at Smith Road Centre in-progress to be completed in 2021.	
Possible security threat from visitor in the admin reception area	Visitor Registration to be implemented in atrium	Buzzer system in place to restrict entry. 24hr Security monitoring of CCTV; Enhanced security at strategic locations Restricted access control points with fob access	
Identified space issues in switchboard room	Switch Board to be relocated to Data Centre	Area for relocation identified in Facilities Master plan.	

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Operational			
Retention Challenges	Acquiring JCI Accreditation	Staff survey completed to get feedback to ascertain staff issues and factors affecting morale. Whistleblowing policy implemented & staff sensitized in staff meetings and on boarding. Formal complaints process for staff and staff sensitized Staff meetings and on boarding. Created section Managers Whatsapp group to communicate changes real time. Staff Wellness program HR open house Staff sensitization of relevant policies affecting work life Select Staff allowed to work remotely Select Staff allowed to work flex time to accommodate child-care issues.	
HIM Staff having difficulty moving cabinets and accessing files due to overloading of filing system. Rear storage room floor congested with boxes of files due to space restrictions	Electronic document scanning solution in progress	Files archived Retention schedule reviewed.	
Lack of audible warning device in EMS office and lack or portable fire extinguisher in the EMS department. The office has only on exit.	EMS room to be expanded Fire alarm panel will be upgraded to include alert for EMS	Extinguisher provided	
Potential improper recruitment practices	Electronic HR system being procured	Clear recruitment policies and procedures Clear interviewing and selection guidelines Disclosure Form Recruitment manager in post	

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Operational			
Potential for the Inappropriate use of vehicles	N/A	Policy for the use and maintenance of vehicles Use of log book to sign out and return vehicles	
Potential for the unauthorized or private use of telephone	N/A	Monitor telephone use Invoices audited for anomalous transactions Cell phone access codes for authorised personnel	
Inappropriate personal use of the email/internet		Email and Internet Policies Supervision and monitoring	
Potential for the use of patient information for personal gain or influence	N/A	Organisations policies, procedures Privileging guidelines are in place Monitoring of privileged physicians by MD, DMD All staff sign confidentiality agreement as part of employment contract Data protection Act training provided	
Potential for bias in referral recommendations for gain/advantage with overseas medical entities	N/A	MD and DMD approve referrals Appeals Referral Committee reviews nonapprovals	
Potential loss of key staff in single incumbent positions due to retirement, resignation lack of trained personnel on island and difficulty in recruiting and retaining professionals	N/A	Development and ongoing review of recruitment and retention strategies Development of succession plan Cross training of staff in these positions	900K
Potential Security breach of IT system	N/A	Intrusion detection assessment Periodic audit of active directory Scheduled audits of IT system usage logs Security software Ongoing training and phishing Hired Security Information Officer Cyber Insurance Close collaboration with CIG's CISCO	45K

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Operational			
Security of Staff and Facilities	N/A	Installation of additional CCTV cameras Access control and maintenance of alarms on exits Issuing of ID cards to all staff Installation of gate to rear parking lot	50K
Potential for business interruption due to natural, internal or external disaster			

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Clinical			
Potential for patient safety, quality of care issues, understaffing and staff burnout due to the difficulty in recruiting experienced nursing staff	N/A	Transition to practice programme instituted for new RNs Variety of recruitment methods are being used to attract nurses, including agencies Recruitment Manager Additional Incentives to attract nurses are being discussed	
Potential for delays in transporting patients from Faith Hospital to CIH	Ongoing training for staff who may have to accompany patients to CIH to include proper use of PPE and infection control measures. Ongoing discussion with CIAA re airport works.	Evacuation plan with Cayman Airways MOU with RCIPS for use of helicopter	
Potential for patient falls in the inpatient and outpatient setting	N/A	Fall risk assessment for each patient Use of fall prevention interventions Regular rounding by nurses Quarterly monitoring of in-patient fall rates	
Potential for unauthorised entry to the Maternity Unit	N/A	Buzzer on entry CCTV at the door entry Tot guard system in place	
Potential disruption in Pharmacy services due to age of ENCOM	N/A	New Pharmacy System has been implemented Virtual Encom is available as a redundancy	20K
Potential for patient burns from use of certain modalities in Physiotherapy	Ongoing training & Preventative maintenance of equipment	Protocols and procedures are in place	
Patient falls during rehab or transfers in physiotherapy	Ongoing training of staff	Protocols for movement and lifting of patients are in place	
Potential for inadequate Blood Supply with poor patient outcome	Ongoing marketing and blood drives to recruit new donors	Contracts are in place for blood and products Organised schedule for recruiting blood donors is in place Additional donors recruited	

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Clinical			
Potential for quality or system failure resulting in poor patient experience or clinical outcome	Ongoing staff training Ongoing risk assessments	Increased focus on improving the patient experience Increased focus on staff training and development plan. Provision of continuing education to reduce risk of adverse outcome. 5 Real Time patient survey	$350K Annually
Inadequate funding for the replacement of aging clinical equipment	N/A	Review replacement schedule Replace equipment according to schedule Develop an item catalog to seek donations Equipment is being replaced as scheduled	
Potential disruption of Forensic Services due to the recent resignation of two forensic scientists which is a difficult to recruite specialists.	The need to recruit forensic scientists.	Replacement staff hired and onboarded Ongoing recruitment in place	
Potential for staff depletion due to COVID exposure	N/A	Vaccinate Staff Provision of PPE with relevant training Regular testing for unvaccinated staff Mandatory vaccines for new staff	
Potential short-term delays in Pharmacy services due to the introduction of Suvarna	N/A	Develop testing and training plan Develop implementation guideline Develop and practice downtime procedures	

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Health Services Authority is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE	167,759	169,150	149,201
OPERATING EXPENSES	167,114	168,776	156,723
NET SURPLUS/(DEFICIT)	646	375	(7,522)

BALANCE SHEET	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
ASSETS	195,909	209,889	187,581
LIABILITIES	265,962	279,567	258,729
NET WORTH	(70,053)	(69,678)	(70,698)

STATEMENT OF CASH FLOW	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	9,306	18,936	15,803
CASH FLOWS FROM INVESTING ACTIVITIES	(16,886)	(11,500)	(16,600)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's
EQUITY INVESTMENTS INTO HEALTH SERVICES AUTHORITY	-	-
CAPITAL WITHDRAWALS FROM HEALTH SERVICES AUTHORITY	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY HEALTH SERVICES AUTHORITY	-	-
GOVERNMENT LOANS TO BE MADE TO HEALTH SERVICES AUTHORITY	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO HEALTH SERVICES AUTHORITY	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[25]	-	-
REMUNERATION[26] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	3,218	3,218
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	2,322	2,322

DESCRIPTION	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	11	11
NUMBER OF KEY SENIOR MANAGEMENT (MD)	11	11

[25] Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

[26] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the Health Services Authority undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will the sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Health Services Authority will seek to achieve for the 2022 and 2023 financial years and that the Cabinet will monitor performance against.

Honourable Sabrina Turner
Minister for Health and Wellness
On behalf of Cabinet

Chairperson of the Board
Health Services Authority

31 December 2021

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS
GOVERNMENT

HEALTH SERVICES AUTHORITY
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2022 and 31 December 2023 and performance for the Health Services Authority for the financial years ending 31 December 2022 and 31 December 2023; and
c. Comply with generally accepted accounting practice.

Chairperson of the Board
Health Services Authority

31 December 2021

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These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The principal accounting policies adopted by the Health Authority are as follows:

(a) Basis of accounting

The financial statements of the Health Authority are prepared on an accrual basis under the historical cost convention except for: (1) the revaluation of land and buildings [see (d) below] and (2) employee benefits [see (l) below].

Changes in accounting policies

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

(b) Use of estimates

The preparation of financial statements in accordance with International Financial Reporting Standards (IFRS Standards) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the year. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year of the revision and future years, where applicable.

(c) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

(c) Financial instruments (continued)

(i) Financial assets (continued)

Initial recognition and measurement (continued)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Health Authority's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. All debt instruments are classified as "Hold to collect and sell" and recognized as fair value through OCI. The debt instruments were previously classified as available for sale under IAS 39. Accounts receivables are measured at the transaction price determined under IFRS 15.

Cash and Cash Equivalents classified as loans and receivables under IAS 39 have been reclassified to amortized cost at the adoption date of the standard.

The Health Authority's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Health Authority commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

All debt instruments are subsequently measured at fair value with gains and losses arising due to change in the fair value recognized in OCI. Interest income and foreign change gains and losses are recognized in profit or loss in the same manner as for financial assets measured at amortised cost.

(c) Financial instruments (continued)

(i) Financial assets (continued)

Derecognition

The Health Authority has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Health Authority has transferred substantially all the risks and rewards of the asset, or (b) the Health Authority has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to profit or loss.

Impairment of financial assets

The Authority recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Authority expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For accounts receivables, the Authority applies a general approach in calculating ECLs.

For debt instruments at fair value through OCI, the Authority applies the low credit risk simplification. At every reporting date, the Authority evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Authority reassesses the credit rating of the debt instrument. In addition, the Authority considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

(c) Financial instruments (continued)

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Financial liabilities comprise accounts payable and accrued expenses.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

(d) Fixed assets and depreciation

Land and buildings held for use in the supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the statement of financial position date.

Any revaluation increase arising on the revaluation of such land and buildings is credited in net worth to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the statement of comprehensive income, in which case the increase is credited to the statement of comprehensive income to the extent of the decrease previously charged.

(d) Fixed assets and depreciation (continued)

Land and buildings held for use in the supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the statement of financial position date.

Any revaluation increase arising on the revaluation of such land and buildings is credited in net worth to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the statement of comprehensive income, in which case the increase is credited to the statement of comprehensive income to the extent of the decrease previously charged.

A decrease in the carrying amount arising on the revaluation of such land and buildings is charged to the statement of comprehensive income to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to statement of comprehensive income. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings (deficit). No transfer is made from the revaluation reserve to retained earnings (deficit) except when an asset is derecognised.

Properties in the course of construction for the main healthcare business, administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Health Authority's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Medical equipment and other fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged to recognize the consumption of an asset, other than land and properties under construction, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

(d) Fixed assets and depreciation (continued)

Depreciation is charged to the statement of comprehensive income on a straight-line basis based on the following periods estimated to write off the cost of the assets over their expected useful lives:

Buildings	up to 60 years
Medical equipment	8 – 15 years
Other fixed assets	3 – 15 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an item of fixed asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

(e) Leases

(a) The Health Authority assesses whether a contract is or contains a lease, at inception of the contract. The right-of-use asset and a corresponding lease liability is recognised with respect to all lease arrangements in which the Health Authority is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (defined as any monthly lease payment $5,000 or less). For these leases, the lease payments are recognised as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the organization's incremental borrowing rate is used (US prime rate + 0.25%).

Lease payments included in the measurement of the lease liability comprise:

• Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

• Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.

• The amount expected to be payable by the lessee under residual value guarantees.

• The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

• Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured (and makes a corresponding adjustment to the related right-of-use asset) whenever:

• The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

• The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

• A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

No such adjustments were made during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

(e) Leases (continued)

Whenever an obligation is incurred for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the organization expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

IAS 36 is applied to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss (see Note 17).

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

The Health Authority has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Health Authority has allocated the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(f) Impairment

The carrying amount of the Health Authority's assets other than inventory (see Note 3(j)) is reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

(f) Assets Under Construction

Assets under construction or development are carried at cost, less any recognized impairment loss. Such assets are classified to the appropriate categories of property, plant, and equipment when completed and ready for intended use. Depreciation of these assets (on the same basis as the asset category) commences when the assets are ready for their intended use.

(h) Foreign currency translation

Transactions in foreign currencies are translated at the prevailing foreign exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Cayman Islands dollars at the prevailing exchange rate at the statement of financial position date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to Cayman Islands dollars at the prevailing foreign currency exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the Cayman Islands dollars at the prevailing foreign exchange rates at the dates that the values were determined.

(i) Allowance for doubtful debts

Health Authority uses the allowance method to record its estimated annual expense for doubtful debts. Under the allowance method, receivables are written off against the allowance for doubtful debts (a contra asset account) when management believes that the collectability of the account is unlikely. The allowance is an amount that management believes will be adequate to cover any doubtful debts, based on an evaluation of collectability and prior doubtful debts experience.

(j) Inventory

Inventory is valued at the lower of net realisable value or cost, on a moving average basis. Inventory is recorded net of obsolete and expired items.

(k) Revenue recognition

Health Authority adopted IFRS 15 (Revenue from Contracts with Customers) from January 1st, 2018. Patient revenue including government programme is recognized upon transfer of promised goods or services to customers in an amount that reflects the consideration to which the Health Authority expects to be entitled in exchange of goods or services. This core principle is delivered in a five-step model framework which are: (1) Identify the contract with a customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to the performance obligations in the contract; and (5) Recognize revenue when the Health Authority satisfies a performance obligation.

Other income such as donation, interest on deposits, rental and other miscellaneous income are recognized when the condition (if any) relating to a donation is met, or the agreed criteria for interest revenue has been settled or when services are provided. Grants received or receivable in recognition of specific expenses are recognized in the statement of comprehensive income in the period received.

(l) Employee benefits

The Health Authority employees and their dependants receive free medical benefits of which a portion is provided by the Health Authority. The portion provided by the Health Authority within its facility is valued at $5,821,470 (*2019: $5,837,135*). This amount is netted against revenue as this is considered as contractual adjustments.

The Health Authority provides post-employment benefits through defined benefit and defined contribution plans.

Defined benefit plans

The Health Authority's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of plan assets. The cost of pensions and other retirement benefits earned by employees is actuarially determined using the projected unit credit method prorated on service and Management's best estimate of expected plan investment performance, salary escalation, retirement ages of employees, and mortality rates. When the calculation results in a net benefit asset, the recognised assets are limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (loss). The net interest expense on the net defined benefit liability for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

The discount rate used to value the defined benefit obligation is based on a combination of high-quality corporate bonds, in the same currency in which the benefits are expected to be paid and with terms to maturity that, on average, match the terms of the defined benefit obligations and the long-term rate of return of plan assets.

(l) Employee benefits (continued)

Defined benefit plans (continued)

In addition to employee pension benefits, the Health Authority also provides certain employee health care benefits to certain current and future retirees. To be eligible, employees must meet the following criteria at retirement: hired prior to 1 November 2010; complete 10 consecutive years with the Health Authority and Cayman Islands Government (CIG) as principal employer; retire from the Health Authority at age 65 (statutory retirement age) or after age 50 (early retirement age) on the advice of the Medical Board; hired by CIG and transferred to the Health Authority without a break in service.

In accordance with IAS 19, the Health Authority recognizes a liability when an employee has provided services in exchange for employee benefits to be paid in the future; and an expense when the entity consumes the economic benefit arising from service provided by an employee in exchange for employee benefits. These amounts are reported in the statements of financial position and comprehensive income, respectively. They are also presented in additional details in the notes to the financial statements.

The Health Authority presently pays its post-retirement health care obligations annually from its operating expenditure budget. The Health Authority is presently considering alternative funding arrangements which will set aside funds to meet future post-retirement health care obligations as and when they fall due.

Defined Contribution Plans:

The Health Authority's obligations for contributions to employee defined contribution pension plans are recognized in the statement of comprehensive income in the periods during which services are rendered by employees.

(m) Provisions

Provisions are recognised when Health Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that the Health Authority will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, considering the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

HEALTH SERVICES AUTHORITY

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL POSITION	Note	12-Month Budget 2022	12-Month Budget 2023
	Current Assets			
45,730,331	Cash and cash equivalents	1	38,149,794	45,585,516
-	Marketable securities and deposits		-	-
25,479,142	Trade receivables	2	27,963,409	28,896,046
73,728	Other receivables	2	73,728	73,728
15,176,443	Inventories	3	14,676,443	14,126,443
-	Investments	4	-	-
3,238,140	Prepayments	5	3,238,140	3,238,140
-	Loans	6	-	-
89,697,784	**Total Current Assets**		**84,101,514**	**91,919,873**
	Non-Current Assets			
5,094,499	Trade receivables	2	5,591,222	5,777,701
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
92,753,640	Property, plant and equipment	7	106,216,675	112,191,742
34,715	Intangible Assets	8	(0)	(0)
97,882,854	**Total Non-Current Assets**		**111,807,897**	**117,969,443**
187,580,638	**Total Assets**		**195,909,412**	**209,889,316**
	Current Liabilities			
200,627	Trade payables	9	200,627	200,627
17,565,817	Other payables and accruals	9	11,643,710	11,643,710
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
-	Unearned revenue	10	-	-
1,418,582	Employee entitlements	11	1,418,582	1,418,582
-	Current Portion of Borrowings	12	-	-
19,185,026	**Total Current Liabilities**		**13,262,919**	**13,262,919**
	Non-Current Liabilities			
-	Trade payables	9	-	-
2,119,027	Other payables and accruals	9	2,119,027	2,119,027
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
14,983,000	Unfunded pension liability	13	16,416,000	17,849,000
221,992,000	Unfunded post retirement health care	14	234,164,000	246,336,000
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
239,094,027	**Total Non-Current Liabilities**		**252,699,027**	**266,304,027**
258,279,053	**Total Liabilities**		**265,961,946**	**279,566,946**
(70,698,415)	**Net Assets**		**(70,052,535)**	**(69,677,630)**
	NET WORTH			
141,983,402	Contributed capital		141,983,402	141,983,402
-	Other Reserves		-	-
27,582,538	Revaluation reserve		27,582,538	27,582,538
(240,264,355)	Accumulated surpluses/(deficits)		(239,618,475)	(239,243,570)
(70,698,415)	**Total Net Worth**		**(70,052,535)**	**(69,677,630)**

HEALTH SERVICES AUTHORITY

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL PERFORMANCE	Note	12-Month Budget 2022	12-Month Budget 2023
	Revenue			
136,846,464	Sale of goods and services	**15**	165,259,462	168,650,438
-	Investment revenue	**16**	-	-
12,354,997	Donations	**17**	2,500,000	500,000
-	Other revenue		-	-
149,201,461	**Total Revenue**		**167,759,462**	**169,150,438**
	Expenses			
99,798,697	Personnel costs	**18**	110,781,624	112,198,845
42,132,464	Supplies and consumables	**19**	42,342,847	42,904,189
5,206,707	Depreciation and Amortisation	**7**	5,458,130	5,524,933
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	**20**	-	-
-	Litigation costs	**21**	-	-
-	Other (Gains)/losses	**22**	-	-
9,585,372	Other Operating expenses		8,530,981	8,147,566
156,723,240	**Total Expenses**		**167,113,581**	**168,775,533**
(7,521,779)	**Surplus or (Deficit) for the period**		**645,880**	**374,905**

HEALTH SERVICES AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	CASH FLOW STATEMENT	Note	12-Month Budget 2022	12-Month Budget 2023
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
-	Sale of goods and services to Cabinet		-	-
62,246,188	Sale of goods and services to Ministries/Portfolios		42,081,816	41,824,901
41,531,960	Sale of goods and services to Statutory Agencies and Government Conpanies		78,335,230	80,297,654
22,982,806	Sale of goods and services - third party		30,682,860	36,613,616
-	Interest received		-	-
12,354,997	Donations / Grants		2,500,000	500,000
334,562	Other receipts		647,584	647,584
	Payments			
(81,515,224)	Personnel costs		(103,098,730)	(98,593,845)
(19,925,526)	Supplies and consumables - third party		(21,463,474)	(22,405,714)
-	Interest paid		-	-
(22,206,939)	Other payments		(20,379,373)	(19,948,475)
15,802,824	**Net cash flows from operating activities**	**23**	**9,305,913**	**18,935,722**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(16,600,000)	Purchase of property, plant and equipment		(16,886,450)	(11,500,000)
(16,600,000)	**Net cash flows from investing activities**		**(16,886,450)**	**(11,500,000)**
(797,176)	**Net increase/(decrease) in cash and cash equivalents**		**(7,580,537)**	**7,435,722**
46,527,507	Cash and cash equivalents at beginning of period		45,730,331	38,149,794
45,730,331	**Cash and cash equivalents at end of period**		**38,149,794**	**45,585,516**

HEALTH SERVICES AUTHORITY

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2019 brought forward	140,805,201	27,582,538	(198,732,306)	(30,344,567)
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2019	140,805,201	27,582,538	(198,732,306)	(30,344,567)
Changes in net worth for 2020				
Gain/(loss) on property revaluation	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	(35,222,000)	(35,222,000)
Exchange differences on translating foreign operations	-	-	-	-
Equity Investment from Cabinet	1,178,201	-	-	1,178,201
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	-	-	-
Net revenue / expenses recognised directly in net worth	1,178,201	-	(35,222,000)	(34,043,799)
Surplus/(deficit)for the period 2020			1,211,729	1,211,729
Total recognised revenues and expenses for the period	1,178,201	-	(34,010,271)	(32,832,070)
Balance at 31 December 2020	141,983,402	27,582,538	(232,742,577)	(63,176,637)
Balance at 31 December 2020 brought forward	141,983,402	27,582,538	(232,742,577)	(63,176,637)
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2020	141,983,402	27,582,538	(232,742,577)	(63,176,637)
Changes in net worth for 2021				
Gain/(loss) on property revaluation	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	1	1
Exchange differences on translating foreign operations	-	-	-	-
Equity Investment from Cabinet	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	1	1
Surplus/(deficit)for the period 2021			(7,521,779)	(7,521,779)
Total recognised revenues and expenses for the period	-	-	(7,521,778)	(7,521,778)
Balance at 31 December 2021 carried forward	141,983,402	27,582,538	(240,264,355)	(70,698,415)

HEALTH SERVICES AUTHORITY

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	141,983,402	27,582,538	(240,264,355)	(70,698,415)
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2021	141,983,402	27,582,538	(240,264,355)	(70,698,415)
Changes in net worth for 2022				
Gain/(loss) on property revaluation	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-
Equity Investment from Cabinet	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-
Surplus/(deficit)for the period 2022			645,880	645,880
Total recognised revenues and expenses for the period	-	-	645,880	645,880
Balance at 31 December 2022 carried forward	141,983,402	27,582,538	(239,618,475)	(70,052,535)
Balance at 31 December 2022 brought forward	141,983,402	27,582,538	(239,618,475)	(70,052,535)
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2022	141,983,402	27,582,538	(239,618,475)	(70,052,535)
Changes in net worth for 2023				
Gain/(loss) on property revaluation	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-
Equity Investment from Cabinet	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-
Surplus/(deficit)for the period 2023			374,905	374,905
Total recognised revenues and expenses for the period	-	-	374,905	374,905
Balance at 31 December 2023	141,983,402	27,582,538	(239,243,570)	(69,677,630)

HEALTH SERVICES AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
45,730,331	Cash on hand	38,149,794	45,585,516
45,730,331	**TOTAL**	**38,149,794**	**45,585,516**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
73,909	Sale of goods and services to Cabinet	73,909	73,909
2,352,732	Sale of goods and services to Ministries/Portfolios	2,352,732	2,352,732
30,528,178	Sale of goods and services to Statutory Agencies and Government Conpanies	29,828,878	30,146,896
3,031,994	Sale of goods and services - third party	3,031,994	3,031,994
1,251,995	Other	1,251,995	1,251,995
(6,665,166)	**Less: provision for doubtful debts**	(2,984,876)	(2,183,779)
30,573,641	**Total trade receivables**	**33,554,631**	**34,673,747**

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
9,708,191	Past due 1-30 days	10,654,759	11,010,117
3,140,899	Past due 31-60 days	3,447,142	3,562,112
3,140,899	Past due 61-90 days	3,447,142	3,562,112
9,489,154	Past due 90 and above	10,414,365	10,761,706
	Non-Current		
5,094,499	Past due 1 year and above	5,591,222	5,777,701
30,573,641	**Total**	**33,554,631**	**34,673,747**

12-Month Forecast 2021	Other Receivables	12-Month Budget 2022	12-Month Budget 2023
73,728	Advances (salary, Official Travel, etc)	73,728	73,728
73,728	**Total other receivables**	**73,728**	**73,728**

12-Month Forecast 2021	Other Receivables	12-Month Budget 2022	12-Month Budget 2023
73,728	Past due 31-60 days	73,728	73,728
73,728	**Total**	**73,728**	**73,728**

NOTE 2: TRADE AND OTHER RECEIVABLES (CONTINUED)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(15,966,815)	Balance at begining o period	(6,665,166)	(2,984,876)
(9,585,372)	Additional provisions made during the year	(8,530,981)	(8,147,566)
18,887,021	Receivables written off during the period	12,211,271	8,948,663
(6,665,166)	**Balance at 31 December**	**(2,984,876)**	**(2,183,779)**

NOTE 3: INVENTORIES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
15,732,490	Inventory held for sale	15,232,490	14,682,490
(556,048)	Impairment of Inventory	(556,048)	(556,048)
15,176,443	**INVENTORIES - Current**	**14,676,443**	**14,126,443**
15,176,443	**TOTAL INVENTORIES**	**14,676,443**	**14,126,443**

NOTE 5: PREPAYMENTS

12-Month Forecast 2021	Prepayments	12-Month Budget 2022	12-Month Budget 2023
	Current Prepayments		
171,646	Others	171,646	171,646
3,066,495	**Advances to Supplier**	3,066,495	3,066,495
3,238,140	**Prepayments - Current**	**3,238,140**	**3,238,140**
3,238,140	**Total Prepayments**	**3,238,140**	**3,238,140**

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2020	8,298,000	19,117,913	9,292,198	2,241,805	1,647,711	4,268,272	376,405	2,038,840	3,866,192	583,069	51,730,405
Additions	-	2,868,324	3,259,464	937,955	477,158	273,154	-	106,587	233,914	1,229,708	9,386,262
Disposals and Derecognisation	-	(476,437)	(1,174,420)	-	(92,496)	(55,377)	2,265	(47,100)	(88,679)	(61,389)	(1,993,632)
Revaluation	-	-	55,557,715	-	-	-	-	-	-	-	55,557,715
Transfers	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2020	8,298,000	21,509,800	66,934,956	3,179,760	2,032,374	4,486,049	378,670	2,098,327	4,011,427	1,751,388	114,680,750

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2021	8,298,000	21,509,800	66,934,956	3,179,760	2,032,374	4,486,049	378,670	2,098,327	4,011,427	1,751,388	114,680,750
Additions	-	4,000,000	8,900,000	-	-	-	-	-	3,700,000	-	16,600,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	8,298,000	25,509,800	75,834,956	3,179,760	2,032,374	4,486,049	378,670	2,098,327	7,711,427	1,751,388	131,280,750

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	8,298,000	25,509,800	75,834,956	3,179,760	2,032,374	4,486,049	378,670	2,098,327	7,711,427	1,751,388	131,280,750
Additions	2,000,000	5,000,000	9,643,250	-	-	-	-	243,200	2,000,000	-	18,886,450
Disposals and Derecognisation	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	10,298,000	30,509,800	85,478,206	3,179,760	2,032,374	4,486,049	378,670	2,341,527	9,711,427	1,751,388	150,167,200

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	10,298,000	30,509,800	85,478,206	3,179,760	2,032,374	4,486,049	378,670	2,341,527	9,711,427	1,751,388	150,167,200
Additions	-	2,500,000	8,000,000	-	-	-	-	-	-	1,000,000	11,500,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	10,298,000	33,009,800	93,478,206	3,179,760	2,032,374	4,486,049	378,670	2,341,527	9,711,427	2,751,388	161,667,200

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2020		15,176,952	5,625,133	208,851	1,118,785	3,551,450	255,959	1,577,993	1,995,681	-	29,510,804
Transfers	-	-	-	-	-	-	-	-	-	-	-
Impairment Reserve 2018 (closing balance)	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense 2018	-	1,016,296	1,815,827	466,117	84,663	277,266	17,626	138,480	330,264	-	4,146,538
Eliminate on Disposal or Derecognisation 2018	-	(61,815)	8,785	-	(10,432)	(31,815)	-	(47,000)	(31,175)	-	(173,453)
Balance as at 31 December 2020	-	16,131,433	7,449,744	674,968	1,193,015	3,796,901	273,585	1,669,473	2,294,769	-	33,483,889

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2021		16,131,433	7,449,744	674,968	1,193,015	3,796,901	273,585	1,669,473	2,294,769	-	33,483,889
Transfers	-	-	-	-	-	-	-	-	-	-	-
Impairment Reserve 2019 (closing balance)	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense 2019	-	1,355,997	2,074,912	541,243	42,388	220,964	21,112	215,864	570,743	-	5,043,221
Eliminate on Disposal or Derecognisation 2019	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	-	17,487,430	9,524,656	1,216,211	1,235,403	4,017,864	294,696	1,885,338	2,865,512	-	38,527,110

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	-	17,487,430	9,524,656	1,216,211	1,235,403	4,017,864	294,696	1,885,338	2,865,512	-	38,527,110
Transfers	-	-	-	-	-	-	-	-	-	-	-
Impairment change 2020	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense 2020	-	1,633,333	2,132,865	541,243	116,000	300,000	18,000	198,640	483,333	-	5,423,415
Eliminate on Disposal or Derecognisation 2020	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	-	19,120,763	11,657,521	1,757,454	1,351,403	4,317,864	312,696	2,083,978	3,348,845	-	43,950,525

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	-	19,120,763	11,657,521	1,757,454	1,351,403	4,317,864	312,696	2,083,978	3,348,845	-	43,950,525
Transfers	-	-	-	-	-	-	-	-	-	-	-
Impairment change 2021	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense 2021	-	1,800,000	2,132,865	541,243	116,000	168,185	18,000	198,640	550,000	-	5,524,933
Eliminate on Disposal or Derecognisation 2021	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	-	20,920,763	13,790,386	2,298,697	1,467,403	4,486,049	330,696	2,282,618	3,898,845	-	49,475,457

Net Book value 31 December 2020	8,298,000	5,378,367	59,485,212	2,504,792	839,358	689,148	105,085	428,853	1,716,658	1,751,388	81,196,861
Net Book value 31 December 2021	8,298,000	8,022,370	66,310,300	1,963,549	796,971	468,184	83,974	212,989	4,845,915	1,751,388	92,753,640
Net Book value 31 December 2022	10,298,000	11,389,037	73,820,685	1,422,306	680,971	168,184	65,974	257,549	6,362,581	1,751,388	106,216,675
Net Book value 31 December 2023	10,298,000	12,089,037	79,687,820	881,063	564,971	(0)	47,974	58,909	5,812,581	2,751,388	112,191,742

NOTE 8: INTANGIBLE ASSETS

COST OF INTANGIBLE ASSETS

	Computer Software	*Other Intangible Assets*	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2020	5,368,061	-	-	5,368,061
Additions	78,783	-	-	78,783
Disposals and Derecognisation	-	-	-	-
Revaluation	-	-	-	-
Transfers	-	-	-	-
Balance as at 31 December 2020	5,446,844	-	-	5,446,844

	Computer Software	*Other Intangible Assets*	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2021	5,446,844	-	-	5,446,844
Additions	-	-	-	-
Disposals and Derecognisation	-	-	-	-
Revaluation	-	-	-	-
Transfers	-	-	-	-
Balance as at 31 December 2021	5,446,844	-	-	5,446,844

	Computer Software	*Other Intangible Assets*	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2022	5,446,844	-	-	5,446,844
Additions	-	-	-	-
Disposals and Derecognisation	-	-	-	-
Revaluation	-	-	-	-
Transfers	-	-	-	-
Balance as at 31 December 2022	5,446,844	-	-	5,446,844

	Computer Software	*Other Intangible Assets*	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2023	5,446,844	-	-	5,446,844
Additions	-	-	-	-
Disposals and Derecognisation	-	-	-	-
Revaluation	-	-	-	-
Transfers	-	-	-	-
Balance as at 31 December 2023	5,446,844	-	-	5,446,844

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Computer Software	*Other Intangible Assets*	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2020	5,072,809	-	-	5,072,809
Transfers	-	-	-	-
Impairment Reserve 2018 (closing balance)	-	-	-	-
Depreciation Expense 2018	175,834	-	-	175,834
Eliminate on Disposal or Derecognisation	-	-	-	-
Balance as at 31 December 2020	5,248,643	-	-	5,248,643

	Computer Software	*Other Intangible Assets*	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2021	5,248,643	-	-	5,248,643
Transfers	-	-	-	-
Impairment Reserve 2019 (closing balance)	-	-	-	-
Depreciation Expense 2019	163,485	-	-	163,485
Eliminate on Disposal or Derecognisation	-	-	-	-
Balance as at 31 December 2021	5,412,129	-	-	5,412,129

	Computer Software	*Other Intangible Assets*	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2022	5,412,129	-	-	5,412,129
Transfers	-	-	-	-
Impairment change 2020	-	-	-	-
Depreciation Expense 2020	34,715	-	-	34,715
Eliminate on Disposal or Derecognisation	-	-	-	-
Balance as at 31 December 2022	5,446,844	-	-	5,446,844

	Computer Software	*Other Intangible Assets*	*Intangible Assets under construction or development*	*Total*
Balance as at 1 January 2023	5,446,844	-	-	5,446,844
Transfers	-	-	-	-
Impairment change 2021	-	-	-	-
Depreciation Expense 2021	-	-	-	-
Eliminate on Disposal or Derecognisation	-	-	-	-
Balance as at 31 December 2023	5,446,844	-	-	5,446,844

Net Book value 31 December 2020	198,201	-	-	198,201
Net Book value 31 December 2021	34,715	-	-	34,715
Net Book value 31 December 2022	-	-	-	-
Net Book value 31 December 2023	-	-	-	-

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Trade payables other payables and accruals		
200,627	Creditors Third party	200,627	200,627
531,682	Operating Lease	531,682	531,682
12,132,318	Accrued Expenses	6,210,212	6,210,212
4,901,816	Other payables	4,901,816	4,901,816
17,766,443	**Trade payables other payables and accruals - Current**	**11,844,337**	**11,844,337**
2,119,027	Other payables	2,119,027	2,119,027
2,119,027	**Trade payables other payables and accruals - Non-Current**	**2,119,027**	**2,119,027**
19,885,471	**Total trade payables other payables and accruals**	**13,963,364**	**13,963,364**

Note 11: EMPLOYEE ENTITLEMENTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current employee entitlements		
1,418,582	Annual Leave/Comp-time	1,418,582	1,418,582
1,418,582	**Total current portion**	**1,418,582**	**1,418,582**
1,418,582	**Total employee entitlements**	**1,418,582**	**1,418,582**

NOTE 13: UNFUNDED PENSION LIABILITY

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
13,544,000	Value of pension fund allocated asstes	13,544,000	13,544,000
(28,527,000)	Past service liability	(29,960,000)	(31,393,000)
(14,983,000)	**Fund (deficiency)/Surplus**	**(16,416,000)**	**(17,849,000)**

NOTE 14: UNFUNDED POST RETIREMENT HEALTH CARE

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(221,992,000)	Defined Benefit Liability (Unfunded Healthcare)	(234,164,000)	(246,336,000)
(221,992,000)	**Total Unfunded Health Care Liability**	**(234,164,000)**	**(246,336,000)**

HEALTH SERVICES AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 15A: SALE OF GOODS AND SERVICES

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
31,363,656	Fees and Charges	52,546,786	51,454,761
35,814	Rentals	73,959	73,959
298,748	Other Goods & Services Revenue	294,066	281,088
49,624,351	Sale of goods and services to Cabinet	42,361,375	42,117,439
55,523,895	Sale of goods and services to Other Ministries and Portfolios	69,983,275	74,723,190
136,846,464	**Total sales of goods and services**	**165,259,462**	**168,650,438**

12-Month Forecast 2021	*Fees and Charges*	12-Month Budget 2022	12-Month Budget 2023
31,363,656	Patient Fees	52,546,786	51,454,761
31,363,656	**Total Fees & Charges**	**52,546,786**	**51,454,761**

12-Month Forecast 2021	Rentals	12-Month Budget 2022	12-Month Budget 2023
35,814	Lease of space	73,959	73,959
35,814	**Total Rentals**	**73,959**	**73,959**

12-Month Actuals Ending Dec-20	12-Month Forecast Ending Dec-21	Other Goods & Services Revenue	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
101,715	15,780	Miscellaneous Sales	150,000	150,000
1,591,017	282,968	Other Receipts	423,625	423,625
95,863	-	Prior Period Revenue	-	-
1,788,595	**298,748**	**Total Other Goods & Services Revenue**	**573,625**	**573,625**
		Sales of Outputs to Cabinet		
48,341,049	49,624,351	Other Outputs	42,081,816	41,824,902
48,341,049	**49,624,351**	**Total Sales of Outputs to Cabinet**	**42,081,816**	**41,824,902**
		Other Interdepartmental Revenue		
45,716,304	55,523,895	Revenue from Statutory Authorities and Government Companies	69,983,275	74,723,190
45,716,304	**55,523,895**	**Total Other Interdepartmental Revenue**	**69,983,275**	**74,723,190**
125,981,295	**136,846,464**	**Total Goods and Services**	**165,259,462**	**168,650,438**

NOTE: 17: DONATIONS

12-Month Forecast 2021	Source	12-Month Budget 2022	12-Month Budget 2023
12,354,997	**Ministry of Finance**	-	-
-	**CINICO**	2,000,000	-
-	**Foundation**	500,000	500,000
12,354,997	**Total donations**	**2,500,000**	**500,000**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
76,244,627	Salaries, wages and allowances	82,103,974	83,148,087
-	Health care CINICO	-	-
16,387,484	Health care other	16,731,503	16,740,257
6,328,716	Pension	10,919,046	11,283,401
-	Leave	-	-
837,870	Other personnel related costs	1,027,100	1,027,100
99,798,697	**Total Personnel Costs**	**110,781,624**	**112,198,845**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
19,607,544	Supplies and Materials	21,073,474	22,015,714
15,777,647	Purchase of services	12,999,214	12,811,631
1,154,068	Lease of Property and Equipment	1,887,578	1,844,213
2,198,432	Utilities	2,965,881	2,965,931
1,733,276	General Insurance	1,945,000	1,945,000
-	Interdepartmental expenses	-	-
220,168	Travel and Subsistence	486,000	486,000
199,102	Recruitment and Training	528,000	378,000
1,242,228	Other	457,700	457,700
42,132,464	**Total Supplies & consumables**	**42,342,847**	**42,904,189**

HEALTH SERVICES AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (DEFICIT)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(7,521,779)	**Surplus/(deficit) from ordinary activities**	645,880	374,905
5,206,707	Depreciation & Amortisation	5,458,130	5,524,933
(1,559,211)	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	(4,480,990)	(569,116)
19,677,107	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	7,682,893	13,605,000
15,802,824	**Net cash flows from operating activities**	**9,305,913**	**18,935,722**

NOTE 26: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
2,486,206	Salaries & other short-term employee benefits	2,322,388	2,322,388
2,486,206	**Total**	**2,322,388**	**2,322,388**

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OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

MARITIME AUTHORITY OF THE CAYMAN ISLANDS

FOR THE 2022 FINANCIAL YEAR ENDING 31 DECEMBER 2022
AND THE 2023 FINANCIAL YEAR ENDING 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT (2020 REVISION)

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1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Maritime Authority of the Cayman Islands (MACI) have agreed the Maritime Authority of the Cayman Islands will seek to achieve during the 2022 and 2023 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Maritime Authority of the Cayman Islands is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Maritime Authority of the Cayman Islands (MACI) activities involve the national maritime administration for the Cayman Islands, MACI will facilitate the development of Cayman as an international maritime centre and help foster a dynamic environment that supports its clients' efforts to maximise their respective stakeholders' growth opportunities and returns in global shipping; whilst promoting compliance with international standards, regional agreements, and Cayman's legislation in the areas of maritime safety and security, marine environmental pollution prevention, and social responsibility.

SCOPE OF ACTIVITIES

1. The CISR's (Cayman Registry) vessel and mortgage registration, advisory, and marine survey and audit services;
2. The overall responsibility for implementing Cayman's maritime safety and security, marine pollution prevention and social responsibility obligations under international Conventions and Codes, and under Cayman Islands legislation for Cayman-flagged vessels;
3. To assist the Ministry of Financial Services & Commerce (MFSC) with the implementation of the Cayman Islands' obligations under the Caribbean Memorandum of Understanding on Port State Control (CMOU PSC) for foreign-flagged vessels entering the Cayman Islands ports;
4. To assist the MFSC with marine Casualty Investigation activities in relation to Cayman-flagged vessels;
5. To assist the MFSC with national maritime policy formulation, the provision of advice on maritime-related matters, and the development of Cayman's maritime-related legislation;
6. To support the MFSC with representing the Cayman Islands at international fora and to protect its maritime interests; and
7. To help facilitate the development of the Cayman Islands as an international maritime centre

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by the Maritime Authority of the Cayman Islands are provided to the following Customers both locally and internationally:

- Vessel Owners/Operators and their Representatives
- Vessel Builders
- Yacht Designers and related Consultants
- Seafarers on Cayman flagged Vessels
- Cayman Islands Government

The Maritime Authority of the Cayman Islands is able to offer its services to its customers from 16 locations, the head office in George Town, the European Regional Office – United Kingdom, representatives in Greece, United States of America, France, Japan, Singapore, The Netherlands, Brazil, Philippines, Italy, South Africa, Germany, Panama, China and the Cayman Islands Government Office in the United Kingdom.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Maritime Authority of the Cayman Islands for the 2022 and 2023 financial years are as follows:

1. Provide services to our Cayman Islands Public Sector clients at the most economic cost;
2. Utilise our six authorised classification societies where and when it is in the best interests of the client and MACI to do so;
3. Provide on-going and responsive support to seafarers that sail on Cayman-flagged vessels and arrange for the repatriation of stranded crew members of Cayman-flagged vessels;
4. Continue to update and streamline relevant domestic legislation;
5. Provide client-focused and distinctive maritime administration and related services that add value to the operations of a select group of merchant ship owners/operators with a view to flagging-in the majority of their respective fleets;
6. Provide client-focused and distinctive large Commercial Yacht advisory services to yacht owners/managers, designers, and builders that add value to their operations with a view to obtaining the majority of the global market share in Cayman Yacht Code (CCA), Large Yacht (LY) and Passenger Yacht Code (PYC) advisory services for vessels of 30 metres and over in length;
7. Maintain a diverse, qualified, experienced global team within a learning organisation where employee rewards are based on merit;
8. Develop working alliances with other maritime administrations and their respective governments, international and regional regulatory bodies, and shipping industry organisations;
9. Develop mutually beneficial working partnerships with our clients and with other public sector bodies and non-governmental organisations in Cayman; and
10. Ensure that MACI attends each Large Commercial Yacht registered in the Cayman Islands at least once every two years.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Maritime Authority of the Cayman Islands for the 2022 and 2023 financial years are as follows:

	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE FROM CABINET	332	332	332
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	10,469	7,838	9,894
OPERATING EXPENSES	10,531	10,680	10,470
OPERATING SURPLUS/DEFICIT	**513**	**519**	**163**
NET WORTH	**343**	**418**	**251**
CASH FLOWS FROM OPERATING ACTIVITIES	754	752	7
CASH FLOWS FROM INVESTING ACTIVITIES	(250)	(250)	210
CASH FLOWS FROM FINANCING ACTIVITIES	(333)	(333)	(333)
CHANGE IN CASH BALANCES	171	170	(115)

FINANCIAL PERFORMANCE RATIO	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
CURRENT ASSETS : CURRENT LIABILITIES	16.78	16.66	19.06
TOTAL ASSETS : TOTAL LIABILITIES	1.03	1.04	1.03

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	41	41	44
STAFF TURNOVER (%)	7%	0%	0%
MANAGERS	13	13	13
PROFESSIONAL AND TECHNICAL STAFF	12	12	12
CLERICAL AND LABOURER STAFF	19	16	19
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	15	16	14
PROFESSIONAL AND TECHNICAL STAFF	6	7	6
CLERICAL AND LABOURER STAFF	11	10	10
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	-	-	-

PHYSICAL CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	10,341	10,373	10,109
ASSET REPLACEMENTS : TOTAL ASSETS	23%	24%	21%
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	54%	39%	19%
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	23.72:1	32.15:1	17.34:1
CHANGES TO ASSET MANAGEMENT POLICIES	-	-	-

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
INFORMATION TECHNOLOGY PROJECTS/ NEW PREMISES FITOUT COSTS	250,000	250,000	250,000
TOTAL	**250,000**	**250,000**	**250,000**

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Maritime Authority of the Cayman Islands is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE	11,044	11,198	10,875
OPERATING EXPENSES	10,531	10,679	10,470
NET SURPLUS/(DEFICIT)	513	519	405

BALANCE SHEET	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
ASSETS	10,341	10,373	10,109
LIABILITIES	9,998	9,955	9,958
NET WORTH	343	418	151

STATEMENT OF CASH FLOW	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	756	762	405
CASH FLOWS FROM INVESTING ACTIVITIES	(20)	(20)	(20)
CASH FLOWS FROM FINANCING ACTIVITIES	(564)	(572)	(500)

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's
EQUITY INVESTMENTS INTO MARITIME AUTHORITY OF THE CAYMAN ISLANDS	-	-
CAPITAL WITHDRAWALS FROM MARITIME AUTHORITY OF THE CAYMAN ISLANDS	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY MARITIME AUTHORITY OF THE CAYMAN ISLANDS	-	-
GOVERNMENT LOANS TO BE MADE TO MARITIME AUTHORITY OF THE CAYMAN ISLANDS	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO MARITIME AUTHORITY OF THE CAYMAN ISLANDS	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[27]	-	-
REMUNERATION[28] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	899	926
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	885	912

DESCRIPTION	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	7	7
NUMBER OF KEY SENIOR MANAGEMENT (MD)	4	4

[27] Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

[28] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

AGREEMENT

Scope of this Agreement

In signing this document, the Maritime Authority of the Cayman Islands undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will the sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Maritime Authority of the Cayman Islands will seek to achieve for the 2022 and 2023 financial years and that the Cabinet will monitor performance against.

Premier Honourable Andre Ebanks
Minister for Financial Services and Commerce
On behalf of Cabinet

Chairman of the Board
Maritime Authority of the Cayman Islands

31 December 2021

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS
GOVERNMENT

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2022 and 31 December 2023 and performance for the Maritime Authority of the Cayman Islands for the financial years ending 31 December 2022 and 31 December 2023; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
Maritime Authority of the Cayman Islands

31 December 2021

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MARITIME AUTHORITY OF THE CAYMAN ISLANDS
FORECAST STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Going concern

As explained in Note 23, the coronavirus outbreak has caused significant disruption in both global and local economies. However, on the basis of management assessment and forecasts, management believes that the risk that the Authority would not be able to meet its obligation as they become due is low and that the Authority will continue as going concern for the foreseeable future.

b) Financial assets and liabilities

i) Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable or an equity instrument of another enterprise. Financial assets in the Authority's financial statements comprise of cash and cash equivalents, accounts receivable and other receivables.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities in the Authority's financial statements comprise long and short-term liabilities.

ii) Recognition

The Authority recognises financial assets and financial liabilities on the date it becomes party to the contractual provisions of an instrument. From this date, any gains and losses arising from changes in fair value of the assets and liabilities are recognised in the statement of comprehensive income.

iii) De-recognition

A financial asset is de-recognised when the Authority realises the rights to the benefits specified in the contract or loses control over any right that compromise that asset. A financial liability is de-recognised when it is extinguished, that is, when the obligation is discharged, cancelled or expires.

iv) Measurement

Financial instruments are measured initially at cost, which is the fair value of the consideration given or received. Subsequent to initial recognition, all financial assets are measured at their estimated fair value.

Financial liabilities are subsequently measured at amortized cost, being the amount at which the liability was initially recognised less any principal repayments plus any amortisation (accrued interest) of the difference between that initial amount and the maturity amount.

b) Financial assets and liabilities (continued)

v) Measurement (continued)

MACI uses an allowance matrix to measure the expected credit losses ("ECLs") of trade receivables from individual customers. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

c) Foreign currency translation

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Gains and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Monetary assets and liabilities are translated at the exchange rate in effect at the statement of financial position date. Non-monetary assets and liabilities are translated at the historical exchange rate i.e. at the date of transaction.

d) Revenue recognition

The Authority recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for good or services. IFRS 15 - Revenue from contracts with customers provides a single, principles based five-step model to be applied to all contracts with customers.

To determine whether to recognise revenue, the Authority follows the standard's 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

See note 15 for IFRS 15 application done by the Authority during the years ended 31 December 2020 and 2019.

f) Purchase agreement

MACI operates on a fee for service basis with the CIG. The annual purchase agreement sets out the service which the Authority agrees to deliver to CIG based on quantity, quality, location and cost of services. These fees form part of the overall Authority revenue stream which equates to 5% in 2020 (2019: 3%). The full amount of the purchase agreement is treated as income in the year which it is earned.

g) Expenses

Expenses are recognised when incurred.

h) Receivables and prepaids

Receivables and prepaids are stated at the amounts expected to be ultimately collected in cash.

i) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation is calculated on a straight-line method of 20% per annum for furniture and fixtures, leasehold improvements and Vehicle; and 33.33% for computer hardware and other computer equipment at 12.5% and 20% respectively, software and other assets which are sufficient to write-off the cost of the assets over their estimated useful lives.

j) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of current and call deposit and fixed deposit maturing within 90 days from the date of acquisition. Cash accounts are held in Euro ("EUR"), Great Britain Pounds ("GBP"), United States Dollars ("USD") and Cayman Islands Dollars ("KYD").

k) Accounts payable

Account payables are recorded on an accrual basis at the amount owing after allowing for credit notes and other adjustments.

l) Employee entitlements and benefits

Amounts incurred but not paid at the end of the reporting period are accrued. Annual leave due, but not taken, is recognised as a liability. See also Note 10.

m) Employee benefits

Obligation for contribution to defined benefit healthcare and defined benefit pension plans are recognised as an expense in the statement of comprehensive income as incurred (see Notes 12 and 11 respectively). Defined benefit scheme surpluses and deficits are measured at fair value of plan assets at the reporting date; less plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities; plus unrecognised past service cost; less the effect of minimum funding requirements agreed with scheme trustees. Re-measurements of the net defined obligation are recognised through other comprehensive income and include actuarial gains and losses, return on plan assets (interest exclusive) and any asset ceiling effects (interest exclusive). Service cost and net interest expense (income) are recognised in net operating income.

n) Use of estimates and judgements

IFRS requires management to make estimates and assumptions that impact reported amounts for assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses during the period. Specifically, the key areas requiring estimation include the recoverability of trade receivables, lease liability, return of assets, anticipated credit losses and the measurement of the defined benefit pension and healthcare obligation. Actual results may differ from these estimates.

Trade receivables are considered to be recoverable in full by the Authority after taking into consideration the age of the receivable, the financial stability of the debtors, and the post period-end receipts to the date of the report. The estimates

and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period and in any future periods that are affected by those revisions."

MARITIME AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL POSITION	Note	12-Month Budget 2022	12-Month Budget 2023
	Current Assets			
8,370,268	Cash and cash equivalents	1	8,541,828	8,711,705
-	Marketable securities and deposits		-	-
1,108,605	Trade receivables	2	1,305,672	1,311,088
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
51,395	Prepayments	5	55,000	55,000
-	Loans	6	-	-
9,530,268	**Total Current Assets**		**9,902,500**	**10,077,793**
	Non-Current Assets			
105,000	Trade receivables	2	109,200	114,660
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
411,827	Property, plant and equipment	7	304,115	155,579
62,094	Intangible Assets	8	24,933	24,933
578,920	**Total Non-Current Assets**		**438,248**	**295,172**
10,109,188	**Total Assets**		**10,340,748**	**10,372,965**
	Current Liabilities			
120,000	Trade payables	9	120,000	120,000
80,000	Other payables and accruals	9	210,000	215,000
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
250,000	Unearned revenue	10	210,000	220,000
50,000	Employee entitlements	11	50,000	50,000
-	Current Portion of Borrowings	12	-	-
500,000	**Total Current Liabilities**		**590,000**	**605,000**
	Non-Current Liabilities			
-	Trade payables	9	-	-
300,000	Other payables and accruals	9	300,000	150,000
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
2,100,000	Unfunded pension liability	13	2,150,000	2,200,000
6,958,000	Unfunded post retirement health care	14	6,958,000	7,000,000
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
9,358,000	**Total Non-Current Liabilities**		**9,408,000**	**9,350,000**
9,858,000	**Total Liabilities**		**9,998,000**	**9,955,000**
251,188	**Net Assets**		**342,748**	**417,965**
	NET WORTH			
1,500,000	Contributed capital		1,500,000	1,500,000
-	Other Reserves		-	-
(122,848)	Revaluation reserve		(544,481)	(988,754)
(1,125,964)	Accumulated surpluses/(deficits)		(612,771)	(93,261)
251,188	**Total Net Worth**		**342,748**	**417,985**

MARITIME AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL PERFORMANCE	Note	12-Month Budget 2022	12-Month Budget 2023
	Revenue			
10,632,644	Sale of goods and services	**15**	11,044,644	11,198,321
-	Investment revenue	**16**	-	-
-	Donations	**17**	-	-
-	Other revenue		-	-
10,632,644	**Total Revenue**		**11,044,644**	**11,198,321**
	Expenses			
5,434,633	Personnel costs	**18**	5,488,057	5,651,198
3,572,447	Supplies and consumables	**19**	4,594,622	4,565,797
183,219	Depreciation and Amortisation	**7**	164,873	168,536
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	**20**	-	-
-	Litigation costs	**21**	-	-
-	Other (Gains)/losses	**22**	-	-
1,279,371	Other Operating expenses		283,899	293,280
10,469,670	**Total Expenses**		**10,531,451**	**10,678,811**
162,974	**Surplus or (Deficit) for the period**		**513,193**	**519,510**

MARITIME AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	CASH FLOW STATEMENT	Note	12-Month Budget 2022	12-Month Budget 2023
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
332,633	Sale of goods and services to Cabinet		332,633	332,633
-	Sale of goods and services to Ministries/Portfolios		-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
7,388,319	Sale of goods and services - third party		7,687,852	7,837,529
-	Interest received		-	-
-	Donations / Grants		-	-
2,923,772	Other receipts		3,024,160	3,028,160
	Payments			
(5,434,633)	Personnel costs		(5,488,057)	(5,651,198)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(4,015,278)	Supplies and consumables - third party		(4,571,653)	(4,541,870)
-	Interest paid			
(1,186,839)	Other payments		(230,742)	(252,744)
7,974	**Net cash flows from operating activities**	**23**	**754,193**	**752,510**
	CASH FLOWS FROM INVESTING ACTIVITIES			
210,000	Purchase of property, plant and equipment		(250,000)	(250,000)
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
-	Proceeds from sale of investments		-	-
210,000	**Net cash flows from investing activities**		**(250,000)**	**(250,000)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Equity Investment from Cabinet		-	-
(332,633)	Repayment of Surplus/Dividends or Capital withdrawal		(332,633)	(332,633)
-	Borrowings		-	-
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
(332,633)	**Net cash flows from financing activities**		**(332,633)**	**(332,633)**
(114,659)	**Net increase/(decrease) in cash and cash equivalents**		**171,560**	**169,877**
8,484,927	Cash and cash equivalents at beginning of period		8,370,268	8,541,828
8,370,268	**Cash and cash equivalents at end of period**		**8,541,828**	**8,711,705**

MARITIME AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF CHANGES IN NET WORTH

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2019 brought forward	1,500,000	2,071,000	(1,803,664)	1,767,336
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2019	1,500,000	2,071,000	(1,803,664)	1,767,336
Changes in net worth for 2020				
Gain/(loss) on property revaluation	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-
Exchange differences on translating foreign operations	-	(2,865,000)	-	(2,865,000)
Equity Investment from Cabinet	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet		-	-	-
Net revenue / expenses recognised directly in net worth	-	(2,865,000)	-	(2,865,000)
Surplus/(deficit)for the period 2020			514,726	514,726
Total recognised revenues and expenses for the period	-	(2,865,000)	514,726	(2,350,274)
Balance at 31 December 2020	1,500,000	(794,000)	(1,288,938)	(582,938)
Balance at 31 December 2020 brought forward	1,500,000	(794,000)	(1,288,938)	(582,938)
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2020	1,500,000	(794,000)	(1,288,938)	(582,938)
Changes in net worth for 2021				
Gain/(loss) on property revaluation	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-
Exchange differences on translating foreign operations	-	1,003,785	-	1,003,785
Equity Investment from Cabinet	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	(332,633)	-	(332,633)
Net revenue / expenses recognised directly in net worth	-	671,152	-	671,152
Surplus/(deficit)for the period 2021			162,974	162,974
Total recognised revenues and expenses for the period	-	671,152	162,974	834,126
Balance at 31 December 2021 carried forward	1,500,000	(122,848)	(1,125,964)	251,188

MARITIME AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	1,500,000	(122,848)	(1,125,964)	251,188
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2021	1,500,000	(122,848)	(1,125,964)	251,188
Changes in net worth for 2022				
Gain/(loss) on property revaluation	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-
Exchange differences on translating foreign operations	-	(89,000)	-	(89,000)
Equity Investment from Cabinet	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	(332,633)	-	(332,633)
Net revenue / expenses recognised directly in net worth	-	(421,633)	-	(421,633)
Surplus/(deficit)for the period 2022			513,193	513,193
Total recognised revenues and expenses for the period	-	(421,633)	513,193	91,560
Balance at 31 December 2022 carried forward	1,500,000	(544,481)	(612,771)	342,748
Balance at 31 December 2022 brought forward	1,500,000	(544,481)	(612,771)	342,748
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2022	1,500,000	(544,481)	(612,771)	342,748
Changes in net worth for 2023				
Gain/(loss) on property revaluation	-	-		-
Gain/(loss) on revaluation of investments	-	-		-
Exchange differences on translating foreign operations	-	(111,640)		(111,640)
Equity Investment from Cabinet	-	-		-
Capital withdrawals by Cabinet	-	-		-
Dividends payable to Cabinet	-	(332,633)		(332,633)
Net revenue / expenses recognised directly in net worth	-	(444,273)	-	(444,273)
Surplus/(deficit)for the period 2023			519,510	519,510
Total recognised revenues and expenses for the period	-	(444,273)	519,510	75,237
Balance at 31 December 2023	1,500,000	(988,754)	(93,261)	417,985

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2021	Description change as applicable	12-Month Budget 2022	12-Month Budget 2023
-	Cash on hand	-	-
-	Cash in transit	-	-
-	CI$ Account	-	-
8,370,268	US$ Account	8,541,828	8,711,705
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
-	Short-Term Fixed Deposits	-	-
8,370,268	**TOTAL**	**8,541,828**	**8,711,705**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
-	Sale of goods and services to Cabinet	-	-
-	Sale of goods and services to Ministries/Portfolios	-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies	-	-
1,213,605	Sale of goods and services - third party	1,414,872	1,425,748
-	Other	-	-
-	**Less: provision for doubtful debts**	-	-
1,213,605	**Total trade receivables**	**1,414,872**	**1,425,748**

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
469,516	Past due 1-30 days	736,110	772,567
188,732	Past due 31-60 days	168,200	159,033
312,342	Past due 61-90 days	278,362	263,191
138,015	Past due 90 and above	123,000	116,297
	Non-Current		
105,000	Past due 1 year and above	109,200	114,660
1,213,605	**Total**	**1,414,872**	**1,425,748**

NOTE 2: TRADE AND OTHER RECEIVABLES (CONTINUED)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(66,875)	Balance at beginning oF period	(66,875)	(66,875)
(66,875)	**Balance at 31st December**	**(66,875)**	**(66,875)**

NOTE 5: PREPAYMENTS

12-Month Forecast 2021	Prepayments	12-Month Budget 2022	12-Month Budget 2023
	Current Prepayments		
51,395		55,000	55,000
51,395	**Prepayments - Current**	**55,000**	**55,000**
	Non-Current Prepayments		
-	**Prepayments -Non-Current**	-	-
51,395	**Total Prepayments**	**55,000**	**55,000**

MARITIME AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Buildings and Leasehold	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2020	-	230,705	63,725	210,466	2,595	21,900	529,392
Additions	-	-	220	38,353	-	-	38,573
Disposals and Derecognisation	-	-	-	(169,420)	-	-	(169,420)
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2020	-	230,705	63,945	79,399	2,595	21,900	398,544

	Buildings and Leasehold	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2021	-	230,705	63,945	79,399	2,595	21,900	398,544
Additions	360,000	-	-	-	-	-	360,000
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2021	360,000	230,705	63,945	79,399	2,595	21,900	758,544

	Buildings and Leasehold	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	360,000	230,705	63,945	79,399	2,595	21,900	758,544
Additions	-	-	-	15,000	5,000	-	20,000
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2022	360,000	230,705	63,945	94,399	7,595	21,900	778,544

	Buildings and Leasehold	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	360,000	230,705	63,945	94,399	7,595	21,900	778,544
Additions	-	-	-	15,000	5,000	-	20,000
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2023	360,000	230,705	63,945	109,399	12,595	21,900	798,544

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Buildings and Leasehold	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2020	-	53,313	28,775	185,493	277	-	267,859
Transfers	-	-	-	-	-	-	-
Impairment Reserve 2020 (closing balance)	-	-	-	-	-	-	-
Depreciation Expense 2020	-	58,646	12,789	24,752	865	12,314	109,366
Eliminate on Disposal or Derecognisation 2020	-	-	-	(170,058)	-	(6,506)	(176,564)
Balance as at 31 December 2020	-	111,959	41,564	40,186	1,142	5,808	200,660

	Buildings and Leasehold	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2021	-	111,959	41,564	40,186	1,142	5,808	200,660
Transfers	-	-	-	-	-	-	-
Impairment Reserve 2021 (closing balance)	-	-	-	-	-	-	-
Depreciation Expense 2021	42,500	58,646	12,789	24,752	865	6,506	146,058
Eliminate on Disposal or Derecognisation 2021	-	-	-	-	-		-
Balance as at 31 December 2021	42,500	170,605	54,353	64,938	2,007	12,314	346,718

	Buildings and Leasehold	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	42,500	170,605	54,353	64,938	2,007	12,314	346,718
Transfers	-	-	-	-	-	-	-
Impairment change 2022	-	-	-	-	-	-	-
Depreciation Expense 2022	93,453	5,333	(3,197)	24,752	865	6,506	127,712
Eliminate on Disposal or Derecognisation 2022	-	-	-	-	-	-	-
Balance as at 31 December 2022	135,953	175,938	51,156	89,690	2,872	18,820	474,430

	Buildings and Leasehold	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	135,953	175,938	51,156	89,690	2,872	18,820	474,430
Transfers	-	-	-	-	-	-	-
Impairment change 2023	-	-	-	-	-	-	-
Depreciation Expense 2023	93,453	54,767	12,789	5,145	-	2,382	168,536
Eliminate on Disposal or Derecognisation 2023	-	-	-	-	-	-	-
Balance as at 31 December 2023	229,406	230,705	63,945	94,835	2,872	21,202	642,965

Net Book value 31 December 2020	-	118,746	22,381	39,213	1,453	16,092	197,885
Net Book value 31 December 2021	317,500	60,100	9,592	14,461	588	9,586	411,827
Net Book value 31 December 2022	224,047	54,767	12,789	4,709	4,723	3,080	304,115
Net Book value 31 December 2023	130,594	-	-	14,564	9,723	698	155,579

NOTE 8: INTANGIBLE ASSETS

COST OF INTANGIBLE ASSETS

	Computer Software	*Total*
Balance as at 1 January 2020	239,225	239,225
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2020	239,225	239,225

	Computer Software	*Total*
Balance as at 1 January 2021	239,225	239,225
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2021	239,225	239,225

	Computer Software	*Total*
Balance as at 1 January 2022	239,225	239,225
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2022	239,225	239,225

	Computer Software	*Total*
Balance as at 1 January 2023	239,225	239,225
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2023	239,225	239,225

NOTE 8: INTANGIBLE ASSETS

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Computer Software	*Total*
Balance as at 1 January 2020	102,809	102,809
Transfers	-	-
Impairment Reserve 2020 (closing balance)	-	-
Depreciation Expense 2020	37,161	37,161
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2020	139,970	139,970

	Computer Software	*Total*
Balance as at 1 January 2021	139,970	139,970
Transfers	-	-
Impairment Reserve 2021 (closing balance)	-	-
Depreciation Expense 2021	37,161	37,161
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2021	177,131	177,131

	Computer Software	*Total*
Balance as at 1 January 2022	177,131	177,131
Transfers	-	-
Impairment change 2022	-	-
Depreciation Expense 2022	37,161	37,161
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2022	214,292	214,292

	Computer Software	*Total*
Balance as at 1 January 2023	214,292	214,292
Transfers	-	-
Impairment change 2023	-	-
Depreciation Expense 2023	-	-
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2023	214,292	214,292

Net Book value 31 December 2020	99,255	99,255
Net Book value 31 December 2021	62,094	62,094
Net Book value 31 December 2022	24,933	24,933
Net Book value 31 December 2023	24,933	24,933

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Trade payables other payables and accruals		
120,000	Creditors Third party	120,000	120,000
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Companies	-	-
-	Payroll Deductions	-	-
40,000	Operating Lease	160,000	160,000
-	Accrued Expenses	-	-
40,000	Other payables	50,000	55,000
-	Dividends/Surplus Payable	-	-
200,000	**Trade payables other payables and accruals - Current**	**330,000**	**335,000**
300,000	Operating Lease	300,000	150,000
300,000	**Trade payables other payables and accruals - Non-Current**	**300,000**	**150,000**
500,000	**Total trade payables other payables and accruals**	**630,000**	**485,000**

NOTE 10: UNEARNED REVENUE

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Unearned Revenue		
250,000		210,000	220,000
250,000	**Total current portion**	**210,000**	**220,000**
	Non-Current Unearned Revenue		
250,000	**Total Unearned Revenue**	**210,000**	**220,000**

NOTE 11: EMPLOYEE ENTITLEMENTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current employee entitlements		
50,000	Annual Leave/Comp-time	50,000	50,000
50,000	**Total current portion**	**50,000**	**50,000**
50,000	**Total employee entitlements**	**50,000**	**50,000**

NOTE 13: UNFUNDED PENSION LIABILITY

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
-	Value of pension fund allocated asstes	-	-
(2,100,000)	Past service liability	(2,150,000)	(2,200,000)
(2,100,000)	**Fund (deficiency)/Surplus**	**(2,150,000)**	**(2,200,000)**

NOTE 14: UNFUNDED POST-RETIREMENT HEALTH CARE

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(6,958,000)		(6,958,000)	(7,000,000)
(6,958,000)	**Total Unfunded Health Care Liability**	**(6,958,000)**	**(7,000,000)**

NOTE 15A: SALE OF GOODS AND SERVICES

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
7,388,319	Fees and Charges	7,668,226	7,772,631
2,152,172	General Sales	2,233,707	2,264,120
-	Rentals	-	-
759,520	Other Goods & Services Revenue	810,078	828,937
332,633	Sale of goods and services to Cabinet	332,633	332,633
-	Sale of goods and services to Other Ministries and Portfolios	-	-
10,632,644	**Total sales of goods and services**	**11,044,644**	**11,198,321**

12-Month Forecast 2021	Fees and Charges	12-Month Budget 2022	12-Month Budget 2023
7,388,319		7,668,226	7,772,631
7,388,319	**Total Fees & Charges**	**7,668,226**	**7,772,631**

12-Month Forecast 2021	General Sales	12-Month Budget 2022	12-Month Budget 2023
2,152,172		2,233,707	2,264,120
2,152,172	**Total General Sales**	**2,233,707**	**2,264,120**

NOTE 15A: SALE AND GOODS OF SERVICES (CONTINUED)

12-Month Forecast 2021	Other Goods & Services Revenue	12-Month Budget 2022	12-Month Budget 2023
759,520		810,078	828,937
759,520	**Total Other Goods & Services Revenue**	**810,078**	**828,937**
332,633	Sales of Outputs to Cabinet	332,633	332,633
332,633	**Total Sales of Outputs to Cabinet**	**332,633**	**332,633**
10,632,644	**Total Goods and Services**	**11,044,644**	**11,198,321**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
3,720,002	Salaries, wages and allowances	3,756,571	3,868,241
-	Health care CINICO	-	-
842,564	Health care other	850,846	876,139
605,649	Pension	611,603	629,784
101,248	Leave	102,243	105,283
165,170	Other personnel related costs	166,794	171,751
5,434,633	**Total Personnel Costs**	**5,488,057**	**5,651,198**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
85,074	Supplies and Materials	86,000	87,000
2,838,694	Purchase of services	2,910,000	3,000,000
232,218	Lease of Property and Equipment	232,177	230,665
147,057	Utilities	170,000	175,000
58,475	General Insurance	60,000	65,000
-	Interdepartmental expenses	-	-
210,929	Travel and Subsistence	600,000	600,000
-	Recruitment and Training	-	-
-	Other	536,445	408,132
3,572,447	**Total Supplies & consumables**	**4,594,622**	**4,565,797**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
162,974	**Surplus/(deficit) from ordinary activities**	513,193	519,510
	Non-cash movements		
183,219	Depreciation & Amortisation	164,873	168,536
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
346,193	**Net cash flows from operating activities**	**678,066**	**688,046**

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OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

NATIONAL DRUG COUNCIL

FOR THE 2022 FINANCIAL YEAR ENDING 31 DECEMBER 2022
AND THE 2023 FINANCIAL YEAR ENDING 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT

(2020 REVISION)

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CONTENTS

1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the National Drug Council have agreed the National Drug Council will seek to achieve during the 2022 and 2023 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the National Drug Council is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The National Drug Council activities involve:

- **Policy formulation, feedback and advice** (advocacy, provision of feedback and support to the development of policy and legislation aimed at reducing substance misuse and abuse). These will include but is not limited to:

    - The NDC Act (2010 Revision)
    - Liquor Licensing Act (2019) Revision and subsequent Regulations
    - Mental Health Policy development
    - Misuse of Drugs Act (2017 Revision)
    - The Pharmacy Act (1979)

- **Prevention and Education** (initiatives such as presentations, workshops, programs, public information/media campaigns etc., aimed at reducing the negative impacts of alcohol and other drugs in our communities).

    - Continued prevention and education activities in the Cayman Islands
    - Develop and implement programming for primary schools
    - Develop and implement consistent programming in Cayman Brac
    - Increase involvement in Youth to Youth
    - Deliver training for servers and sellers of alcohol in accordance with the revised liquor licencing legislation and supporting regulations.

- **Research** (instrument design, data collection (surveillance), data analysis and reporting)

    - Conduct student survey, or Primary School Pilot
    - Develop Cayman Brac specific research initiative for implementation
    - Increase data collection, facilitate the use of information required to reduce the negative impacts of alcohol and other drugs in our communities.
    - Formulate a policy for an ethics committee to support research initiatives

- **Evaluation** (coordinate/conduct program evaluations in a systematic approach of collecting and analysing programme data to answer questions about projects, policies and programmes especially about their effectiveness).

SCOPE OF ACTIVITIES

The scope of The National Drug Council activities is as follows:

- **Policy and Prevention -:** To formulate policies intended to prevent or reduce drug abuse and to promote and encourage the implementation of such policies and programmes and to advise the Minister on matters of law reform relating to the misuse of drugs.
- **Research and Information Dissemination -:** To conduct/support studies and publish reports and other documentation on drug abuse and develop and maintain a database of information on, drug abuse in the Islands; and
- **Evaluation -:** Evaluate programming related to reducing the impacts of drug and alcohol abuse in the Cayman Islands in an effort to improve activities and programming and determine effectiveness whenever possible.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by The National Drug Council are provided primarily in the Cayman Islands.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the National Drug Council for the 2022 and 2023 financial years are as follows:

- Provide ***policy advice***, advocate for policy and legislative change, and review matters as it relates to alcohol and other substance misuse and abuse in the Cayman Islands.
- Educate the public (youth, adults, special interest groups, communities as a whole) on issues of alcohol and other drug misuse and abuse with the goal ***prevention*** and of reducing the negative impacts to our society.
- Conduct ***research*** and provide information that is culturally relevant and based on scientific research and local data.
- ***Evaluate*** relevant programmes to ensure effective programming.
- Ensure best practice and adherence to relevant regional and international policies related to alcohol and other drug issues.
- Encourage and foster affiliations and exchange of information on a local, regional and international level.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the National Drug Council for the 2022 and 2023 financial years are as follows:

	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE FROM CABINET	715	715	689.5
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	25	25	23
OPERATING EXPENSES	741	742	752
OPERATING SURPLUS/DEFICIT	**(820)**	**(2)**	**(40)**
NET WORTH	**624**	**623**	**625**
CASH FLOWS FROM OPERATING ACTIVITIES	-	-	20
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-
CHANGE IN CASH BALANCES	-	-	20

FINANCIAL PERFORMANCE RATIO	2022 1 Jan to 31 Dec 2022 %	2023 1 Jan to 31 Dec 2023 %	2021 12-Month Forecast %
CURRENT ASSETS : CURRENT LIABILITIES	15.40	15.36	14.79
TOTAL ASSETS : TOTAL LIABILITIES	15.45	15.41	14.84

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	8	8	6
STAFF TURNOVER (%)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	12.5%	12.5%	16.67%
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	9	9	8
PROFESSIONAL AND TECHNICAL STAFF	7	7	7
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	-	-	-

PHYSICAL CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	-	-	-
ASSET REPLACEMENTS : TOTAL ASSETS	-	-	-
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	-	-	-
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	-	-	-
CHANGES TO ASSET MANAGEMENT POLICIES	-	-	-

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
N/A	-	-	-
TOTAL	**NIL**	**NIL**	**NIL**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Staff Turnover	12.5%	Performance Management/Training	Increased time in lieu due to staff assuming other duties due to vacant posts.
Budget Cuts	0%	Increased opportunities for non-governmental funding	Unknown

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the National Drug Council is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE	739,855	739,855	689,355
OPERATING EXPENSES	740,675	741,530	712,355
NET SURPLUS/(DEFICIT)	(820)	(1,710)	(40,130)

BALANCE SHEET	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
ASSETS	639,678	562,446	611,188
LIABILITIES	59,241	60,951	61,771
NET WORTH	624,307	622,597	625,127

STATEMENT OF CASH FLOW	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's
EQUITY INVESTMENTS INTO NATIONAL DRUG COUNCIL	-	-
CAPITAL WITHDRAWALS FROM NATIONAL DRUG COUNCIL	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY NATIONAL DRUG COUNCIL	-	-
GOVERNMENT LOANS TO BE MADE TO NATIONAL DRUG COUNCIL	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO NATIONAL DRUG COUNCIL	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[29]	-	-
REMUNERATION[30] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	101,436	101,436
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	73,366	73,366

DESCRIPTION	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	13	13
NUMBER OF KEY SENIOR MANAGEMENT (MD)	1	1

[29] Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Board Member and Senior Management Team

[30] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

AGREEMENT

Scope of this Agreement

In signing this document, the National Drug Council undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will the sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the National Drug Council will seek to achieve for the 2022 and 2023 financial years and that the Cabinet will monitor performance against.

Honourable Sabrina Turner
Minister for Health and Wellness
On behalf of Cabinet

Chairman of the Board
National Drug Council

31 December 2021

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS
GOVERNMENT

NATIONAL DRUG COUNCIL
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2022 and 31 December 2023 and performance for the National Drug Council for the financial years ending 31 December 2022 and 31 December 2023; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
National Drug Council

31 December 2021

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NATIONAL DRUG COUNCIL

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

The National Drug Council's ('the NDC') financial statements have been prepared in accordance with International Accounting Standards and are stated in Cayman Islands dollars. The following is a summary of the most significant accounting and reporting policies used in preparing the financial statements:

a) Use of Estimates

The preparation of the financial statements requires the Council to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

b) Fixed Assets

Depreciation is being calculated on a straight-line basis on the opening cost over the

estimated useful lives of the assets as follows:

Capital expenditures greater than $1,000.00 is capitalized as fixed assets

	Contributed Assets Years remaining at acquisition	Purchased assets Useful lives
Office equipment	-	3
Office furniture	-	6
Computer equipment	-	3
Leasehold Improvement	-	3

NATIONAL DRUG COUNCIL

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

a) Deferred grant funds and income: Donation and grant income received for specific projects are credited to income in periods in which expenses on such projects are incurred.

b) Disclosure about Fair Value of Financial Instruments: The NDC recognizes financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains or losses arising from changes in the fair value of the assets or liabilities are recognised in the statement of operations. Financial instruments are initially measured at cost, which is the fair value of the consideration given or received. Subsequent to initial recognition all financial assets are measured at their estimated fair market value. The carrying amounts of all financial instruments on the balance sheet are reasonable estimates of the fair values and no gains or losses have been recognised in the statement of operations for the changes in the fair value of the assets or liabilities.

c) Foreign Exchange: Revenue and expense transactions involving currencies other than Cayman Islands dollars are translated to Cayman Islands dollars at the exchange rates ruling at the time of those transactions. Assets and liabilities included in these financial statements are translated to Cayman Islands dollars at the rates of exchange prevailing at the balance sheet dates. Gains and losses on exchange are taken to the statement of operations.

NATIONAL DRUG COUNCIL

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL POSITION	Note	12-Month Budget 2022	12-Month Budget 2023
	Current Assets			
331,367	Cash and cash equivalents	1	399,275	399,275
-	Marketable securities and deposits		-	-
313,986	Trade receivables	2	246,786	245,076
-	Other receivables	2	-	-
-	Inventories	3	-	-
5,500	Investments	4	5,500	5,500
17,000	Prepayments	5	13,500	13,500
-	Loans	6	-	-
667,853	**Total Current Assets**		**665,061**	**663,351**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
2,437	Property, plant and equipment	7	2,437	2,437
5	Intangible Assets	8	5	5
2,442	**Total Non-Current Assets**		**2,442**	**2,442**
670,295	**Total Assets**		**667,503**	**665,793**
	Current Liabilities			
7,762	Trade payables	9	7,762	7,762
24,500	Other payables and accruals	9	22,500	22,500
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
-	Unearned revenue	10	-	-
12,906	Employee entitlements	11	12,934	12,934
-	Current Portion of Borrowings	12	-	-
45,168	**Total Current Liabilities**		**43,196**	**43,196**
	Non-Current Liabilities			
-	Trade payables	9	-	-
-	Other payables and accruals	9	-	-
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Unfunded pension liability	13	-	-
-	Unfunded post retirement health care	14	-	-
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
-	**Total Non-Current Liabilities**		**-**	**-**
45,168	**Total Liabilities**		**43,196**	**43,196**
625,127	**Net Assets**		**624,307**	**622,597**
	NET WORTH			
563,356	Contributed capital		563,356	563,356
-	Other Reserves		-	-
-	Revaluation reserve		-	-
61,771	Accumulated surpluses/(deficits)		60,951	59,241
625,127	**Total Net Worth**		**624,307**	**622,597**

NATIONAL DRUG COUNCIL

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL PERFORMANCE	Note	12-Month Budget 2022	12-Month Budget 2023
	Revenue			
689,355	Sale of goods and services	**15**	714,855	714,855
-	Investment revenue	**16**	-	-
23,000	Donations	**17**	25,000	25,000
-	Other revenue		-	-
712,355	**Total Revenue**		**739,855**	**739,855**
	Expenses			
588,756	Personnel costs	**18**	574,035	574,035
163,729	Supplies and consumables	**19**	166,640	167,530
-	Depreciation and Amortisation	**7**	-	-
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	**20**	-	-
-	Litigation costs	**21**	-	-
-	Other (Gains)/losses	**22**	-	-
-	Other Operating expenses		-	-
752,485	**Total Expenses**		**740,675**	**741,565**
(40,130)	**Surplus or (Deficit) for the period**		**(820)**	**(1,710)**

NATIONAL DRUG COUNCIL

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	CASH FLOW STATEMENT	Note	12-Month Budget 2022	12-Month Budget 2023
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
689,355	Sale of goods and services to Cabinet		714,855	714,855
-	Sale of goods and services to Ministries/Portfolios		-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
-	Sale of goods and services - third party		-	-
-	Interest received		-	-
21,500	Donations / Grants		25,000	25,000
-	Other receipts		-	-
	Payments			
(526,194)	Personnel costs		(575,035)	(575,035)
-	Supplies and consumables - Ministries/Portfolios		-	-
(4,500)	Supplies and consumables - Statutory Agencies and Government Conpanies		(8,500)	(8,500)
-	Supplies and consumables - third party		-	-
-	Interest paid		-	-
(160,355)	Other payments		(156,320)	(156,320)
19,806	**Net cash flows from operating activities**	**23**	**-**	**-**
19,806	**Net increase/(decrease) in cash and cash equivalents**		**-**	**-**
379,469	Cash and cash equivalents at beginning of period		399,275	399,275
399,275	**Cash and cash equivalents at end of period**		**399,275**	**399,275**

NATIONAL DRUG COUNCIL

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2019 brought forward	454,356	-	454,356
Prior Year Adjustments			
Changes in accounting policy	28,000	-	28,000
Accounting Errors	-	-	-
Restated balance 31 December 2019	482,356	-	482,356
Changes in net worth for 2020			
Gain/(loss) on property revaluation	-	-	-
Gain/(loss) on revaluation of investments	-	-	-
Exchange differences on translating foreign operations	-	-	-
Equity Investment from Cabinet	-	-	-
Capital withdrawals by Cabinet	-	-	-
Dividends payable to Cabinet	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-
Surplus/(deficit)for the period 2020		101,901	101,901
Total recognised revenues and expenses for the period	-	101,901	101,901
Balance at 31 December 2020	482,356	101,901	584,257
Balance at 31 December 2020 brought forward	482,356	101,901	584,257
Prior Year Adjustments			
Changes in accounting policy	81,000	-	81,000
Accounting Errors	-	-	-
Restated balance 31 December 2020	563,356	101,901	665,257
Changes in net worth for 2021			
Gain/(loss) on property revaluation	-	-	-
Gain/(loss) on revaluation of investments	-	-	-
Exchange differences on translating foreign operations	-	-	-
Equity Investment from Cabinet	-	-	-
Capital withdrawals by Cabinet	-	-	-
Dividends payable to Cabinet	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-
Surplus/(deficit)for the period 2021		(40,130)	(40,130)
Total recognised revenues and expenses for the period	-	(40,130)	(40,130)
Balance at 31 December 2021 carried forward	563,356	61,771	625,127

NATIONAL DRUG COUNCIL

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	563,356	61,771	625,127
Prior Year Adjustments			
Changes in accounting policy	-	-	-
Accounting Errors	-	-	-
Restated balance 31 December 2021	563,356	61,771	625,127
Changes in net worth for 2022			
Gain/(loss) on property revaluation	-	-	-
Gain/(loss) on revaluation of investments	-	-	-
Exchange differences on translating foreign operations	-	-	-
Equity Investment from Cabinet	-	-	-
Capital withdrawals by Cabinet	-	-	-
Dividends payable to Cabinet	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-
Surplus/(deficit)for the period 2022	-	(820)	(820)
Total recognised revenues and expenses for the period	-	(820)	(820)
Balance at 31 December 2022 carried forward	563,356	60,951	624,307
Balance at 31 December 2022 brought forward	563,356	60,951	624,307
Prior Year Adjustments			
Changes in accounting policy	-	-	-
Accounting Errors	-	-	-
Restated balance 31 December 2022	563,356	60,951	624,307
Changes in net worth for 2023			
Gain/(loss) on property revaluation	-	-	-
Gain/(loss) on revaluation of investments	-	-	-
Exchange differences on translating foreign operations	-	-	-
Equity Investment from Cabinet	-	-	-
Capital withdrawals by Cabinet	-	-	-
Dividends payable to Cabinet	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-
Surplus/(deficit)for the period 2023		(1,710)	(1,710)
Total recognised revenues and expenses for the period	-	(1,710)	(1,710)
Balance at 31 December 2023	563,356	59,241	622,597

NATIONAL DRUG COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
331,367	CI$ Account	399,275	399,275
331,367	**TOTAL**	**399,275**	**399,275**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
313,986	Sale of goods and services to Cabinet	246,786	245,076
313,986	**Total trade receivables**	**246,786**	**245,076**

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
313,986	Past due 1-30 days	246,786	245,076
313,986	**Total**	**246,786**	**245,076**

NOTE 4: INVESTMENTS

12-Month Forecast 2021	Investments - at the lower of cost or market value	12-Month Budget 2022	12-Month Budget 2023
	Current Investments		
5,500	Security Deposit	5,500	5,500
5,500	**Investments - Current**	**5,500**	**5,500**
	Non-Current Investments		
5,500	**Total Investments**	**5,500**	**5,500**

NOTE 5: PREPAYMENTS

12-Month Forecast 2021	Prepayments	12-Month Budget 2022	12-Month Budget 2023
	Current Prepayments		
17,000	Rent, Insurance, SPSS, & Teleform Lisc.	13,500	13,500
17,000	**Prepayments - Current**	**13,500**	**13,500**
	Non-Current Prepayments		
-	**Prepayments -Non-Current**	-	-
17,000	**Total Prepayments**	**13,500**	**13,500**

NATIONAL DRUG COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2020	26,440	40,493	51,140	42,470	160,543
Additions	-	-	19,139	-	19,139
Disposals and Derecognisation	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2020	26,440	40,493	70,279	42,470	179,682

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2021	26,440	40,493	70,279	42,470	179,682
Additions	-	-	-	-	-
Disposals and Derecognisation	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2021	26,440	40,493	70,279	42,470	179,682

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2022	26,440	40,493	70,279	42,470	179,682
Additions	-	-	-	-	-
Disposals and Derecognisation	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2022	26,440	40,493	70,279	42,470	179,682

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2023	26,440	40,493	70,279	42,470	179,682
Additions	-	-	-	-	-
Disposals and Derecognisation	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfers	-	-	-	-	-
Balance as at 31 December 2023	26,440	40,493	70,279	42,470	179,682

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2020	26,440	40,493	67,842	42,470	177,245
Transfers	-	-	-	-	-
Impairment Reserve 2018 (closing balance)	-	-	-	-	-
Depreciation Expense 2018	-	-	-	-	-
Eliminate on Disposal or Derecognisation 2018	-	-	-	-	-
Balance as at 31 December 2020	26,440	40,493	67,842	42,470	177,245

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2021	26,440	40,493	67,842	42,470	177,245
Transfers	-	-	-	-	-
Impairment Reserve 2019 (closing balance)	-	-	-	-	-
Depreciation Expense 2019	-	-	-	-	-
Eliminate on Disposal or Derecognisation 2019	-	-	-	-	-
Balance as at 31 December 2021	26,440	40,493	67,842	42,470	177,245

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2022	26,440	40,493	67,842	42,470	177,245
Transfers	-	-	-	-	-
Impairment change 2020	-	-	-	-	-
Depreciation Expense 2020	-	-	-	-	-
Eliminate on Disposal or Derecognisation 2020	-	-	-	-	-
Balance as at 31 December 2022	26,440	40,493	67,842	42,470	177,245

	Leasehold Improvements	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Total*
Balance as at 1 January 2023	26,440	40,493	67,842	42,470	177,245
Transfers	-	-	-	-	-
Impairment change 2021	-	-	-	-	-
Depreciation Expense 2021	-	-	-	-	-
Eliminate on Disposal or Derecognisation 2021	-	-	-	-	-
Balance as at 31 December 2023	26,440	40,493	67,842	42,470	177,245

Net Book value 31 December 2020	-	-	2,437	-	2,437

Net Book value 31 December 2021	-	-	2,437	-	2,437

Net Book value 31 December 2022	-	-	2,437	-	2,437

Net Book value 31 December 2023	-	-	2,437	-	2,437

NOTE 8: INTANGIBLE ASSETS

COST OF INTANGIBLE ASSETS

	Computer Software	*Other Intangible Assets*	*Total*
Balance as at 1 January 2020	19,139	3	19,142
Additions	-	-	-
Disposals and Derecognisation	-	-	-
Revaluation	-	-	-
Transfers	-	-	-
Balance as at 31 December 2020	19,139	3	19,142

	Computer Software	*Other Intangible Assets*	*Total*
Balance as at 1 January 2021	19,139	5	19,144
Additions	-	-	-
Disposals and Derecognisation	-	-	-
Revaluation	-	-	-
Transfers	-	-	-
Balance as at 31 December 2021	19,139	5	19,144

	Computer Software	*Other Intangible Assets*	*Total*
Balance as at 1 January 2022	19,139	5	19,144
Additions	-	-	-
Disposals and Derecognisation	-	-	-
Revaluation	-	-	-
Transfers	-	-	-
Balance as at 31 December 2022	19,139	5	19,144

	Computer Software	*Other Intangible Assets*	*Total*
Balance as at 1 January 2023	19,139	5	19,144
Additions	-	-	-
Disposals and Derecognisation	-	-	-
Revaluation	-	-	-
Transfers	-	-	-
Balance as at 31 December 2023	19,139	5	19,144

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Computer Software	*Other Intangible Assets*	*Total*
Balance as at 1 January 2020	19,139	-	19,139
Transfers	-	-	-
Impairment Reserve 2018 (closing balance)	-	-	-
Depreciation Expense 2018	-	-	-
Eliminate on Disposal or Derecognisation	-	-	-
Balance as at 31 December 2020	19,139	-	19,139

	Computer Software	*Other Intangible Assets*	*Total*
Balance as at 1 January 2021	19,139	-	19,139
Transfers	-	-	-
Impairment Reserve 2019 (closing balance)	-	-	-
Depreciation Expense 2019	-	-	-
Eliminate on Disposal or Derecognisation	-	-	-
Balance as at 31 December 2021	19,139	-	19,139

	Computer Software	*Other Intangible Assets*	*Total*
Balance as at 1 January 2022	19,139	-	19,139
Transfers	-	-	-
Impairment change 2020	-	-	-
Depreciation Expense 2020	-	-	-
Eliminate on Disposal or Derecognisation	-	-	-
Balance as at 31 December 2022	19,139	-	19,139

	Computer Software	*Other Intangible Assets*	*Total*
Balance as at 1 January 2023	19,139	-	19,139
Transfers	-	-	-
Impairment change 2021	-	-	-
Depreciation Expense 2021	-	-	-
Eliminate on Disposal or Derecognisation	-	-	-
Balance as at 31 December 2023	19,139	-	19,139

Net Book value 31 December 2020	-	3	3
Net Book value 31 December 2021	-	5	5
Net Book value 31 December 2022	-	5	5
Net Book value 31 December 2023	-	5	5

NATIONAL DRUG COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Trade payables other payables and accruals		
7,762	Creditors Third party	7,762	7,762
24,500	Accrued Expenses	22,500	22,500
32,262	**Trade payables other payables and accruals - Current**	**30,262**	**30,262**
-	**Trade payables other payables and accruals - Non-Current**	-	-
32,262	**Total trade payables other payables and accruals**	**30,262**	**30,262**

NOTE 11: EMPLOYEE ENTITLEMENTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current employee entitlements		
12,906	Annual Leave/Comp-time	12,934	12,934
12,906	**Total current portion**	**12,934**	**12,934**
-	**Total non-current portion**	-	-
12,906	**Total employee entitlements**	**12,934**	**12,934**

NOTE 15A: SALE OF GOODS AND SERVICES

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
-	Fees and Charges	-	-
-	General Sales	-	-
-	Rentals	-	-
-	Other Goods & Services Revenue	-	-
689,355	Sale of goods and services to Cabinet	714,855	714,855
-	Sale of goods and services to Other Ministries and Portfolios	-	-
689,355	**Total sales of goods and services**	**714,855**	**714,855**

12-Month Forecast 2021	Other Goods & Services Revenue	12-Month Budget 2022	12-Month Budget 2023
689,355	Sales of Outputs to Cabinet	714,855	714,855
-	Other Outputs	-	-
689,355	**Total Sales of Outputs to Cabinet**	**714,855**	**714,855**
689,355	**Total Goods and Services**	**714,855**	**714,855**

NATIONAL DRUG COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 17: DONATIONS

12-Month Forecast 2021	Source	12-Month Budget 2022	12-Month Budget 2023
23,000	**Fundraising and donations**	25,000	25,000
23,000	**Total donations**	**25,000**	**25,000**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
479,699	Salaries, wages and allowances	453,649	453,649
-	Health care CINICO	-	-
76,800	Health care other	86,400	86,400
23,257	Pension	24,986	24,986
-	Leave	-	-
9,000	Other personnel related costs	9,000	9,000
588,756	**Total Personnel Costs**	**574,035**	**574,035**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
4,500	Supplies and Materials	7,500	8,000
-	Purchase of services	-	-
66,000	Lease of Property and Equipment	66,000	66,000
18,150	Utilities	18,700	19,200
1,260	General Insurance	1,260	1,150
-	Interdepartmental expenses	-	-
15,700	Travel and Subsistence	15,500	15,500
-	Recruitment and Training	-	-
58,119	Other	57,680	57,680
163,729	**Total Supplies & consumables**	**166,640**	**167,530**

NATIONAL DRUG COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(40,130)	**Surplus/(deficit) from ordinary activities**	(820)	(1,710)
	Non-cash movements		
-	Depreciation & Amortisation	-	-
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:		
-	(Increase)/decrease in other current assets - Cabinet	-	-
59,936	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	820	1,710
19,806	**Net cash flows from operating activities**	-	-

NOTE 25: COMMITMENTS

Type	One year or less	One to five Years	Over five Years	12-Month Budget 2022	12-Month Budget 2023
Non-cancellable accommodation leases	-	66,000	-	66,000	66,000
Total Operating Commitments	-	66,000	-	66,000	66,000
Total Commitments	-	66,000	-	66,000	66,000

NOTE 26: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
101,436	Salaries & other short-term employee benefits	101,436	101,436
101,436	Total	**101,436**	**101,436**

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OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

NATIONAL GALLERY OF THE CAYMAN ISLANDS

FOR THE 2022 FINANCIAL YEAR ENDING 31 DECEMBER 2022
AND THE 2023 FINANCIAL YEAR ENDING 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT (2020 REVISION)

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CONTENTS

1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the National Gallery of the Cayman Islands have agreed the National Gallery of the Cayman Islands will seek to achieve during the 2022 and 2023 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the *National Gallery of the Cayman Islands* is to operate during the period.

GENERAL NATURE OF ACTIVITIES

The mission of the *National Gallery of the Cayman Islands* is to promote the appreciation and practice of the visual arts, of and in the Cayman Islands and to encourage dialogue relating to cultural heritage, national identity, Caymanian history and the history of art.

The National Gallery Law (1999) provides that the purposes of the National Gallery shall be:

a. to serve as an art gallery for the Islands and to establish in the Islands a national collection of works of art;
b. to promote and encourage the practice of the visual arts of and in the Islands and to increase knowledge and appreciation of the visual arts; and
c. to enable the interaction between the visual arts and other forms of art.

In an enriching, inclusive, environment that places Caymanian culture at the forefront while embracing the diverse cultures and traditions co-existing within the community, the Gallery seeks to serve a broad and far-reaching audience.

The functions of the National Gallery of the Cayman Islands (as per National Gallery Law 1999) are:

- To organise and maintain permanent and temporary public works of art;
- To collect and preserve significant works of art for a public collection;
- To facilitate the public exhibition of works of art or collections of works of art loaned by persons or bodies for that purpose;
- To present, or facilitate the presentation by others, of programmes of instruction in the visual arts;
- To lend works of art in the national collection to other art galleries for the purpose of promoting the culture of the Islands abroad;
- To encourage the evolution and enjoyment of the arts in the Islands;
- To promote the appreciation and interpretation of the visual arts as an integral component of education;
- To foster and encourage research in the visual arts;
- To provide facilities for the curation and restoration of works of art; and
- To perform such other functions as may be necessary to direct, manage and control the National Gallery and to fulfil its purpose specified in the National Gallery Law section 4.

SCOPE OF ACTIVITIES

The scope of National Gallery of the Cayman Islands is committed to providing innovative, creative programming and a multidisciplinary approach to the presentation, interpretation, and collection of the artistic expressions of our times.

This mandate is achieved through a variety of activities that aim to reach all members of the Cayman Islands community and the visiting public: outreach programmes, educational programmes, exhibitions, youth programmes, events, workshops, teacher training, school collaborations, art collections, lending library and educational lectures. To ensure full access for all, entrance to the Gallery and our satellite venues is free, and programming is designed to be hosted both onsite and 'on the road' across all six districts.

The scope of *National Gallery of the Cayman Islands* activities is as follows:

- **National Art & Festival Exhibitions [GAL 1]:** Provision of exhibitions, art festivals and related educational programming for students, residents and visitors.

  The NGCI is committed to presenting a vibrant, challenging and culturally relevant exhibition programme that balances traditional displays with cutting edge contemporary exhibitions, both at the central NGCI exhibition gallery, our community Gallery and in the sister islands. Approximately 35% of the NGCI's resources are channelled into the exhibitions department annually to facilitate the eight on-site exhibitions and one off-site per annum, in addition to four student/community exhibitions. Each on-site exhibition runs for a duration of up to three months, with approximately 4,000 gallery users per exhibition. The exhibition schedule features 75% Caymanian artists work, with at least one international exhibition per annum that highlights work not currently practiced in the islands. Our grant allows us to provide free admission to all visitors.

  The education department also works closely with the curatorial team to develop an extensive education programme for each exhibition. This is aimed at all ages of the community and features in-depth lectures, screenings and workshops relating to art history, cultural heritage, national identity, Caymanian history and the history of art. These are held both off site, in the districts, and at local schools.

  In addition, NGCI manages the island-wide public art programme which includes *The Blue Dragon Trail* with plans for expanded public art programming in 2020 and 2021.

  This Output grew substantially in 2019 to expand access to culture and heritage for all and to align with demographics who report being historically disempowered economically and socially. Projects now include Art of the Road (school visits), an Emerging Artist award for youth, district community exhibitions, permanent exhibition venues in the Sister Islands and an exhibition at the Cayman Catboat Club Museum. These will allow for greater engagement with Caymanian traditional arts and culture throughout the various districts, increasing knowledge of our cultural identity within the community.

- **National Art Collection [GAL 2]** - NGCI is charged with managing, conserving, exhibiting and promoting the National Art Collection, in addition to actively acquiring works of art of national significance. The collection is centered on a core of quality Caymanian artworks and supplemented with additional works from the region and abroad, withy related educational resources and scholarship including cross-curricular lesson plans aimed at visual arts and cultural heritage learning. Due to NGCI prioritizing this area since 2015, and our partnership with the Ministry of Culture, the collection has doubled in size to 260 artworks of national significance, including the development of a contemporary craft collection. Increased resources will continue to be directed into this area in 2020 and 2021 in order to provide greater access to the collection via a web-based initiative, as well as general conservation efforts.

- **Arts Education, Outreach and Training [GAL 3]** - The NGCI is the leading education centre for visual arts education in the Cayman Islands. 55% of our annual staffing and financial resources are allotted to the outreach, educational and training department. Our programme schedule is designed to be fully inclusive with programmes ranging from primary level through to senior citizens, and across all three islands. These include but are not limited to Meet Me for the elderly in Grand Cayman and Cayman Brac; Walkers Art Club for primary/secondary students and teens; Creative Careers Programme; Art Camps and weekly art club in the Sister Islands; and Family Fun sessions, and school tours and workshops. Our outreach programmes are specific to various groups of people: Inside Art (Northward and Fairbanks) for the incarcerated; Art Haven for those struggling with substance abuse; Lighthouse and Sunrise Art Clubs; and continuing education programmes for adults, to name a just few.

  NGCI also offers an unparalleled arts scholarship, internship and work experience opportunities throughout the year, careers advice to arts students; and participates in annual career expos to raise awareness about the breadth and depth of creative careers. In addition, NGCI's Business of Art programme offers artists professional development training and support while the Artist Away grant programme supports international training opportunities for Caymanian artists.

- **Art Information (Promotion, Scholarship, Publication & Facilities) [GAL 4]** – NGCI is tasked with researching, developing, and disseminating information about Cayman Islands art and culture to local and international audiences via publications, lectures, scholarship, academic papers, traditional media outlets, social media, community events, marketing and promotions. In addition, we support Government in matters relating to visual arts and cultural policy. Output 4 also includes the management of our retails areas (gift shop, café and facility rental department); annual reports and audit; and the ongoing execution, monitoring and evaluation of the NGCI Strategic Plan 2014-2019.

  NGCI hosts international conferences on a bi-annual basis attracting delegates from institutions including the Guggenheim and Smithsonian National Museum of African American History and Culture. Staff also regularly present at international conferences. By hosting lectures and conferences featuring international guests, we bring greater awareness and visibility to Cayman's art, culture, and heritage, in addition to fostering dialogue and transferrable skills for local cultural professionals and expand the local museum and heritage sector knowledge.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by *National Gallery of the Cayman Islands* are intended to be accessible to all members of the Cayman Islands community including all ages of students; amateur and professional artists; targeted outreach participants - the incarcerated, the recovering institutionalised substance abuser, at-risk youth; specialised groups such as seniors, researchers, teachers; and both residents and visitors to the islands in general. NGCI attracts approximately 20,000 visitors per year.

The NGCI manages the majority of programming from its 9,000 facility on a 4 acre site on the Esterley Tibbetts Bypass. This centre houses two temporary exhibition areas, an art studio, library, the Dart Auditorium and multi-purpose areas designed to help generate revenue. In addition, there is a permanent gallery for the National Collection. This centre is a state-of-the-art civic resource, providing a home for schoolchildren, teachers, researchers, artists, archivists, seniors and students of all ages and space for artists to exhibit the very best of our cultural production.

NGCI has satellite exhibition venues at the Owen Roberts International Airport, Cayman Catboat Club, the Little Cayman Museum and Cayman Brac Reef Resort, in addition to providing exhibitions and programming in offer pubic venue upon request

The NGCI Curatorial and Education Departments also work at various locations across the Cayman Islands including Northward and Fairbanks Prisons, Caribbean Haven, public and private schools in Grand Cayman and Cayman Brac, community centres, as well as at other locations on demand.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the *National Gallery of the Cayman Islands* for the 2020 and 2021 financial period are as follows:

Strategic Goal 1 – Collections

To develop and strengthen the National Collection by creating opportunities for acquisition and commission of artwork while ensuring its care and conservation.

Key Objectives

1. Strengthen and develop the National Collection.
2. Maintain and protect the Collection through the highest standard of care, including conservation, security, display, storage and documentation.
3. Enhance access to, and the public understanding and enjoyment of the collection through exhibitions and educational programming.
4. Increase the profile of the Collection locally and internationally.
5. Strengthen research and scholarship capacity.

Strategic Goal 2 – Exhibitions

To enhance the public understanding and enjoyment of the visual arts by providing a stimulating, informative, and enjoyable on-site temporary exhibitions programme, travelling exhibitions and displays.

Key Objectives

1. Maintain position as the premier art exhibition venue in the Cayman Islands by delivering a vibrant, high quality, rotating schedule of on-site exhibitions.
2. Develop all exhibitions in close consultation with the NGCI Education Department and Communications Department to ensure a high quality related educational component and the broadest audience possible.
3. Provide opportunities for emerging artists, young curators and student exhibitions.
4. Increase the profile of NGCI exhibitions locally and internationally.

Strategic Goal 3 – Education

To increase the understanding of and engagement with the visual arts as a vital component of the cultural heritage of the Cayman Islands through vibrant, stimulating and accessible programmes of learning.

Key Objectives

1. Maintain NGCI as a leading education facility and resource in the Cayman Islands.
2. Enhance Intellectual Access to NGCI Education, Exhibitions and Collections.
3. Continue to offer high quality outreach programming to different sectors of the community which is inclusive, accommodates marginalised members of the community and includes the concepts of art therapy (where appropriate).
4. Help to facilitate the establishment of secondary- and tertiary-level arts education in the Cayman Islands in order to encourage the development of local artists, art appreciation and careers in or related to the creative arts.
5. Continue to ensure that NGCI's education department programmes are executed to a high standard and all efforts are made to keep them sustainable.
6. Recruit, train and retain qualified educational instructors.

Strategic Goal 4 – Marketing & Communication

Promote the National Gallery collections, exhibitions, programmes and activities, through strategic marketing, promotions, technology and products.

Key Objectives

1. Apply the unique NGCI brand consistently across all aspects of the organisation.
2. Develop and execute a marketing plan and market research programme to determine audience profiles and preferences.
3. Strengthen the approach to and use of technology as a marketing tool.
4. Ensure appropriate resources are made available to carry out marketing strategy.
5. Establish new and maintain good community partnership and communication with media, NGCI patrons, and stakeholders.
6. Research and establish opportunities to market NGCI internationally.

Strategic Goal 5 – Board Member Participation

The National Gallery should take full advantage of the ability of its Board members to contribute over and above their statutory obligations of supervision. To that end we will seek ways in which individual Board members can take effective roles to enhance the effective functioning and management of the Gallery and its programmes.

Key Objectives

1. Identify specific events and projects to which Board members can contribute practically and/or financially.
2. Reduce burdens on employed Gallery staff.
3. Maximise use of the connections, experience and resources of Board members to promote and fund Gallery activities.
4. Develop a code of practice/ethics for the Board.

Strategic Goal 6 – Finance & Business

To maximise the financial resources available through public (government funding) and private sector support (fundraising), trading (retail/events/membership), and through the sound management of NGCI's assets and resources.

Key Objectives

1. Maintain a high standard of financial management across the organisation.
2. Continue to maximise revenue via public/Government contributions.
3. Grow and strengthen private sector support to fill our annual funding gap.
4. Optimise opportunities for generating revenue via trading activities – retail, events and catering – and as appropriate through new revenue streams.
5. Continue to identify all opportunities to control costs.

Strategic Goal 7 – Human Resources

Sustain and encourage an inclusive environment for all staff. Provide an encouraging, supportive and equitable environment in which all staff will have the opportunity to grow professionally, whilst fulfilling their roles and responsibilities, and contributing to achieving the goals of NGCI.

Key Objectives

1. Develop and improve the organisational culture of NGCI to maintain staff loyalty, commitment and morale and improve employee retention.

2. Nurture current and future talent. Encourage the best candidates to consider the visual arts as a viable career and apply for NGCI vacancies, offering career development and long-term career opportunities for those who join the team.

3. Maintain an HR structure that supports current NGCI needs, provides opportunities for growth and development, and creates a clear guide for recruitment.

4. Ensure NGCI's HR records and administration practices are fit for purpose and meet all government and legislative requirements.

Strategic Goal 8 - Operations & Facilities

Establish the Gallery as an inclusive gathering place by creating an environment for all staff and visitors that has the highest standards of safety, fitness for purpose, legal compliance and protection of the physical and intellectual assets of NGCI.

Key Objectives

1. Ensure that all operations are well managed, legally compliant and socially and culturally sensitive.
2. Maintain, and further improve, the physical facility (buildings, services, resources and management) in order to support programmes and to ensure maximum visitor satisfaction.
3. Ensure appropriate resources (staff/time/funds) are allocated to operation and maintenance of NGCI building and facilities.
4. Work towards reducing negative impact on the environment.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the National Gallery of the Cayman Islands for the 2022 and 2023 financial years are as follows:

	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE FROM CABINET	750	750	736
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	353	330	355
OPERATING EXPENSES	1,218	1,222	1,089
OPERATING SURPLUS/DEFICIT	**(115)**	**(142)**	**1,425**
NET WORTH	**6,080**	**5,968**	**6,045**
CASH FLOWS FROM OPERATING ACTIVITIES	(32)	(75)	45
CASH FLOWS FROM INVESTING ACTIVITIES	(150)	(30)	(134)
CASH FLOWS FROM FINANCING ACTIVITIES	150	30	150
CHANGE IN CASH BALANCES	(32)	(75)	60

FINANCIAL PERFORMANCE RATIO	2022 1 Jan to 31 Dec 2022 %	2023 1 Jan to 31 Dec 2023 %	2021 12-Month Forecast %
CURRENT ASSETS : CURRENT LIABILITIES	31.17	27.32	35.99
TOTAL ASSETS : TOTAL LIABILITIES	53.92	47.01	61.54

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	10	10	10
STAFF TURNOVER (%)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	30%	30%	30%
CLERICAL AND LABOURER STAFF	-	100%	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	-	-	-

PHYSICAL CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	2,614,122	2,554,588	2,551,323
ASSET REPLACEMENTS : TOTAL ASSETS	1.39	1.43	1.36
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	0.72	0.70	0.73
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	0.58	2.98	7.69
CHANGES TO ASSET MANAGEMENT POLICIES	-	-	-

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
ROAD REPAIRS – GOVERNMENT GRANT GRANTED BUT FUNDS NOT YET RECEIVED	-	-	150,000
REPLACE A/C SYSTEM – GOVERNMENT GRANT REQUESTED	70,000	-	-
IRRIGATION SYSTEM – GOVERNMENT GRANT REQUESTED	10,000	-	-
SPRINKLER SYSTEM – GOVERNMENT GRANT REQUESTED	70,000	-	-
UPGRADE	-	30,000	-
TOTAL	**150,000**	**30,000**	**150,000**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Not receiving road repair grant	(150,000)	N/A – Work dependent on government grant	150,000
Not receiving A/C system grant	(70,000)	N/A – Work dependent on government grant	70,000
Not receiving Irrigation system grant	(10,000)	N/A – Work dependent on government grant	10,000
Not receiving Sprinkler system grant	(70,000)	N/A – Work dependent on government grant	70,000

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the National Gallery of the Cayman Islands is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE	1,103	1,080	1,091
OPERATING EXPENSES	1,218	1,222	1,089
NET SURPLUS/(DEFICIT)	(115)	(142)	1,424

BALANCE SHEET	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
ASSETS	6,195	6,077	6,145
LIABILITIES	114	109	99
NET WORTH	6,080	5,967	6,045

STATEMENT OF CASH FLOW	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	(32)	(75)	45
CASH FLOWS FROM INVESTING ACTIVITIES	(150)	(30)	(165)
CASH FLOWS FROM FINANCING ACTIVITIES	150	30	150

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's
EQUITY INVESTMENTS INTO NATIONAL GALLERY OF THE CAYMAN ISLANDS	150	30
CAPITAL WITHDRAWALS FROM NATIONAL GALLERY OF THE CAYMAN ISLANDS	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY NATIONAL GALLERY OF THE CAYMAN ISLANDS	-	-
GOVERNMENT LOANS TO BE MADE TO NATIONAL GALLERY OF THE CAYMAN ISLANDS	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO NATIONAL GALLERY OF THE CAYMAN ISLANDS	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[31]	-	-
REMUNERATION[32] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	-	-
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	164,015	172,216

DESCRIPTION	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	10	12
NUMBER OF KEY SENIOR MANAGEMENT (MD)	2	2

[31] Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Board Member and Senior Management Team

[32] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the National Gallery of the Cayman Islands undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will the sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the National Gallery of the Cayman Islands will seek to achieve for the 2022 and 2023 financial years and that the Cabinet will monitor performance against.

Honourable Bernie Bush
Minister for Youth, Sports, Culture and Heritage
On behalf of Cabinet

Chairman of the Board
National Gallery of the Cayman Islands

31 December 2021

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS
GOVERNMENT

NATIONAL GALLERY OF THE CAYMAN ISLANDS
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2022 and 31 December 2023 and performance for the National Gallery of the Cayman Islands for the financial years ending 31 December 2022 and 31 December 2023; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
National Gallery of the Cayman Islands

31 December 2021

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NATIONAL GALLERY OF THE CAYMAN ISLANDS

STATEMENT OF ACCOUNTING POLICIES

AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2023

1. Background information

The National Gallery of the Cayman Islands (the "Gallery") was established on April 23, 1999 in accordance with the National Gallery Act. Prior to this date, the Gallery operated as an unincorporated entity.

The Gallery, through its Management Board, acquires artworks and collects materials to be held in trust for the purpose of preserving them for posterity and promoting their usefulness in the development of the arts, exhibition, research and education for the public benefit.

Through organising and maintaining permanent and temporary public exhibitions of works of art, the Gallery promotes and encourages the awareness, appreciation and practice of the visual arts in the Cayman Islands.

The National Gallery Act states that the property of the Gallery shall be vested in up to four trustees appointed by the Governor in Cabinet, up to two of whom may also be members of the Management Board.

2. Significant accounting policies

In conformity with the Public Management & Finance Act (2020 Revision), these financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board. Where additional guidance is required, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board are used.

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

(a) Basis of preparation

These financial statements are presented in Cayman Islands dollars and are prepared on the historic cost basis, unless otherwise stated.

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

(a) Basis of preparation (continued)

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the reporting period and in any future periods that are affected by those revisions.

(b) Standards and amendments to existing standards

IPSAS 41, Financial Instruments was issued in August 2018 and shall be applied for financial statements covering periods beginning on or after January 1, 2023. IPSAS 41 establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement. It is anticipated that IPSAS 41 will not have a significant impact on the Gallery's financial statements. This will be assessed more fully closer to the effective date of adoption.

IPSAS 42, Social Benefits, provides guidance on accounting for social benefits expenditure. It defines social benefits as cash transfers paid to specific individuals and/or households to mitigate the effect of social risk. The new standard requires an entity to recognize an expense and a liability for the next social benefit payment. IPSAS 42 seeks to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. To accomplish this, IPSAS 42 establishes principles and requirements for recognizing expenses and liabilities for social benefits, measuring expenses and liabilities for social benefits, presenting information about social benefits in the financial statements and determining what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the social benefits provided by the reporting entity. The new Social Benefits standard is effective for periods beginning on or after January 1, 2023.

(c) Recognition of revenue

Events and exhibitions income is recognised in the accounting period in which the events and exhibitions are held. Gallery gift shop income is recognised when the Gallery sells a product to a customer, which usually coincides with the date the transaction price is received. Revenue from facility rental is recognised after the facility has been used. The Gallery does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Gallery does not adjust any of the transaction prices for the time value of money.

(d) Government grant

The Government grant is received for financial support on a quarterly basis and is recorded when the grant becomes receivable.

(e) Donations

Donations are recorded when they are received, unless specifically intended for a certain fiscal year.

(f) Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, where this is representative of the pattern of benefits to be derived from the leased property.

(g) Interest income

(h) Interest income is recorded on an accruals basis.

(i) Bequest

The assets and revenue from the bequest are recognized in the period in which the Gallery has control of the assets. The Gallery measures the proceeds from the bequest at fair value on date of recognition.

(j) Property and equipment

In accordance with IPSAS 17, *Property, Plant and Equipment*, the Gallery has elected to use the cost model for all classes of property and equipment.

Depreciation on assets is charged on a straight-line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost of the asset less any estimated residual value over its remaining useful life.

Computer systems and hardware	3 years
Furniture and fixtures	5 years
Office equipment	5 years
Workshop equipment	5 years
Vehicles	5 years
Building	50 years

The Gallery capitalizes property and equipment costing $500 or more.

(k) Cash

In accordance with IPSAS 2, *Cash Flow Statements*, cash and cash equivalents comprise cash on hand, cash at bank, deposits on call and highly liquid investments with an original maturity of six months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank, cash placed on a fixed term deposit and cash on hand.

(l) Financial instruments

Financial assets within the scope of IPSAS 29, *Financial Instruments: Recognition and Measurement* are classified as financial assets at fair value through surplus or deficit, loans and receivables. The Gallery determines the classification of its financial assets at initial recognition.

The Gallery's financial instruments on the statement of financial position include cash and cash equivalents, accounts receivable, and accounts payable and other accruals. The carrying values of these financial instruments approximate their fair values due to their short-term nature.

Classification

Financial assets that are classified at amortized cost includes cash and cash equivalents and accounts receivable. Financial liabilities that are not at fair value through profit and loss are carried at amortized cost and included in accounts payable.

Recognition

The Gallery recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. A regular way purchase of a financial asset is recognized using trade date accounting. From this date, any gains and losses arising from changes in the fair value of the financial assets or financial liabilities are recorded.

Measurement

Financial instruments are measured initially at fair value (transaction price) plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability.

Subsequent to initial recognition, all instruments classified at fair value through profit and loss are measured at fair value with changes in their fair value recognized in the statement of financial performance.

Impairment of financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows generated by the asset, discounted at the original effective interest rate.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, the reversal is recognized in the statement of financial performance.

(m) Inventory

In accordance with IPSAS 12, *Inventories*, inventory is measured at cost upon initial recognition. After initial recognition, inventory is measured at the lower of net realisable value or cost using the specific identification method for their individual costs.

Inventory is recorded net of an allowance for obsolete and slow moving items. Any change in the allowance for obsolescence is reflected in the statement of financial performance in the period of change.

No inventory items were pledged as security during the current or prior financial year.

(n) Foreign exchange

In accordance with IPSAS 4, *The Effects of Changes in Foreign Exchange Rates*, transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of foreign exchange transactions are recognised as income or expenses in the period in which they arise.

The Cayman Islands dollar to U.S. dollar exchange rate adopted by the Gallery is CI$0.82: US$1.00.

(o) Collections and exhibits

Consistent with the practice followed by many galleries, collections and exhibits purchased and donated are not included in the statement of financial position. The costs of all objects purchased are recorded as an expense in the statement of financial performance. Objects acquired by gift or donations are not recorded in these financial statements since it is difficult to obtain an objective measurement or valuation. These assets are presented in the Schedule of Collections and Exhibits (Unaudited) in the Supplementary Information. Values are determined by the Gallery Director to be reasonable estimates of fair market value and are the insured values as at December 31, 2020.

(p) Donated services

A substantial number of unpaid volunteers make significant contributions of their time to develop the Gallery's programs. The Gallery receives a number of donations in kind. The value of this contributed time and donated goods is not reflected in these financial statements since they are not susceptible to objective measurement or valuation.

(q) Repairs and maintenance

Costs associated with routine repairs and maintenance are expensed as they are incurred.

(r) Budget

The annual budget is prepared on an accrual basis. As both the 2019 and 2020 budget and financial statements have been prepared on an accrual basis, there are no basis or timing differences that would require reconciliation between the actual comparable amounts.

The budgets for the financial year were presented in the Gallery's Ownership Agreement and were approved by the Parliament. The budget amounts in the Ownership Agreement are summarised. These summaries have been split out in these financial statements to enable comparison on a line by line basis.

Explanatory comments are provided in the notes as to any material differences between budget and actual.

Cash and cash equivalents

Cash at banks earns interest at floating rates based on daily bank deposit rates and the fixed term deposit earns interest at 0.05%.

The restricted cash and fixed term deposit are held in separate accounts with a local Cayman bank. The restricted funds relate to the bequest received in 2020 as described in Note 13.

3. Land held in a private trust

During the year ended December 31, 1998, the use of a parcel of land was donated to a trust for a period of 80 years, for the exclusive use of the Gallery and for a National Art Gallery to be built upon. The property is not to be subdivided or combined with the surrounding land and will at all times be held by the trustees, as separate and apart from the adjacent lots. The land is managed by three trustees. Currently, two trustees are active with a third pending. No changes are expected to the original Trust and therefore the possibility of a change in ownership is not deemed to be a concern. The land is not reflected in these financial statements.

4. Employee benefits

The Gallery provides retirement benefits for its employees through the Silver Thatch Pension Plan (the "Plan"). The Gallery operates a defined contribution plan, which is a post-employment benefit plan under which an entity pays fixed contributions into the Plan, and will have no legal or constructive obligation to pay further contributions if the pension fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are recognised as an expense in the year in which they are incurred based on set contribution rates.

5. Financial instruments and associated risks

During the year, the Gallery entered into transactions which gave rise to the following financial assets and liabilities: cash and cash equivalents, accounts receivables and accounts payable and other accruals. This note presents information about the Gallery's exposure to each of the below risks, policies and processes for measuring and managing risk, and the Gallery's management of capital.

6. Financial instruments and associated risks (continued)

(a) Market risk

Market risk is the risk that changes in interest rates and foreign exchange rates will make a financial instrument less valuable or more onerous. The Management Board does not believe the Gallery is exposed to any material market risk.

(b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Gallery.

The maximum amount of credit exposure is represented by the carrying amounts of cash and cash equivalents and accounts receivable on the statement of financial position. Cash and cash equivalents held by the Gallery are held with two major international financial institutions in the Cayman Islands. The Gallery is subject to credit risk to the extent that one or both of these institutions may be unable to fulfil their obligations to repay amounts owed.

The Gallery's accounts receivable are neither past due nor impaired and are assessed to be recoverable. 94% (2019: 87%) of the Gallery's accounts receivable is due from the Government of the Cayman Islands. The Gallery manages the risk of non-payment of the remaining receivable by monitoring specific customers.

(c) Liquidity risk

The Management Board does not believe the Gallery is exposed to any material liquidity risk as all financial assets and financial liabilities have remaining contractual maturities of less than one year.

The government grant (see Note 6) equates to 59% (2019: 49%) of the Gallery's annual budget. Private sector and general public donations of funds, goods and services are the Gallery's other sources of revenue. The Management Board manages the Gallery's operations funding risks by undertaking fundraising activities throughout the year. In cases of funding shortfalls, programmes, events and exhibitions are cut back.

(d) Corona virus

The extent of the impact of the corona virus ("COVID-19") outbreak on the financial performance of the Gallery will depend on future developments, including the duration and spread of the outbreak and related advisories and restrictions and the impact of COVID-19 on the overall economy, all of which are highly uncertain and cannot be predicted. If the overall economy is impacted for an extended period, the Gallery's results of operations may be materially adversely affected. The Gallery is able to reduce programs and output, should private funding not be made available to minimise any adverse effect.

7. Commitments

During the year ended December 31, 2022 and 2021, the Gallery had no significant financial commitments to any third party.

8. Related parties

The Government of the Cayman Islands, the trustees appointed by the Governor in Cabinet and the members of the Management Board are considered related parties. Also, certain expenses are borne by staff or volunteers and are reimbursed by the Gallery. Transactions and balances with the Government are disclosed in Note 6.

9. Contingent liabilities

As of December 31, 2022 and 2023, the Gallery has no quantifiable or non-quantifiable contingent liabilities.

10. Fund balance

Management controls the capital of the Gallery to ensure that adequate cash flows are generated to fund its programs. The Management Board and Director ensure that overall risk management strategy is in line with this objective. There have been no changes to the strategy adopted by management to control capital of the Gallery since the previous year.

In 2020, the Gallery and the Cayman National Cultural Foundation (CNCF) became the recipients of a bequest from the estate of a former Gallery/CNCF patron and land donor. In accordance with the donor's will, the executors were directed to distribute 25% of the donor's estate equally to the Gallery and CNCF. In reaching an agreement with the executors that the Gallery would receive an absolute gift of 12.5% of the net realised value of the donor's estate instead of the opportunity to benefit from a trust established for the Gallery and the CNCF to run for fifty years, a restriction was agreed on the use of the funds by the Gallery. The restriction requires the Gallery to use the bequest from the donor's estate for capital and special projects to memorialise the bequest donor. The use of the proceeds is restrictive and not for operations of the Gallery.

On May 19, 2020, the Management Board of the Gallery approved the restriction on the use of the proceeds from the bequest and that a separate accounts be prepared.

As at December 31, 2022, the proceeds from the donor were invested in a fixed term deposit and in a restricted cash account (see Note 3) and included in the Statement of Changes in Fund Balance as "Restricted Fund".

11. Operating lease

The Gallery has an operating lease for storage containers. Minimum lease payments recognised as an expense during the year ended December 31, 2022 amount to CI$19,820 (2021: CI$19,385). The original leased storage units contract ended on December 31, 2018, and thereafter renews automatically at the end of each month.

The Gallery continues to occupy the units for a period of one month until it is terminated by either party on one month's prior written notice.

NATIONAL GALLERY OF THE CAYMAN ISLANDS

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL POSITION	Note	12-Month Budget 2022	12-Month Budget 2023
	Current Assets			
3,329,192	Cash and cash equivalents	1	3,297,020	3,241,278
-	Marketable securities and deposits		-	-
194,320	Trade receivables	2	207,820	217,820
-	Other receivables	2	-	-
21,753	Inventories	3	25,000	30,000
-	Investments	4	-	-
48,693	Prepayments	5	51,052	53,576
-	Loans	6	-	-
3,593,958	**Total Current Assets**		**3,580,892**	**3,542,674**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
2,551,323	Property, plant and equipment	7	2,614,122	2,554,588
-	Intangible Assets	8	-	-
2,551,323	**Total Non-Current Assets**		**2,614,122**	**2,554,588**
6,145,281	**Total Assets**		**6,195,014**	**6,097,262**
	Current Liabilities			
24,971	Trade payables	9	40,000	35,000
22,000	Other payables and accruals	9	22,000	22,000
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	19,800
52,894	Unearned revenue	10	52,894	52,894
-	Employee entitlements	11	-	-
-	Current Portion of Borrowings	12	-	-
99,865	**Total Current Liabilities**		**114,894**	**129,694**
	Non-Current Liabilities			
-	Trade payables	9	-	-
-	Other payables and accruals	9	-	-
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Unfunded pension liability	13	-	-
-	Unfunded post retirement health care	14	-	-
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
-	**Total Non-Current Liabilities**		-	-
99,865	**Total Liabilities**		**114,894**	**129,694**
6,045,416	**Net Assets**		**6,080,120**	**5,967,568**
	NET WORTH			
150,000	Contributed capital		300,000	330,000
25,000	Other Reserves		25,000	25,000
-	Revaluation reserve		-	-
5,870,416	Accumulated surpluses/(deficits)		5,755,120	5,612,568
6,045,416	**Total Net Worth**		**6,080,120**	**5,967,568**

NATIONAL GALLERY OF THE CAYMAN ISLANDS

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL PERFORMANCE	Note	12-Month Budget 2022	12-Month Budget 2023
	Revenue			
1,021,643	Sale of goods and services	**15**	1,041,900	1,018,900
-	Investment revenue	**16**	-	-
69,470	Donations	**17**	61,484	61,484
-	Other revenue		-	-
1,091,113	**Total Revenue**		**1,103,384**	**1,080,384**
	Expenses			
495,424	Personnel costs	**18**	572,054	607,470
517,397	Supplies and consumables	**19**	559,426	525,932
76,867	Depreciation and Amortisation	**7**	87,201	89,534
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	**20**	-	-
-	Litigation costs	**21**	-	-
-	Other (Gains)/losses	**22**	-	-
-	Other Operating expenses		-	-
1,089,688	**Total Expenses**		**1,218,681**	**1,222,936**
1,425	**Surplus or (Deficit) for the period**		**(115,297)**	**(142,552)**

NATIONAL GALLERY OF THE CAYMAN ISLANDS

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	CASH FLOW STATEMENT	Note	12-Month Budget 2022	12-Month Budget 2023
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
736,000	Sale of goods and services to Cabinet		720,288	715,050
-	Sale of goods and services to Ministries/Portfolios		-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
285,643	Sale of goods and services - third party		321,613	303,850
-	Interest received		-	-
69,470	Donations / Grants		61,484	61,484
-	Other receipts		-	-
	Payments			
(495,424)	Personnel costs		(572,054)	(607,470)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(550,072)	Supplies and consumables - third party		(563,503)	(548,455)
-	Interest paid		-	-
-	Other payments		-	-
45,617	**Net cash flows from operating activities**	**23**	**(32,173)**	**(75,541)**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(160,000)	Purchase of property, plant and equipment		(150,000)	(30,000)
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
25,003	Proceeds from sale of investments		-	-
(134,997)	**Net cash flows from investing activities**		**(150,000)**	**(30,000)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
150,000	Equity Investment from Cabinet		150,000	30,000
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	Borrowings		-	-
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
150,000	**Net cash flows from financing activities**		**150,000**	**30,000**
60,620	**Net increase/(decrease) in cash and cash equivalents**		**(32,173)**	**(75,541)**
3,268,573	Cash and cash equivalents at beginning of period		3,329,193	3,297,020
3,329,193	**Cash and cash equivalents at end of period**		**3,297,020**	**3,221,479**

NATIONAL GALLERY OF THE CAYMAN ISLANDS

STATEMENT OF CHANGES IN NET WORTH

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2019 brought forward	-	-	2,690,155	2,690,155
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2019	-	-	2,690,155	2,690,155
Changes in net worth for 2020				
Gain/(loss) on property revaluation	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-
Equity Investment from Cabinet	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-
Surplus/(deficit)for the period 2020			3,178,837	3,178,837
Total recognised revenues and expenses for the period	-	-	3,178,837	3,178,837
Balance at 31 December 2020	-	-	5,868,992	5,868,992
Balance at 31 December 2020 brought forward	-	-	5,868,992	5,868,992
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2020	-	-	5,868,992	5,868,992
Changes in net worth for 2021				
Gain/(loss) on property revaluation	-	-	-	-
Gain/(loss) on revaluation of investments	-	25,000	-	25,000
Exchange differences on translating foreign operations	-	-	(1)	(1)
Equity Investment from Cabinet	150,000	-	-	150,000
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	-	-	-
Net revenue / expenses recognised directly in net worth	150,000	25,000	(1)	174,999
Surplus/(deficit)for the period 2021			1,425	1,425
Total recognised revenues and expenses for the period	150,000	25,000	1,424	176,424
Balance at 31 December 2021 carried forward	150,000	25,000	5,870,416	6,045,416

NATIONAL GALLERY OF THE CAYMAN ISLANDS

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	150,000	25,000	5,870,416	6,045,416
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2021	150,000	25,000	5,870,416	6,045,416
Changes in net worth for 2022				
Gain/(loss) on property revaluation	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-
Exchange differences on translating foreign operations	-	-	2	2
Equity Investment from Cabinet	150,000	-	-	150,000
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	-	-	-
Net revenue / expenses recognised directly in net worth	150,000	-	2	150,002
Surplus/(deficit)for the period 2022			(115,297)	(115,297)
Total recognised revenues and expenses for the period	150,000	-	(115,295)	34,705
Balance at 31 December 2022 carried forward	300,000	25,000	5,755,120	6,080,120
Balance at 31 December 2022 brought forward	300,000	25,000	5,755,120	6,080,120
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2022	300,000	25,000	5,755,120	6,080,120
Changes in net worth for 2023				
Gain/(loss) on property revaluation	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-
Equity Investment from Cabinet	30,000	-	-	30,000
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	-	-	-
Net revenue / expenses recognised directly in net worth	30,000	-	-	30,000
Surplus/(deficit)for the period 2023			(142,552)	(142,552)
Total recognised revenues and expenses for the period	30,000	-	(142,552)	(112,552)
Balance at 31 December 2023	330,000	25,000	5,612,568	5,967,568

NATIONAL GALLERY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2021	Description change as applicable	12-Month Budget 2022	12-Month Budget 2023
-	Cash on hand	-	-
-	Cash in transit	-	-
87,914	CI$ Account	55,742	(19,800)
-	US$ Account	-	-
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
3,241,278	Short-Term Fixed Deposits	3,241,278	3,241,278
3,329,192	**TOTAL**	**3,297,020**	**3,221,478**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
184,000	Sale of goods and services to Cabinet	187,500	187,500
-	Sale of goods and services to Ministries/Portfolios	-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies	-	-
10,320	Sale of goods and services - third party	20,320	30,320
-	Other	-	-
-	**Less: provision for doubtful debts**	-	-
194,320	**Total trade receivables**	**207,820**	**217,820**

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
194,320	Past due 1-30 days	207,820	217,820
-	Past due 31-60 days	-	-
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
194,320	**Total**	**207,820**	**217,820**

NATIONAL GALLERY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 3: INVENTORIES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Inventories		
-	Inventory held for use in the provision of goods and services	-	-
21,753	Inventory held for sale	25,000	30,000
-	Inventory Other	-	-
-	Impairment of Inventory	-	-
21,753	**INVENTORIES - Current**	**25,000**	**30,000**
	Non-Current Inventories		
-	Inventory held for use in the provision of goods and services	-	-
-	Inventory held for sale	-	-
-	Inventory Other	-	-
-	Impairment of Inventory	-	-
-	**INVENTORIES - Non-Current**	-	-
21,753	**TOTAL INVENTORIES**	**25,000**	**30,000**

NOTE 5: PREPAYMENTS

12-Month Forecast 2021	Prepayments	12-Month Budget 2022	12-Month Budget 2023
	Current Prepayments		
48,693	Prepayments	51,052	53,576
-		-	-
48,693	**Prepayments - Current**	**51,052**	**53,576**
	Non-Current Prepayments		
-		-	-
-	**Prepayments -Non-Current**	-	-
48,693	**Total Prepayments**	**51,052**	**53,576**

NATIONAL GALLERY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Roads and Sidewalks*	*Motor Vehicles*	*Total*
Balance as at 1 January 2020	13,741	2,964,469	186,548	81,171	45,534	-	25,300	3,316,763
Additions	-	-	4,886	2,913	-	-	-	7,799
Disposals and Derecognisation	-	-	-	(2,145)	-	-	-	(2,145)
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2020	13,741	2,964,469	191,434	81,939	45,534	-	25,300	3,322,417

	Plant and equipment	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Roads and Sidewalks*	*Motor Vehicles*	*Total*
Balance as at 1 January 2021	13,741	2,964,469	191,434	81,939	45,534	-	25,300	3,322,417
Additions	-	-	10,000	-	-	150,000	-	160,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	13,741	2,964,469	201,434	81,939	45,534	150,000	25,300	3,482,417

	Plant and equipment	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Roads and Sidewalks*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	13,741	2,964,469	201,434	81,939	45,534	150,000	25,300	3,482,417
Additions	-	150,000	-	-	-	-	-	150,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	13,741	3,114,469	201,434	81,939	45,534	150,000	25,300	3,632,417

	Plant and equipment	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Roads and Sidewalks*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	13,741	3,114,469	201,434	81,939	45,534	150,000	25,300	3,632,417
Additions	-	30,000	-	-	-	-	-	30,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	13,741	3,144,469	201,434	81,939	45,534	150,000	25,300	3,662,417

NATIONAL GALLERY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Plant and equipment	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Roads and Sidewalks*	*Motor Vehicles*	*Total*
Balance as at 1 January 2020	13,741	469,007	169,891	72,501	45,326	-	8,855	779,321
Transfers	-	-	-	-	-	-	-	-
Impairment Reserve 2018 (closing balance)	-	-	-	-	-	-	-	-
Depreciation Expense 2018	-	59,289	6,632	6,000	70	-	5,060	77,051
Eliminate on Disposal or Derecognisation 2018	-	-	-	(2,145)	-	-	-	(2,145)
Balance as at 31 December 2020	13,741	528,296	176,523	76,356	45,396	-	13,915	854,227

	Plant and equipment	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Roads and Sidewalks*	*Motor Vehicles*	*Total*
Balance as at 1 January 2021	13,741	528,296	176,523	76,356	45,396	-	13,915	854,227
Transfers	-	-	-	-	-	-	-	-
Impairment Reserve 2019 (closing balance)	-	-	-	-	-	-	-	-
Depreciation Expense 2019	-	59,105	6,632	6,000	70	-	5,060	76,867
Eliminate on Disposal or Derecognisation 2019	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	13,741	587,401	183,155	82,356	45,466	-	18,975	931,094

	Plant and equipment	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Roads and Sidewalks*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	13,741	587,401	183,155	82,356	45,466	-	18,975	931,094
Transfers	-	-	-	-	-	-	-	-
Impairment change 2020	-	-	-	-	-	-	-	-
Depreciation Expense 2020	-	63,439	6,632	6,000	70	6,000	5,060	87,201
Eliminate on Disposal or Derecognisation 2020	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	13,741	650,840	189,787	88,356	45,536	6,000	24,035	1,018,295

	Plant and equipment	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Roads and Sidewalks*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	13,741	650,840	189,787	88,356	45,536	6,000	24,035	1,018,295
Transfers	-	-	-	-	-	-	-	-
Impairment change 2021	-	-	-	-	-	-	-	-
Depreciation Expense 2021	-	65,772	6,632	6,000	70	6,000	5,060	89,534
Eliminate on Disposal or Derecognisation 2021	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	13,741	716,612	196,419	94,356	45,606	12,000	29,095	1,107,829

Net Book value 31 December 2020	-	2,436,173	14,911	5,583	138	-	11,385	2,468,190
Net Book value 31 December 2021	-	2,377,068	18,279	(417)	68	150,000	6,325	2,551,323
Net Book value 31 December 2022	-	2,463,629	11,647	(6,417)	(2)	144,000	1,265	2,614,122
Net Book value 31 December 2023	-	2,427,857	5,015	(12,417)	(72)	138,000	(3,795)	2,554,588

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Trade payables other payables and accruals		
24,971	Creditors Third party	40,000	35,000
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
22,000	Accrued Expenses	22,000	22,000
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
46,971	**Trade payables other payables and accruals - Current**	**62,000**	**57,000**
	Non-Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
-	Accrued Expenses	-	-
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
-	**Trade payables other payables and accruals - Non-Current**	**-**	**-**
46,971	**Total trade payables other payables and accruals**	**62,000**	**57,000**

NOTE 10: UNEARNED REVENUE

12-Month Forecast 2021	Details	12-Month Budget 2022	12-Month Budget 2023
	Current Unearned Revenue		
52,894	Deferred Revenue	52,894	52,894
52,894	**Total current portion**	**52,894**	**52,894**
	Non-Current Unearned Revenue		
-	**Total non-current portion**	**-**	**-**
52,894	**Total Unearned Revenue**	**52,894**	**52,894**

NATIONAL GALLERY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 15A: SALE OF GOODS AND SERVICES

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
-	Fees and Charges	-	-
245,643	General Sales	246,900	213,900
40,000	Rentals	45,000	55,000
-	Other Goods & Services Revenue	-	-
736,000	Sale of goods and services to Cabinet	750,000	750,000
-	Sale of goods and services to Other Ministries and Portfolios	-	-
1,021,643	**Total sales of goods and services**	**1,041,900**	**1,018,900**

12-Month Forecast 2021	General Sales	12-Month Budget 2022	12-Month Budget 2023
35,000	Gallery Gift Shop	40,000	45,000
172,300	Events and Exhibitions	172,300	132,300
25,000	Membership Fees	30,000	32,000
13,343	Other Sales	4,600	4,600
245,643	**Total General Sales**	**246,900**	**213,900**

12-Month Forecast 2021	Rentals	12-Month Budget 2022	12-Month Budget 2023
40,000	Facility Rental	45,000	55,000
40,000	**Total Rentals**	**45,000**	**55,000**

12-Month Forecast 2021	Other Goods & Services Revenue	12-Month Budget 2022	12-Month Budget 2023
	Sales of Outputs to Cabinet		
736,000	Sales of Outputs to Cabinet	750,000	750,000
-	Other Outputs	-	-
736,000	**Total Sales of Outputs to Cabinet**	**750,000**	**750,000**
	Other Interdepartmental Revenue		
-	Revenue from Ministries/Portfolios	-	-
-	Revenue from Statutory Authorities and Government Companies	-	-
-	**Total Other Interdepartmental Revenue**	-	-
1,021,643	**Total Goods and Services**	**1,041,900**	**1,018,900**

NATIONAL GALLERY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 17: DONATIONS

12-Month Forecast 2021	Source	12-Month Budget 2022	12-Month Budget 2023
69,470	**Donations**	61,484	61,484
-	**Restricted Donations**	-	-
69,470	**Total donations**	**61,484**	**61,484**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
446,360	Salaries, wages and allowances	515,521	539,341
-	Health care CINICO	-	-
13,746	Health care other	14,090	14,442
22,318	Pension	22,318	23,434
-	Leave	-	-
13,000	Other personnel related costs	20,125	30,253
495,424	**Total Personnel Costs**	**572,054**	**607,470**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
167,030	Supplies and Materials	177,666	120,347
216,435	Purchase of services	240,857	259,429
19,895	Lease of Property and Equipment	20,393	20,903
59,400	Utilities	60,885	62,407
38,487	General Insurance	41,171	44,043
-	Interdepartmental expenses	-	-
-	Travel and Subsistence	-	-
3,000	Recruitment and Training	5,000	5,125
13,150	Other	13,454	13,678
517,397	**Total Supplies & consumables**	**559,426**	**525,932**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
1,425	**Surplus/(deficit) from ordinary activities**	(115,297)	(142,552)
	Non-cash movements		
76,867	Depreciation & Amortisation	87,201	89,534
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:		
-	(Increase)/decrease in other current assets - Cabinet	-	-
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
(32,675)	(Increase)/decrease in other current assets - Other	(4,077)	(128,559)
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
-	(Increase/(decrease) in current liabilities - Other	-	-
45,617	**Net cash flows from operating activities**	**(32,173)**	**(181,577)**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

NATIONAL HOUSING DEVELOPMENT TRUST

FOR THE 2022 FINANCIAL YEAR ENDING 31 DECEMBER 2022
AND THE 2023 FINANCIAL YEAR ENDING 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT (2020 REVISION)

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CONTENTS

1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the National Housing Development Trust have agreed the National Housing Development Trust will seek to achieve during the 2022 and 2023 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the National Housing Development Trust is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The National Housing Development Trust activities involve being an important factor in the economic development of the Cayman Islands by providing to Caymanians, homes at an affordable price and mortgage financing through its Government Guarantee Home Assisted Mortgage Program.

SCOPE OF ACTIVITIES

The scope of the National Housing Development Trust activities is as follows:

- Construction of low-income affordable homes to be sold to the Caymanian public at an affordable price
- Provide financing to low-income Caymanian who qualifies under the criteria set by the Board of Directors for the purchase of an affordable home constructed under the supervision of the Trust.
- Perform the duties as an administrator and loan processing agent on behalf of the Cayman Islands Government for the Government Guaranteed Assisted Home Mortgage Programme.

Provide bridge financing to Caymanian in the construction of a home on the clients own property, whereby the mortgage loan is then refinance by a participating banks under the Government Guarantee Home Assisted Mortgage Program.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by the National Housing Development Trust are provided only within the Cayman Islands.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the National Housing Development Trust for the 2022 and 2023 financial years are as follows:

STRATEGIC GOALS

1. To become a well-structured, efficiently managed organization that is fair and prudent in its selection processing of eligible applicants for affordable homes offered by the Trust.

2. To identify the housing needs of low-income Caymanians and to proceed with the processing of future development of affordable homes that will contribute to the economic development of the Cayman Islands.

3. To administer the Government Guaranteed Home Assisted Mortgage Program in collaboration with the commercial banks to provide financing to Caymanian whose income level is classified as low-to-middle income.

4. To administer the Build on Your Own Property Program in collaboration with the commercial banks to provide financing to Cayman whose income level is classified as low-to-middle income.

OBJECTIVES

The key objectives (from an ownership perspective) for National Housing Development Trust for the 2022 and 2023 financial period are as follows:

1. Continue to manage the lease portfolio of the Trust and to offer counselling to clients as it becomes necessary.

2. To seek out additional funding for future development of low-income housing that has been identified as an imperative need in the economic development of these islands.

3. To continue a close working relationship with local contractors in the development of new homes for low-income person in our community.

4. To ensure that the Government Guaranteed Home Assisted Mortgage Programme is managed in an efficient and prudent manner.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the National Housing Development Trust for the 2022 and 2023 financial years are as follows:

	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE FROM CABINET	675	710	675
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	4,014	4,006	1,421
OPERATING EXPENSES	1,690	1,701	1,641
OPERATING SURPLUS/DEFICIT	**(1,382)**	**(1,365)**	**(986)**
NET WORTH	**30,694**	**38,329**	**22,076**
CASH FLOWS FROM OPERATING ACTIVITIES	(324)	(306)	675
CASH FLOWS FROM INVESTING ACTIVITIES	(6,605)	(3,790)	(3,900)
CASH FLOWS FROM FINANCING ACTIVITIES	9,136	8,090	4,180
CHANGE IN CASH BALANCES	**2,208**	**3,994**	**955**

FINANCIAL PERFORMANCE RATIO	2022 1 Jan to 31 Dec 2022 %	2023 1 Jan to 31 Dec 2023 %	2021 12-Month Forecast %
CURRENT ASSETS : CURRENT LIABILITIES	4.67	12.69	2.22
TOTAL ASSETS : TOTAL LIABILITIES	14.23	28.98	7.67

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	9	9	9
STAFF TURNOVER (%)			
MANAGERS	2	2	2
PROFESSIONAL AND TECHNICAL STAFF	4	4	4
CLERICAL AND LABOURER STAFF	3	3	3
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	OVER 10 YRS.	OVER 10 YRS.	OVER 10 YRS.
PROFESSIONAL AND TECHNICAL STAFF	AVG 12 YRS.	AVG 12 YRS.	AVG 12 YRS.
CLERICAL AND LABOURER STAFF	AVG 10 YRS.	AVG 10 YRS.	AVG 10 YRS.
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	NONE	NONE	NONE

PHYSICAL CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	26,163	22,367	22,888
ASSET REPLACEMENTS : TOTAL ASSETS	-	-	-
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	-	-	-
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	-	-	-
CHANGES TO ASSET MANAGEMENT POLICIES	-	-	-

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CONSTRUCTION OF AFFORDABLE HOMES	8,255	5,440	5,130
TOTAL	8,255	5,440	5,130

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Default on lease payments	Unchanged	Follow up on delinquent accounts and make arrangement for payment on arrears.	Accrued income reduced

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the National Housing Development Trust is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE	309	336	655
OPERATING EXPENSES	(1,658)	(1,668)	(1,633)
NET SURPLUS/(DEFICIT)	**(1,349)**	**(1,332)**	**(978)**

BALANCE SHEET	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
ASSETS	31,055	35,773	25,392
LIABILITIES	2,319	1,370	3,308
NET WORTH	**28,736**	**34,404**	**22,085**

STATEMENT OF CASH FLOW	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	(324)	(306)	675
CASH FLOWS FROM INVESTING ACTIVITIES	(4,605)	(1,790)	(3,900)
CASH FLOWS FROM FINANCING ACTIVITIES	7,136	6,091	4,180

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's
EQUITY INVESTMENTS INTO **NATIONAL HOUSING DEVELOPMENT TRUST**	10,000	9,000
CAPITAL WITHDRAWALS FROM **NATIONAL HOUSING DEVELOPMENT TRUST**	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY **NATIONAL HOUSING DEVELOPMENT TRUST**	-	-
GOVERNMENT LOANS TO BE MADE TO **NATIONAL HOUSING DEVELOPMENT TRUST**	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO **NATIONAL HOUSING DEVELOPMENT TRUST**	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[33]	-	-
REMUNERATION[34] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	37	39
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	270	285

DESCRIPTION	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	8-10	8-10
NUMBER OF KEY SENIOR MANAGEMENT (MD)	2	2

[33] Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

[34] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the National Housing Development Trust undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will the sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the National Housing Development Trust will seek to achieve for the 2022 and 2023 financial years and that the Cabinet will monitor performance against.

Honourable Jay Ebanks
Minister for Planning, Agriculture, Housing and Infrastructure
On behalf of Cabinet

Chairman of the Board
National Housing Development Trust

31 December 2021

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS
GOVERNMENT

NATIONAL HOUSING DEVELOPMENT TRUST
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2022 and 31 December 2023 and performance for the National Housing Development Trust for the financial years ending 31 December 2022 and 31 December 2023; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
National Housing Development Trust

31 December 2021

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NATIONAL HOUSING DEVELOPMENT TRUST

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

Description and principal activities

The National Housing Development Trust (the "Trust") was incorporated on September 29, 2003, as a not for profit company by guarantee without share capital. The Trust provides affordable housing to Caymanian citizens of the Cayman Islands.

National Housing Development Trust offers several programs:

a) The Government Guaranteed Home Assistance Mortgage (GGHAM) - The Cayman Islands Government (CIG), working along with local banks, provide mortgage funding to persons who cannot qualify for a traditional mortgage from a commercial bank and who are unable to accumulate the required 5-20% required for acquiring a mortgage. As of 31 December 2020, there were no new loans processed as the program agreement expired in 2012 and remains to be re-imitated to facilitate new mortages. The Trust continues to provide administration for the portfolio of 325 mortgages issued between 2007-2012.

b) The Affordable Housing Initiative ("AHI") is designed to assist low-income families in having their housing needs met. As of 31 December 2020 there were 2 registered clients under Tenancy agreement that purchased the house that they occupied under the Affordable Housing Initiative program.

c) The Affordable Housing Initiative ("AHI") is also designed to provide low-income families with the opportunity of homeownership. As of 31 December 2020 there were 85 Affordable Houses sold to families under the Affordable Housing Initiative program.

d) The Build on Your Own Property ("BYOP") is an option for a person owning their own home if they have their own land. The National Housing Development Trust assists Caymanians to construct affordable homes on their own property. As of 31 December 2020 there was one client that achieved homeownership under the Build on Your Own Property Program.

The Trust is a Government owned company with its registered office situated at the Government Administration Building on Elgin Avenue, George Town, Grand Cayman, and its office operation located at Cayman Centre, Bldg E Unit 4, Dorcy Drive, George Town, Grand Cayman.

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

Significant accounting policies

Certain new accounting standards have been published that are not mandatory for the 31 December 2020 reporting period and have not been early adopted by the Trust. The Trust's assessments of the impact of these new standards are set out below:

IPSAS 41, Financial Instruments, was issued in August 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2023. IPSAS 41 establishes new requirements for classifying, recognizing**,** and measuring financial instruments to replace those in *IPSAS 29, Financial instruments: Recognition and Measurement*.

IPSAS 42, Social Benefits was issued in December 2018 and shall be applied for financial statements covering periods beginning on or after 1 January 2023. IPSAS 42 defines social benefits and determines when expenses and liabilities for social benefits are recognized and how they are measured.

Based on our assessment, it is anticipated that these standards will not be applicable to the Trust in future periods; however, we will reassess IPSAS 41, Financial Instruments, more fully closer to the effective date of adoption.

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

(a) Basis of preparation

The financial statements are presented in Cayman Islands dollars and are prepared on the accrual basis of accounting unless otherwise stated. The measurement base applied to these financial statements is the historical cost basis, except for land and buildings, which are included in Property, Plant, and Equipment. These items are stated at fair value. These Financial Statements are rounded to the nearest thousand.

Changes in accounting policies

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

(b) Budget amounts

The original budget amounts for the financial year are as presented in the 2020 Ownership Agreement and approved by the Legislative Assembly on 8 November 2019. The Final Budget reflects changes to the original budget and the amounts are approved in the Supplementary Budget. There was no change to the original budget during the financial year.

Significant accounting policies (continued)

(c) Reporting period

The financial statements are prepared for the 12 months from 1 January 2020 to 31 December 2020 with comparative figures for the 12-month period from 1 January 2019 to 31 of December 2019.

(d) Judgments and estimates

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the reporting period and in any future periods that are affected by those revisions.

(e) Revenue

Revenue is recognized in the accounting year in which it is earned. Revenue received but not yet earned at the end of the reporting year is recognized as a liability (unearned revenue). The Trust derives its revenue from outputs to cabinet, mortgage interest, strata fees, donations, sale of homes, and rental of houses to the Caymanian public at fair value of services provided.

Revenue is recognized based on contract prices of affordable homes.

(f) Expenses

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

(g) Operating leases

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

(h) Cash and cash equivalents

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

(i) Prepayments

The portion of recognized expenditure paid in advance of receiving goods or services have been recognized as a prepayment in these financial statements.

Significant accounting policies (continued)

(j) Other receivables –Build Your Own Property (BYOP)

Other receivables-BYOP are amounts advanced by the Trust for properties under construction for specific clients approved under the BYOP. The Trust disburses funds as the construction project progresses and accumulates all funds in this account. Under the programme, the Trust is entitled to be reimbursed through bridge financing arranged with the lending institutions once the properties are completed and approved for occupancy by the Planning Department.

In addition the Trust charges interest to the Client at the agreed market rate (prime + 1%) are recorded as miscellaneous income under sales of goods and services.

(k) Property, plant and equipment

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

Asset Revaluation

Property (buildings and structures) were revalued by JEC Property Consultants Ltd with the exception of road formation and road structure works which are carried at historical cost.

In accordance with IPSAS 17, when an item of property, plant, and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset.

Depreciation is charged as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, on the following bases:

	Years
Computer equipment	3
Furniture and fixtures	12
Office and telephone equipment	5
Vehicle	5
Road Formation Works	50
Road Structure	20
Low-income housing properties	10 - 50
Leasehold improvements	Over the unexpired period of lease or useful life of the improvement

Depreciation on the new AHI houses started upon the issuance of the Certificate of Occupancy, which signals the point at which they are available for use. At this point, they are in the location and condition necessary for them to be operating in the manner intended by Management, as outlined in IPSAS 17.

Significant accounting policies (continued)

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

(m) Work in progress
This account consists of costs incurred attributable to bringing the asset condition necessary for it to be capable of operating in the manner intended by management. It is categorized as current assets for the actual cost related to each project. When the Affordable Housing Initiative (AHI) houses are complete, then a reclass will be made to the relevant property, plant, and equipment. The Trust objective is to complete projects within approximately an eighteen (18) month period.

(n) Inventory assets

AHI Houses
This account consists of completed AHI houses, for which have been allocated parcels, issued Certificate of Occupancy, and held specifically for re-sale. Homes are valued at lower of cost and net realizable value.

Houses that are held as rental property or lease-to-own are held in property, plant, and equipment –AHI Houses.

Land
Inventory assets also consist of land lots held for transfer on sale of the completed AHI houses held in inventory. In accordance with IPSAS 12, where inventory is acquired as a non-exchange transaction, the costs are measured at the fair value on acquisition. The fair value of the land is based on the first valuation carried out on acquisition.

(o) Land
Land is acquired from the government at no cost and is recorded at fair market value at the date of acquisition. A revaluation of this asset is undertaken every 5 years.

(p) Deferred liabilities
Payments/ accrued amounts made by purchasers on their mortgage principal are recorded as deferred liabilities.

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

Significant accounting policies (continued)

(q) Employee benefits (continued)

Pension contributions for employees of the Trust are paid to the Silver Thatch Pension Fund and administered by the Silver Thatch Pension Plan. The Silver Thatch Pensions is governed by a board of trustees who appoint agents to handle administration, management and investment functions. Intertrust is the plan administrator, Saxon Pensions is the Client Services Agent and Coutts Cayman is the Investment Manager.

(r) Financial instruments

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

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

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

Recognition

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

Measurement

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

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

De-recognition

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

Significant accounting policies (continued)

(s) Contingent liabilities and assets (including guarantees)

Contingent liabilities and assets are reported at the point the contingency becomes evident. Contingent liabilities are disclosed when there is a possible obligation or present obligations that may but probably will not require an outflow of resources. Contingent assets are disclosed if it is probable that the benefits will be realized.

(t) Foreign currency

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

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

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

NATIONAL HOUSING DEVELOPMENT TRUST

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL POSITION	Note	12-Month Budget 2022	12-Month Budget 2023
	Current Assets			
1,894,744	Cash and cash equivalents	1	4,102,528	8,096,563
-	Marketable securities and deposits		(0)	0
22,898	Trade receivables	2	82,898	222,898
-	Other receivables	2	-	-
539,258	Inventories	3	659,258	5,039,258
-	Investments	4	-	-
47,425	Prepayments	5	47,425	47,425
-	Loans	6	-	-
2,504,325	**Total Current Assets**		**4,892,109**	**13,406,145**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
22,879,828	Property, plant and equipment	7	28,121,367	26,292,907
-	Intangible Assets	8	-	-
22,879,828	**Total Non-Current Assets**		**28,121,367**	**26,292,907**
25,384,153	**Total Assets**		**33,013,477**	**39,699,052**
	Current Liabilities			
154,314	Trade payables	9	114,314	74,314
7,650	Other payables and accruals	9	7,650	7,650
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
-	Unearned revenue	10	-	-
101,845	Employee entitlements	11	16,845	16,845
863,653	Current Portion of Borrowings	12	909,483	957,746
1,127,462	**Total Current Liabilities**		**1,048,293**	**1,056,555**
	Non-Current Liabilities			
313,188	Trade payables	9	313,188	313,188
-	Other payables and accruals	9	-	-
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Unfunded pension liability	13	-	-
-	Unfunded post retirement health care	14	-	-
	Currency Issued			
1,867,230	Long Term portion of Borrowings	12	957,746	-
2,180,418	**Total Non-Current Liabilities**		**1,270,934**	**313,188**
3,307,880	**Total Liabilities**		**2,319,227**	**1,369,743**
22,076,273	**Net Assets**		**30,694,250**	**38,329,309**
	NET WORTH			
43,334,992	Contributed capital		53,334,992	62,334,992
-	Other Reserves		-	-
8,322,282	Revaluation reserve		8,322,282	8,322,282
(29,581,001)	Accumulated surpluses/(deficits)		(30,963,024)	(32,327,966)
22,076,273	**Total Net Worth**		**30,694,250**	**38,329,308**

NATIONAL HOUSING DEVELOPMENT TRUST

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget 2022	12-Month Budget 2023
	Revenue			
655,428	Sale of goods and services	**15**	308,970	336,320
-	Investment revenue	**16**	-	-
-	Donations	**17**	-	-
-	Other revenue		-	-
655,428	**Total Revenue**		**308,970**	**336,320**
	Expenses			
859,835	Personnel costs	**18**	902,827	947,969
314,264	Supplies and consumables	**19**	325,477	337,251
288,710	Depreciation and Amortisation	**7**	328,460	328,460
-	Impairment of Inventory,property, plant and equipment		-	-
178,524	Finance costs & overdraft interest	**20**	134,228	87,582
-	Litigation costs	**21**	-	-
-	Other (Gains)/losses	**22**	-	-
-	Other Operating expenses		-	-
1,641,334	**Total Expenses**		**1,690,993**	**1,701,262**
(985,906)	**Surplus or (Deficit) for the period**		**(1,382,023)**	**(1,364,942)**

NATIONAL HOUSING DEVELOPMENT TRUST

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	CASH FLOW STATEMENT	Note	12-Month Budget 2022	12-Month Budget 2023
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
1,836,182	Sale of goods and services to Cabinet		675,000	710,000
190,970	Sale of goods and services - third party		363,970	356,320
	Payments			
(864,335)	Personnel costs		(907,552)	(952,930)
(309,764)	Supplies and consumables - Statutory Agencies and Government Conpanies		(320,752)	(332,290)
(178,524)	Interest paid		(134,228)	(87,582)
674,528	**Net cash flows from operating activities**	**23**	**(323,563)**	**(306,481)**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(315,000)	Purchase of property, plant and equipment		(5,570,000)	(2,000,000)
1,230,000	Proceeds from sale of property, plant and equipment		3,650,000	3,650,000
(4,814,708)	Purchase of investments		(4,685,000)	(5,440,000)
(3,899,708)	**Net cash flows from investing activities**		**(6,605,000)**	**(3,790,000)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
5,000,000	Equity Investment from Cabinet		10,000,000	9,000,000
(820,132)	Repayment of Borrowings		(863,653)	(909,483)
4,179,868	**Net cash flows from financing activities**		**9,136,347**	**8,090,517**
954,688	**Net increase/(decrease) in cash and cash equivalents**		**2,207,784**	**3,994,035**
940,056	Cash and cash equivalents at beginning of period		1,894,744	4,102,528
1,894,744	**Cash and cash equivalents at end of period**		**4,102,528**	**8,096,563**

NATIONAL HOUSING DEVELOPMENT TRUST

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2019 brought forward	30,312,860	8,474,730	(27,463,983)	11,323,607
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2019	30,312,860	8,474,730	(27,463,983)	11,323,607
Changes in net worth for 2020				
Gain/(loss) on property revaluation	-	(72,978)	(23,431)	(96,409)
Gain/(loss) on revaluation of investments	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-
Equity Investment from Cabinet	8,022,132	-	-	8,022,132
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	-	-	-
Net revenue / expenses recognised directly in net worth	8,022,132	(72,978)	(23,431)	7,925,723
Surplus/(deficit)for the period 2020			(1,107,682)	(1,107,682)
Total recognised revenues and expenses for the period	8,022,132	(72,978)	(1,131,113)	6,818,041
Balance at 31 December 2020	38,334,992	8,401,751	(28,595,095)	18,141,648
Balance at 31 December 2020 brought forward	38,334,992	8,401,751	(28,595,095)	18,141,648
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2020	38,334,992	8,401,751	(28,595,095)	18,141,648
Changes in net worth for 2021				
Gain/(loss) on property revaluation	-	(79,469)	-	(79,469)
Gain/(loss) on revaluation of investments	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-
Equity Investment from Cabinet	5,000,000	-	-	5,000,000
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	-	-	-
Net revenue / expenses recognised directly in net worth	5,000,000	(79,469)	-	4,920,531
Surplus/(deficit)for the period 2021			(985,906)	(985,906)
Total recognised revenues and expenses for the period	5,000,000	(79,469)	(985,906)	3,934,625
Balance at 31 December 2021 carried forward	43,334,992	8,322,282	(29,581,001)	22,076,273

NATIONAL HOUSING DEVELOPMENT TRUST

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	43,334,992	8,322,282	(29,581,001)	22,076,273
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2021	43,334,992	8,322,282	(29,581,001)	22,076,273
Changes in net worth for 2022				
Gain/(loss) on property revaluation	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-
Equity Investment from Cabinet	10,000,000	-	-	10,000,000
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	-	-	-
Net revenue / expenses recognised directly in net worth	10,000,000	-	-	10,000,000
Surplus/(deficit)for the period 2022			(1,382,023)	(1,382,023)
Total recognised revenues and expenses for the period	10,000,000	-	(1,382,023)	8,617,977
Balance at 31 December 2022 carried forward	53,334,992	8,322,282	(30,963,024)	30,694,250
Balance at 31 December 2022 brought forward	53,334,992	8,322,282	(30,963,024)	30,694,250
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2022	53,334,992	8,322,282	(30,963,024)	30,694,250
Changes in net worth for 2023				
Gain/(loss) on property revaluation	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-
Equity Investment from Cabinet	9,000,000	-	-	9,000,000
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	-	-	-
Net revenue / expenses recognised directly in net worth	9,000,000	-	-	9,000,000
Surplus/(deficit)for the period 2023			(1,364,942)	(1,364,942)
Total recognised revenues and expenses for the period	9,000,000	-	(1,364,942)	7,635,058
Balance at 31 December 2023	62,334,992	8,322,282	(32,327,966)	38,329,308

NATIONAL HOUSING DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
700	Cash on hand	700	700
1,893,370	CI$ Account	4,101,154	8,095,189
674	US$ Account	674	674
1,894,744	**TOTAL**	**4,102,528**	**8,096,563**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
329,627	Other	429,627	609,627
(306,728)	**Less: provision for doubtful debts**	(346,728)	(386,728)
22,898	**Total trade receivables**	**82,898**	**222,898**

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
3,143	Past due 31-60 days	11,449	17,174
6,738	Past due 61-90 days	22,896	34,344
13,017	Past due 90 and above	48,553	171,381
22,898	**Total**	**82,898**	**222,898**

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(266,728)	Balance at begining of period	(306,728)	(346,728)
(40,000)	Additional provisions made during the year	(40,000)	(40,000)
(306,728)	**Balance at 31 December**	**(346,728)**	**(386,728)**

NOTE 3: INVENTORIES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Inventories		
539,258	Inventory held for sale	659,258	5,039,258
539,258	**INVENTORIES - Current**	**659,258**	**5,039,258**
539,258	**TOTAL INVENTORIES**	**659,258**	**5,039,258**

NATIONAL HOUSING DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 5: PREPAYMENTS

12-Month Forecast 2021	Prepayments	12-Month Budget 2022	12-Month Budget 2023
	Current Prepayments		
47,425	Prepaid Insurance	47,425	47,425
47,425	**Prepayments - Current**	**47,425**	**47,425**
47,425	**Total Prepayments**	**47,425**	**47,425**

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Roads and Sidewalks*	*Infrastructure*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2020	12,277,500	-	4,714,500	135,135	44,712	19,697	42,086	2,485,303	884,881	66,640	-	20,670,455
Additions	-	-	-	-	-	3,314	-	-	-	-	195,822	199,136
Disposals and Derecognisation	(90,000)	-	-	-	-	-	-	-	-	-	-	(90,000)
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	(280,000)	-	-	-	-	-	-	-	-	(280,000)
Balance as at 31 December 2020	12,187,500	-	4,434,500	135,135	44,712	23,012	42,086	2,485,303	884,881	66,640	195,822	20,499,591

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Roads and Sidewalks*	*Infrastructure*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2021	12,187,500	-	4,434,500	135,135	44,712	23,012	42,086	2,485,303	884,881	66,640	195,822	20,499,591
Additions	-	165,000	-	150,000	-	-	-	-	-	-	3,684,475	3,999,475
Disposals and Derecognisation	(50,000)	-	(161,000)	-	-	-	-	-	-	-	-	(211,000)
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	12,137,500	165,000	4,273,500	285,135	44,712	23,012	42,086	2,485,303	884,881	66,640	3,880,296	24,288,066

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Roads and Sidewalks*	*Infrastructure*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	12,137,500	165,000	4,273,500	285,135	44,712	23,012	42,086	2,485,303	884,881	66,640	3,880,296	24,288,066
Additions	-	-	-	-	15,000	15,000	10,000	2,600,000	2,000,000	30,000	900,000	5,570,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	12,137,500	165,000	4,273,500	285,135	59,712	38,012	52,086	5,085,303	2,884,881	96,640	4,780,296	29,858,066

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Roads and Sidewalks*	*Infrastructure*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	12,137,500	165,000	4,273,500	285,135	59,712	38,012	52,086	5,085,303	2,884,881	96,640	4,780,296	29,858,066
Additions	-	-	-	-	-	-	-	-	2,000,000	-	-	2,000,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	(3,500,000)	(3,500,000)
Balance as at 31 December 2023	12,137,500	165,000	4,273,500	285,135	59,712	38,012	52,086	5,085,303	4,884,881	96,640	1,280,296	28,358,066

NATIONAL HOUSING DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Roads and Sidewalks*	*Infrastructure*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2020		-	(0)	135,135	38,117	13,644	31,225	617,986	-	33,038	-	869,145
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Impairment Reserve 2018 (closing balance)	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense 2018	-	-	154,079	-	2,463	5,515	4,888	83,792	-	14,723	-	265,460
Eliminate on Disposal or Derecognisation 2018	-	-	(7,071)	-	-	-	-	-	-	-	-	(7,071)
Balance as at 31 December 2020	-	-	147,008	135,135	40,580	19,160	36,113	701,778	-	47,761	-	1,127,534

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Roads and Sidewalks*	*Infrastructure*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2021		-	147,008	135,135	40,580	19,160	36,113	701,778	-	47,761	-	1,127,534
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Impairment Reserve 2019 (closing balance)	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense 2019	-	8,250	154,079	15,000	2,463	5,515	4,888	83,792	-	14,723	-	288,710
Eliminate on Disposal or Derecognisation 2019	-	-	(8,007)	-	-	-	-	-	-	-	-	(8,007)
Balance as at 31 December 2021	-	8,250	293,080	150,135	43,043	24,675	41,000	785,570	-	62,484	-	1,408,238

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Roads and Sidewalks*	*Infrastructure*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	-	8,250	293,080	150,135	43,043	24,675	41,000	785,570	-	62,484	-	1,408,238
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Impairment change 2020	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense 2020	-	33,000	154,079	30,000	2,463	5,515	4,888	83,792	-	14,723	-	328,460
Eliminate on Disposal or Derecognisation 2020	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	-	41,250	447,159	180,135	45,506	30,190	45,888	869,362	-	77,207	-	1,736,698

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Roads and Sidewalks*	*Infrastructure*	*Motor Vehicles*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	-	41,250	447,159	180,135	45,506	30,190	45,888	869,362	-	77,207	-	1,736,698
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Impairment change 2021	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense 2021	-	33,000	154,079	30,000	2,463	5,515	4,888	83,792		14,723	-	328,460
Eliminate on Disposal or Derecognisation 2021	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	-	74,250	601,238	210,135	47,970	35,705	50,775	953,155	-	91,930	-	2,065,158

Net Book value 31 December 2020	12,187,500	-	4,287,492	-	4,132	3,852	5,973	1,783,525	884,881	18,880	195,822	19,372,057

Net Book value 31 December 2021	12,137,500	156,750	3,980,420	135,000	1,669	(1,663)	1,086	1,699,733	884,881	4,156	3,880,296	22,879,828

Net Book value 31 December 2022	12,137,500	123,750	3,826,341	105,000	14,206	7,822	6,198	4,215,940	2,884,881	19,433	4,780,296	28,121,367

Net Book value 31 December 2023	12,137,500	90,750	3,672,262	75,000	11,742	2,307	1,311	4,132,148	4,884,881	4,710	1,280,296	26,292,907

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Trade payables other payables and accruals		
154,314	Creditors Third party	114,314	74,314
7,650	Other payables	7,650	7,650
161,964	**Trade payables other payables and accruals - Current**	**121,964**	**81,964**
313,188	Creditors Third party	313,188	313,188
313,188	**Trade payables other payables and accruals - Non-Current**	**313,188**	**313,188**
475,152	**Total trade payables other payables and accruals**	**435,152**	**395,152**

NOTE 11: EMPLOYEE ENTITLEMENTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current employee entitlements		
7,500	Annual Leave/Comp-time	7,000	7,000
79,345	Accrued salaries	-	-
15,000	Other	9,845	9,845
101,845	**Total current portion**	**16,845**	**16,845**
101,845	**Total employee entitlements**	**16,845**	**16,845**

NOTE 12: BORROWINGS

12-Month Forecast 2021	*Local Currency Debt*	12-Month Budget 2022	12-Month Budget 2023
863,653	Not later than one year	909,483	957,746
909,483	Between one and two years	957,746	-
957,746	Between two and five years	-	-
2,730,882	**Total Local Currency Debt**	**1,867,230**	**957,746**
2,730,882	**Total Outstanding Debt**	**1,867,230**	**957,746**

NATIONAL HOUSING DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 15A: SALES OF GOODS AND SERVICES

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
22,970	Fees and Charges	204,970	204,970
(210,542)	General Sales	(730,000)	(730,000)
108,000	Rentals	108,000	108,000
60,000	Other Goods & Services Revenue	51,000	43,350
675,000	Sale of goods and services to Cabinet	675,000	710,000
655,428	**Total sales of goods and services**	**308,970**	**336,320**

12-Month Forecast 2021	*Fees and Charges*	12-Month Budget 2022	12-Month Budget 2023
6,150	GGHAM Processing Fees and Late fees	188,150	188,150
16,820	Insurance Reimbursement Fees	16,820	16,820
22,970	**Total Fees & Charges**	**204,970**	**204,970**

12-Month Forecast 2021	General Sales	12-Month Budget 2022	12-Month Budget 2023
1,230,000	AHI House Sales	3,650,000	3,650,000
(1,440,542)	AHI House Sales - COGS	(4,380,000)	(4,380,000)
(210,542)	**Total General Sales**	**(730,000)**	**(730,000)**

12-Month Forecast 2021	Rentals	12-Month Budget 2022	12-Month Budget 2023
108,000	Rental of AHI Houses	108,000	108,000
108,000	**Total Rentals**	**108,000**	**108,000**

12-Month Forecast 2021	Other Goods & Services Revenue	12-Month Budget 2022	12-Month Budget 2023
60,000	Mortgage Interest on AHI Houses	51,000	43,350
60,000	**Total Other Goods & Services Revenue**	**51,000**	**43,350**
	Sales of Outputs to Cabinet		
675,000	Sales of Outputs to Cabinet	675,000	710,000
675,000	**Total Sales of Outputs to Cabinet**	**675,000**	**710,000**
655,428	**Total Goods and Services**	**308,970**	**336,320**

NATIONAL HOUSING DEVELOPMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
610,746	Salaries, wages and allowances	641,283	673,347
156,449	Health care CINICO	164,271	172,485
-	Health care other	-	-
57,190	Pension	60,050	63,052
-	Leave	-	-
35,450	Other personnel related costs	37,223	39,084
859,835	**Total Personnel Costs**	**902,827**	**947,969**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
122,574	Supplies and Materials	126,703	131,038
75,645	Purchase of services	79,427	83,399
50,000	Lease of Property and Equipment	50,000	50,000
22,645	Utilities	23,777	24,966
43,400	General Insurance	45,570	47,849
314,264	**Total Supplies & consumables**	**325,477**	**337,251**

NOTE 20: FINANCE COSTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
178,524	Interest on borrowings	134,228	87,582
178,524	**Total Finance cost**	**134,228**	**87,582**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (DEFICIT)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(985,906)	**Surplus/(deficit) from ordinary activities**	(1,382,023)	(1,364,942)
	Non-cash movements		
288,710	Depreciation & Amortisation	328,460	328,460
	Changes in current assets and liabilities:		
1,161,182	(Increase)/decrease in other current assets - Cabinet	-	-
(21,812)	(Increase)/decrease in other current assets - Other	809,169	2,019,704
232,354	(Increase/(decrease) in current liabilities - Other	(79,169)	(1,289,704)
674,528	**Net cash flows from operating activities**	**(323,563)**	**(306,481)**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

NATIONAL ROADS AUTHORITY

FOR THE 2022 FINANCIAL YEAR ENDING 31 DECEMBER 2022
AND THE 2023 FINANCIAL YEAR ENDING 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT (2020 REVISION)

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CONTENTS

1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the National Roads Authority have agreed the National Roads Authority will seek to achieve during the 2022 and 2023 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the National Roads Authority is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The general nature of activities of the National Roads Authority involves the management and development of public roads and related infrastructure in accordance with the National Roads Authority Law.

SCOPE OF ACTIVITIES

The scope of activities of the National Roads Authority include providing policy advice, publication of a National Roads Plan, provision of project and construction management services for the delivery of new road-works and the maintenance management of the existing road infrastructure for fund-holding Client Agenices.

Additionally, the National Roads Authority provides support services to:

- Public Works Department to enable that Department to provide an appropriate response to Hurricanes and other national emergencies.
- Planning Department for the review of planning applications involving road related matters and the site inspection of road related constructed applications.

CUSTOMERS AND LOCATION OF ACTIVITIES

The customers of the National Roads Authority are fund-holding Government Agencies, approved provate sector clients and any other entity. These services are provided only in the Cayman Islands.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the National Roads Authority for the 2022 and 2023 financial years are as follows:

- Continue establishment of the Authority, develop and implement effective administrative, financial and information management systems
- Identify and seek approval for strategies for financing future road development
- To continue the Traffic Improvement and Road Development Programmes

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the National Roads Authority for the 2022 and 2023 financial years are as follows:

	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE FROM CABINET	-	-	19,000
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	180	180	87
REVENUE FROM OTHERS	10,122	10,122	10,043
OPERATING EXPENSES	13,375	13,375	29,394
OPERATING SURPLUS/DEFICIT	**(3,067)**	**(3,067)**	**(257)**
NET WORTH	**(23,500)**	**(26,567)**	**(20,433)**
CASH FLOWS FROM OPERATING ACTIVITIES	1,351	439	4,084
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	(606)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-
CHANGE IN CASH BALANCES	1,351	439	3,478

FINANCIAL PERFORMANCE RATIO	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
CURRENT ASSETS : CURRENT LIABILITIES	6.68	6.46	5.69
TOTAL ASSETS : TOTAL LIABILITIES	0.44	0.41	0.48

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	114	114	95
STAFF TURNOVER (%)			
MANAGERS	25% (4)	- (4)	- (3)
PROFESSIONAL AND TECHNICAL STAFF	8% (28)	- (28)	-
CLERICAL AND LABOURER STAFF	24% (82)	- (82)	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	14.33 (4)	14.33 (4)	14.33 (3)
PROFESSIONAL AND TECHNICAL STAFF	20.35 (28)	20.35 (28)	20.35 (26)
CLERICAL AND LABOURER STAFF	10.80 (82)	10.80 (82)	10.80 (66)
CHANGES TO PERSONNEL MANAGEMENT SYSTEM			

PHYSICAL CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	18,283,852	18,108,853	18,508,852
ASSET REPLACEMENTS : TOTAL ASSETS	-	-	.22
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	.22	.27	.33
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	-	-	.82
CHANGES TO ASSET MANAGEMENT POLICIES	-	-	-

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
N/A	-	-	-
TOTAL	**NIL**	**NIL**	**NIL**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Work related injuries to persons.	Continued implementation of preventative measure.	Continued training and educating of safety standards for explosive management, heavy equipment machinery operating for workforce personnel.	Undefined: Related directly to nature of injury.
Accidents related to the operation of vehicles and heavy equipment.	Improvement of employee awareness of risk factors.	Driver training courses and appropriate machinery training for reducing risk.	Undefined: Related directly to nature of injury.

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the National Roads Authority is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE	10,308,400	10,308,400	29,136,132
OPERATING EXPENSES	13,375,400	13,375,400	29,394,059
NET SURPLUS/(DEFICIT)	(3,067,000)	(3,067,000)	(257,927)

BALANCE SHEET	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
ASSETS	18,108,853	18,283,852	18,508,852
LIABILITIES	41,609,811	44,851,811	38,942,811
NET WORTH	(23,500,959)	(26,567,959)	(20,433,959)

STATEMENT OF CASH FLOW	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	1,351,524	439,677	4,084,587
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	(606,119)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's
EQUITY INVESTMENTS INTO NATIONAL ROADS AUTHORITY	-	-
CAPITAL WITHDRAWALS FROM NATIONAL ROADS AUTHORITY	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY NATIONAL ROADS AUTHORITY	-	-
GOVERNMENT LOANS TO BE MADE TO NATIONAL ROADS AUTHORITY	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO NATIONAL ROADS AUTHORITY	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[35]	-	-
REMUNERATION[36] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	25,000	25,000
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	806,000	806,000

DESCRIPTION	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	9	9
NUMBER OF KEY SENIOR MANAGEMENT (MD)	6	6

[35] Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Board Member and Senior Management Team

[36] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

AGREEMENT

Scope of this Agreement

In signing this document, the National Roads Authority undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will the sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the National Roads Authority will seek to achieve for the 2022 and 2023 financial years and that the Cabinet will monitor performance against.

Honourable Jay Ebanks
Minister of Planning, Agriculture, Housing and Infrastructure
On behalf of Cabinet

Chairman of the Board
National Roads Authority

31 December 2021

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS
GOVERNMENT

NATIONAL ROADS AUTHORITY
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2022 and 31 December 2023 and performance for the National Roads Authority for the financial years ending 31 December 2022 and 31 December 2023; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
National Roads Authority

31 December 2021

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NATIONAL ROADS AUTHORITY

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

The significant accounting polices adapted by the NRA in these budget financial statements are as follows:

(a) Cash and cash equivalents
   a. This comprises cash at bank and short term investments with maturity at inception of three months or less.

(b) Property, plant and equipment/ depreciation
   a. Property, plant and equipment include motor vehicles, heavy equipment, dump truck, furniture and fixtures and computer hardware and software are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis at annual rates estimated to write off the carrying value of each asset over the period of its expected useful life.

   b. Annual rates are as follows:

I.	Vehicles and Heavy Equipment	4-12 Years
II.	Furniture and Fixtures	3-15 Years
III.	Computer Hardware and Software	3-6 Years
IV.	Other Plant and Equipment	3-20 Years

(c) Accounts receivable
   I. Receivable are stated at original invoice amounts less provision for doubtful debts
   II. Allowance for bad debts
   b. The allowance for bad debts is established through a provision for bad debts charged to expenses. Account receivable are written off against the allowance when management believes that the collectability of the amount is unlikely. The allowance is an amount that management believes will be adequate to cover any bad debts, based on an evaluation of collectability and prior bad debts experience.

(d) Accounts Payable and accrued liabilities
   a. Accounts payable are recorded at the amount owing after allowing for credit notes and other adjustments.
   b. Obligations for contribution to defined contribution and defined benefits pension plans are recognized as an expense in the statement of financial performance as incurred.
   c. Amounts incurred but not paid at the end of the reporting period are accrued. Annual leave due, but not taken, is recognized as liability.

(e) Revenue recognition
   a. Revenue from sale of services to other government agencies is recognized when it is earned. Unearned revenue comprises amounts paid to the Authority in advance of work performed. These unearned amounts are recognized as revenue in the statement of financial performance as work is performed related to the amount received or billed in advance. Investment revenue is recognized in the period in which it is earned. Donations are recognized at fair value at the time of receipt.

(f) Expense recognition
   a. Expenses are recognized when incurred.

NATIONAL ROADS AUTHORITY

STATEMENT OF FINANCIAL POSITON

AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL POSITION	Note	12-Month Budget 2022	12-Month Budget 2023
	Current Assets			
12,911,972	Cash and cash equivalents	1	14,263,496	14,703,172
-	Marketable securities and deposits		-	-
2,497,420	Trade receivables	2	1,355,558	1,580,558
-	Other receivables	2	-	-
39,899	Inventories	3	39,899	39,899
-	Investments	4	-	-
300,138	Prepayments	5	175,000	125,000
-	Loans	6	-	-
15,749,429	**Total Current Assets**		**15,833,953**	**16,448,629**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
2,732,265	Property, plant and equipment	7	2,256,098	1,824,778
27,158	Intangible Assets	8	18,802	10,446
2,759,423	**Total Non-Current Assets**		**2,274,900**	**1,835,223**
18,508,852	**Total Assets**		**18,108,853**	**18,283,852**
	Current Liabilities			
2,474,698	Trade payables	9	2,066,195	2,251,195
163,475	Other payables and accruals	9	175,780	165,780
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
-	Unearned revenue	10	-	-
131,638	Employee entitlements	11	127,836	127,836
-	Current Portion of Borrowings	12	-	-
2,769,811	**Total Current Liabilities**		**2,369,811**	**2,544,811**
	Non-Current Liabilities			
-	Trade payables	9	-	-
-	Other payables and accruals	9	-	-
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
3,334,000	Unfunded pension liability	13	3,334,000	3,334,000
32,839,000	Unfunded post retirement health care	14	35,906,000	38,973,000
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
36,173,000	**Total Non-Current Liabilities**		**39,240,000**	**42,307,000**
38,942,811	**Total Liabilities**		**41,609,811**	**44,851,811**
(20,433,959)	**Net Assets**		**(23,500,958)**	**(26,567,959)**
	NET WORTH			
4,653,535	Contributed capital		4,653,535	4,653,535
-	Other Reserves		-	-
-	Revaluation reserve		-	-
(25,087,494)	Accumulated surpluses/(deficits)		(28,154,494)	(31,221,494)
(20,433,959)	**Total Net Worth**		**(23,500,959)**	**(26,567,959)**

NATIONAL ROADS AUTHORITY

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL PERFORMANCE	Note	12-Month Budget 2022	12-Month Budget 2023
	Revenue			
29,130,621	Sale of goods and services	**15**	10,302,400	10,302,400
5,511	Investment revenue	**16**	6,000	6,000
-	Donations	**17**	-	-
-	Other revenue		-	-
29,136,132	**Total Revenue**		**10,308,400**	**10,308,400**
	Expenses			
10,716,852	Personnel costs	**18**	10,268,665	10,268,665
18,158,600	Supplies and consumables	**19**	2,622,212	2,667,059
496,645	Depreciation and Amortisation	**7**	484,523	439,676
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	**20**	-	-
21,962	Litigation costs	**21**	-	-
-	Other (Gains)/losses	**22**	-	-
-	Other Operating expenses		-	-
29,394,059	**Total Expenses**		**13,375,400**	**13,375,400**
(257,927)	**Surplus or (Deficit) for the period**		**(3,067,000)**	**(3,067,000)**

NATIONAL ROADS AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	CASH FLOW STATEMENT	Note	12-Month Budget 2022	12-Month Budget 2023
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
19,000,000	Sale of goods and services to Cabinet		-	-
127,996	Sale of goods and services to Ministries/Portfolios		300,000	300,000
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
2,625	Sale of goods and services - third party		2,400	2,400
5,511	Interest received		6,000	6,000
-	Donations / Grants		-	-
10,000,000	Other receipts		10,000,000	10,000,000
	Payments			
(7,649,852)	Personnel costs		(6,756,665)	(7,201,665)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(17,401,693)	Supplies and consumables - third party		(2,200,211)	(2,667,058)
-	Interest paid			
-	Other payments			
4,084,587	**Net cash flows from operating activities**	**23**	**1,351,524**	**439,677**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(606,119)	Purchase of property, plant and equipment		-	-
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
-	Proceeds from sale of investments		-	-
(606,119)	**Net cash flows from investing activities**		**-**	**-**
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Equity Investment from Cabinet		-	-
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	Borrowings		-	-
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
-	**Net cash flows from financing activities**		**-**	**-**
3,478,468	**Net increase/(decrease) in cash and cash equivalents**		**1,351,524**	**439,677**
9,433,504	Cash and cash equivalents at beginning of period		12,911,972	14,263,496
12,911,972	**Cash and cash equivalents at end of period**		**14,263,496**	**14,703,173**

NATIONAL ROADS AUTHORITY

STATEMENT OF CHANGES IN NET WORTH

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2019 brought forward	4,653,535	(19,868,966)	(15,215,431)
Prior Year Adjustments			
Changes in accounting policy	-	-	-
Accounting Errors	-	-	-
Restated balance 31 December 2019	4,653,535	(19,868,966)	(15,215,431)
Changes in net worth for 2020			
Gain/(loss) on property revaluation	-	-	-
Gain/(loss) on revaluation of investments	-	-	-
Exchange differences on translating foreign operations	-	-	-
Equity Investment from Cabinet	-	-	-
Capital withdrawals by Cabinet	-	-	-
Dividends payable to Cabinet	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-
Surplus/(deficit)for the period 2020		(4,960,602)	(4,960,602)
Total recognised revenues and expenses for the period	-	(4,960,602)	(4,960,602)
Balance at 31 December 2020	4,653,535	(24,829,568)	(20,176,033)
Balance at 31 December 2020 brought forward	4,653,535	(24,829,568)	(20,176,033)
Prior Year Adjustments			
Changes in accounting policy	-	-	-
Accounting Errors	-	-	-
Restated balance 31 December 2020	4,653,535	(24,829,568)	(20,176,033)
Changes in net worth for 2021			
Gain/(loss) on property revaluation	-	-	-
Gain/(loss) on revaluation of investments	-	-	-
Exchange differences on translating foreign operations	-	-	-
Equity Investment from Cabinet	-	-	-
Capital withdrawals by Cabinet	-	-	-
Dividends payable to Cabinet	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-
Surplus/(deficit)for the period 2021		(257,927)	(257,927)
Total recognised revenues and expenses for the period	-	(257,927)	(257,927)
Balance at 31 December 2021 carried forward	4,653,535	(25,087,494)	(20,433,959)

NATIONAL ROADS AUTHORITY

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	4,653,535	(25,087,494)	(20,433,959)
Prior Year Adjustments			
Changes in accounting policy	-	-	-
Accounting Errors	-	-	-
Restated balance 31 December 2021	4,653,535	(25,087,494)	(20,433,959)
Changes in net worth for 2022			
Gain/(loss) on property revaluation	-	-	-
Gain/(loss) on revaluation of investments	-	-	-
Exchange differences on translating foreign operations	-	-	-
Equity Investment from Cabinet	-	-	-
Capital withdrawals by Cabinet	-	-	-
Dividends payable to Cabinet	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-
Surplus/(deficit)for the period 2022		(3,067,000)	(3,067,000)
Total recognised revenues and expenses for the period	-	(3,067,000)	(3,067,000)
Balance at 31 December 2022 carried forward	4,653,535	(28,154,494)	(23,500,959)
Balance at 31 December 2022 brought forward	4,653,535	(28,154,494)	(23,500,959)
Prior Year Adjustments			
Changes in accounting policy	-	-	-
Accounting Errors	-	-	-
Restated balance 31 December 2022	4,653,535	(28,154,494)	(23,500,959)
Changes in net worth for 2023			
Gain/(loss) on property revaluation	-	-	-
Gain/(loss) on revaluation of investments	-	-	-
Exchange differences on translating foreign operations	-	-	-
Equity Investment from Cabinet	-	-	-
Capital withdrawals by Cabinet	-	-	-
Dividends payable to Cabinet	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-
Surplus/(deficit)for the period 2023		(3,067,000)	(3,067,000)
Total recognised revenues and expenses for the period	-	(3,067,000)	(3,067,000)
Balance at 31 December 2023	4,653,535	(31,221,494)	(26,567,959)

NATIONAL ROADS AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2021	Description change as applicable	12-Month Budget 2022	12-Month Budget 2023
-	Cash on hand	-	-
-	Cash in transit	-	-
5,547,340	CI$ Account	5,098,864	3,738,540
-	US$ Account	-	-
-	Bank Overdraft	-	-
75,000	Payroll Current Account	75,000	75,000
-	Bank Accounts held at other financial institutions	-	-
7,289,632	Short-Term Fixed Deposits	9,089,632	10,889,632
12,911,972	**TOTAL**	**14,263,496**	**14,703,172**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
2,557,443	Sale of goods and services to Cabinet	1,415,581	1,640,581
-	Sale of goods and services to Ministries/Portfolios	-	-
7,000	Sale of goods and services to Statutory Agencies and Government Conpanies	7,000	7,000
6,500	Sale of goods and services - third party	6,500	6,500
-	Other	-	-
(73,523)	**Less: provision for doubtful debts**	(73,523)	(73,523)
2,497,420	**Total trade receivables**	**1,355,558**	**1,580,558**

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
1,007,420	Past due 1-30 days	543,200	768,200
1,490,000	Past due 31-60 days	735,000	735,000
-	Past due 61-90 days	-	-
-	Past due 90 and above	77,358	77,358
	Non-Current		
-	Past due 1 year and above	-	-
2,497,420	**Total**	**1,355,558**	**1,580,558**

NOTE 2: TRADE AND OTHER RECEIVABLES (CONTINUED)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
-	Balance at begining oF period	(73,523)	(73,523)
(73,523)	Additional provisions made during the year	-	-
	Receivables written off during the period	-	-
(73,523)	**Balance at 31st December**	**(73,523)**	**(73,523)**

NOTE 3: INVENTORIES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Inventories		
39,899	Inventory held for use in the provision of goods and services	39,899	39,899
39,899	**INVENTORIES - Current**	**39,899**	**39,899**
39,899	**TOTAL INVENTORIES**	**39,899**	**39,899**

NOTE 5: PREPAYMENTS

12-Month Forecast 2021	Prepayments	12-Month Budget 2022	12-Month Budget 2023
	Current Prepayments		
300,138		175,000	125,000
300,138	**Prepayments - Current**	**175,000**	**125,000**
300,138	**Total Prepayments**	**175,000**	**125,000**

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2020	2,898,146	273,836	226,685	85,623	40,509	3,630,896	7,155,695
Additions	229,905	-	1,542	9,028	-	351,742	592,217
Disposals and Derecognisation	(34,560)	-	-	-	-	(182,004)	(216,564)
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2020	3,093,491	273,836	228,227	94,651	40,509	3,800,634	7,531,348

	Plant and equipment	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2021	3,093,491	273,836	228,227	94,651	40,509	3,800,634	7,531,348
Additions	286,436	-	-	-	-	319,682	606,119
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2021	3,379,927	273,836	228,227	94,651	40,509	4,120,316	8,137,467

	Plant and equipment	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	3,379,927	273,836	228,227	94,651	40,509	4,120,316	8,137,467
Additions	-	-	-	-	-	-	-
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2022	3,379,927	273,836	228,227	94,651	40,509	4,120,316	8,137,467

	Plant and equipment	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	3,379,927	273,836	228,227	94,651	40,509	4,120,316	8,137,467
Additions	-	-	-	-	-	-	-
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2023	3,379,927	273,836	228,227	94,651	40,509	4,120,316	8,137,467

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Plant and equipment	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2020	1,638,441	273,836	129,688	44,893	32,830	2,558,852	4,678,540
Transfers	-	-	-	-	-	-	-
Impairment Reserve 2018 (closing balance)	-	-	-	-	-	-	-
Depreciation Expense 2018	254,500	-	15,846	15,535	1,756	167,300	454,937
Eliminate on Disposal or Derecognisation 2018	(34,560)	-	-	-	-	(182,004)	(216,564)
Balance as at 31 December 2020	1,858,381	273,836	145,534	60,428	34,586	2,544,148	4,916,913

	Plant and equipment	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2021	1,858,381	273,836	145,534	60,428	34,586	2,544,148	4,916,913
Transfers	-	-	-	-	-	-	-
Impairment Reserve 2019 (closing balance)	-	-	-	-	-	-	-
Depreciation Expense 2019	255,777	-	15,830	13,714	1,756	201,211	488,289
Eliminate on Disposal or Derecognisation 2019	-	-	-	-	-	-	-
Balance as at 31 December 2021	2,114,158	273,836	161,364	74,142	36,342	2,745,359	5,405,202

	Plant and equipment	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	2,114,158	273,836	161,364	74,142	36,342	2,745,359	5,405,202
Transfers	-	-	-	-	-	-	-
Impairment change 2020	-	-	-	-	-	-	-
Depreciation Expense 2020	245,458	-	13,311	11,861	1,509	204,029	476,167
Eliminate on Disposal or Derecognisation 2020	-	-	-	-	-	-	-
Balance as at 31 December 2022	2,359,616	273,836	174,675	86,003	37,851	2,949,388	5,881,369

	Plant and equipment	*Leasehold Improvements*	*Furniture and Fittings*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	2,359,616	273,836	174,675	86,003	37,851	2,949,388	5,881,369
Transfers	-	-	-	-	-	-	-
Impairment change 2021	-	-	-	-	-	-	-
Depreciation Expense 2021	212,543	-	13,041	3,683	1,509	200,545	431,320
Eliminate on Disposal or Derecognisation 2021	-	-	-	-	-	-	-
Balance as at 31 December 2023	2,572,158	273,836	187,716	89,686	39,360	3,149,933	6,312,689

Net Book value 31 December 2020	1,235,110	-	82,693	34,223	5,923	1,256,486	2,614,435
Net Book value 31 December 2021	1,265,769	-	66,863	20,509	4,167	1,374,957	2,732,265
Net Book value 31 December 2022	1,020,312	-	53,552	8,648	2,658	1,170,928	2,256,098
Net Book value 31 December 2023	807,769	-	40,511	4,965	1,149	970,383	1,824,778

NOTE 8: INTANGIBLE ASSETS

COST OF INTANGIBLE ASSETS

	Computer Software	*Total*
Balance as at 1 January 2020	196,249	196,249
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2020	196,249	196,249

	Computer Software	*Total*
Balance as at 1 January 2021	196,249	196,249
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2021	196,249	196,249

	Computer Software	*Total*
Balance as at 1 January 2022	196,249	196,249
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2022	196,249	196,249

	Computer Software	*Total*
Balance as at 1 January 2023	196,249	196,249
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2023	196,249	196,249

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Computer Software	*Total*
Balance as at 1 January 2020	152,379	152,379
Transfers	-	-
Impairment Reserve 2018 (closing balance)	-	-
Depreciation Expense 2018	8,356	8,356
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2020	160,735	160,735

	Computer Software	*Total*
Balance as at 1 January 2021	160,735	160,735
Transfers	-	-
Impairment Reserve 2019 (closing balance)	-	-
Depreciation Expense 2019	8,356	8,356
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2021	169,091	169,091

	Computer Software	*Total*
Balance as at 1 January 2022	169,091	169,091
Transfers	-	-
Impairment change 2020	-	-
Depreciation Expense 2020	8,356	8,356
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2022	177,447	177,447

	Computer Software	*Total*
Balance as at 1 January 2023	177,447	177,447
Transfers	-	-
Impairment change 2021	-	-
Depreciation Expense 2021	8,356	8,356
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2023	185,803	185,803

Net Book value 31 December 2020	35,514	35,514
Net Book value 31 December 2021	27,158	27,158
Net Book value 31 December 2022	18,802	18,802
Net Book value 31 December 2023	10,446	10,446

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Trade payables other payables and accruals		
2,290,198	Creditors Third party	2,066,195	2,251,195
-	Creditors Ministries/Portfolios	-	-
184,500	Creditors other Statutory Agencies and Government Conpanies		-
60,780	Payroll Deductions	60,780	60,780
-	Operating Lease	-	-
102,695	Accrued Expenses	115,000	105,000
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
2,638,173	**Trade payables other payables and accruals - Current**	**2,241,975**	**2,416,975**
2,638,173	**Total trade payables other payables and accruals**	**2,241,975**	**2,416,975**

NOTE 11: EMPLOYEE ENTITLEMENTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current employee entitlements		
62,836	Annual Leave/Comp-time	62,836	62,836
-	Retirement and long service leave	-	0
68,802	Accrued salaries	65,000	65,000
-	Travel	-	0
-	Other	-	0
131,638	**Total current portion**	**127,836**	**127,836**
131,638	**Total employee entitlements**	**127,836**	**127,836**

NOTE 13: UNFUNDED PENSION LIABILITY

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
5,543,328	Value of pension fund allocated asstes	5,665,281	5,789,917
-8,877,328	Past service liability	-8,999,281	-9,123,917
(3,334,000)	**Fund (deficiency)/Surplus**	**(3,334,000)**	**(3,334,000)**

NOTE 14: UNFUNDED POST-RETIREMENT HEALTH CARE

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(29,772,000)	Post retirment health liability	(32,839,000)	(35,906,000)
(3,067,000)	Liability	(3,067,000)	(3,067,000)
(32,839,000)	**Total Unfunded Health Care Liability**	**(35,906,000)**	**(38,973,000)**

NOTE 15A: SALE AND GOODS OF SERVICES

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
2,625	Fees and Charges	2,400	2,400
10,000,000	General Sales	10,000,000	10,000,000
-	Rentals	-	-
40,797	Other Goods & Services Revenue	120,000	120,000
19,000,000	Sale of goods and services to Cabinet	-	-
87,199	Sale of goods and services to Other Ministries and Portfolios	180,000	180,000
29,130,621	**Total sales of goods and services**	**10,302,400**	**10,302,400**

12-Month Forecast 2021	Fees and Charges	12-Month Budget 2022	12-Month Budget 2023
2,625	Fees and Charges	2,400	2,400
2,625	**Total Fees & Charges**	**2,400**	**2,400**

12-Month Forecast 2021	General Sales	12-Month Budget 2022	12-Month Budget 2023
10,000,000	General Sales	10,000,000	10,000,000
10,000,000	**Total General Sales**	**10,000,000**	**10,000,000**

NOTE 15A: SALE AND GOODS OF SERVICES (CONTINUED)

12-Month Forecast 2021	Other Goods & Services Revenue	12-Month Budget 2022	12-Month Budget 2023
40,797		120,000	120,000
40,797	**Total Other Goods & Services Revenue**	**120,000**	**120,000**
	Sales of Outputs to Cabinet		
19,000,000	Sales of Outputs to Cabinet	-	-
-	Other Outputs	-	-
19,000,000	**Total Sales of Outputs to Cabinet**	-	-
	Other Interdepartmental Revenue		
-	Revenue from Ministries/Portfolios	-	-
87,199	Revenue from Statutory Authorities and Government Companies	180,000	180,000
87,199	**Total Other Interdepartmental Revenue**	**180,000**	**180,000**
29,130,621	**Total Goods and Services**	**10,302,400**	**10,302,400**

NOTE 16: INVESTMENT REVENUE

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
5,511	Interest on deposits	6,000	6,000
-	Interest on cash balances	-	-
-	Royalties	-	-
-	Other	-	-
-	Other	-	-
5,511	**Total Investment revenue**	**6,000**	**6,000**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
4,374,267	Salaries, wages and allowances	4,374,267	4,374,267
1,771,422	Health care CINICO	1,859,993	1,952,993
3,067,000	Health care other	3,067,000	3,067,000
271,205	Pension	234,095	234,095
-	Leave	-	-
1,232,958	Other personnel related costs	733,310	640,310
10,716,852	**Total Personnel Costs**	**10,268,665**	**10,268,665**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
2,520,247	Supplies and Materials	205,714	205,714
13,110,000	Purchase of services	205,714	205,714
26,560	Lease of Property and Equipment	-	-
962,353	Utilities	1,133,623	1,135,304
15,343	General Insurance	15,343	15,343
-	Interdepartmental expenses	-	-
-	Travel and Subsistence	-	-
-	Recruitment and Training	-	-
1,524,096	Other	1,061,818	1,104,984
18,158,600	**Total Supplies & consumables**	**2,622,212**	**2,667,059**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(257,927)	**Surplus/(deficit) from ordinary activities**	(3,067,000)	(3,067,000)
	Non-cash movements		
496,645	Depreciation & Amortisation	484,523	439,676
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:		
-	(Increase)/decrease in other current assets - Cabinet	-	-
672,673	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	1,267,000	(175,000)
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
(606,119)	(Increase)/decrease in other current assets - Other	-	-
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
3,173,195	(Increase/(decrease) in current liabilities - Other	2,667,000	3,242,000
3,478,467	**Net cash flows from operating activities**	**1,351,523**	**439,676**

NOTE 26: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
944,025	Salaries & other short-term employee benefits	967,626	991,816
-	Past employee benefits	-	-
-	Other long-term benefits	-	-
-	Termination benefits	-	-
-	Loans	-	-
944,025	**Total**	**967,626**	**991,816**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

THE UTILITY REGULATION AND COMPETITION OFFICE

FOR THE 2022 FINANCIAL YEAR ENDING 31 DECEMBER 2022
AND THE 2023 FINANCIAL YEAR ENDING 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT (2020 REVISION)

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1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Utility Regulation and Competition Office have agreed the Utility Regulation and Competition Office will seek to achieve during the 2022 and 2023 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Utility Regulation and Compeition Office is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Utility Regulation and Competition Office ('OfReg' or the 'Office') is the independent multisector authority established by the enactment of the Utility Regulation and Competition Act (2021 Revision) and commenced operations on January 16, 2017.

The Office's primary functions are provided in the URC Act are to:

- promote objectives set out in Policy
- promote appropriate effective and fair competition
- protect the short and long term interests of consumers in relation to utility services
- promote innovation and facilitate economic and national development

Although the Office's genesis has come about from an amalgamation of the Information and Communications Technology Authority ('ICTA'), the Electricity Regulatory Authority ('ERA') and the Petroleum Inspectorate, which hitherto had been a Department of the Government of the Cayman Islands its responsibilities have been broadened and now encompass the following sectors and activities:.

- Information and communication technology
- Energy/electricity production & distribution
- Water production & distribution
- Fuels & Dangerous Substances
- Innovation for the facilitation of economic development
- Enhanced consumer protection functions

The URC Act sets out broad duties, functions and powers while sector specific laws provide for sector specific powers and functions (which may differ from sector to sector)

The enabling laws are:

Utility Regulation and Competition (URC) Act (2021 Revision)

Dangerous Substances Act (2017 Revision)

Electricity Act (2008 Revision)

Electricity Sector Regulation (ESR) Act (2019 Revision)

Electronic Transactions Act (2003 Revision)

Fuel Market Regulation Act (2017)

Information and Communications Technology (ICT) Act (2019 Revision)

Wastewater Collection and Treatment Act (2019 Revision)

Water Authority Act (2018 Revision)

Water (Production and Supply) Act (2018 Revision)

Water Sector Regulation Act (2019 Revision

SCOPE OF ACTIVITIES

OfReg's activities are governed by the specific responsibilities set out under the various laws mentioned above. The following activities in particular, represent the key day to day activities carried out by Ofreg in respect of all the sectors which it regulates:

(a) To protect the short and long term interests of consumers in relation to utility services;

(b) Take appropriate enforcement action, including the imposition of administrative fines;

(c) Consider and issue licences for specified services within the Cayman Islands, or between the Cayman Islands and elsewhere;

(d) Impose, and monitor adherence to, conditions on all licensees;

(e) Carry out day to day supervision of all licensees to ensure full compliance with the licensees' obligations under the respective legislation;

(f) Promote and facilitate fair competition in each sector in accordance with the legislation and any other formal agreements with the licensee where it is reasonable or necessary to do so;

(g) Promote and facilitate innovation and safety in each sector, including in accordance with any strategic objectives of the Cayman Islands Government's and aligned with the Government's international obligations;

(h) To investigate and resolve complaints from consumers and service providers concerning the provision of services in each sector;

(i) To collect all fees, including licence fees, and any other charges levied under the various laws or regulations made thereunder;

(j) To resolve disputes concerning the interconnection or sharing of infrastructure between or among ICT service providers or ICT network providers;

(k) To promote and maintain an efficient, economic and harmonised infrastructure for each sector;

(l) To act on any matter referred to it by the Minister; and

(m) Implement Government policy as it relates to each sector and provide policy advice to the Cabinet on matters pertaining to each sector.

(n) To provide a framework for the protection of Critical National Infrastructure(CNI)

CUSTOMERS AND LOCATION OF ACTIVITIES

The Office primarily serves the residents of the Cayman Islands and services are normally delivered within the Cayman Islands.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Utility Regulation and Competition Office for the 2022 and 2023 financial years are as follows:

Vision Statement

Fair regulation for consumers and industry.

Mission

To ensure safe, reliable, economic public utilities to businesses and the people of the Cayman Islands.

Strategic Focus 2022 - 2023
Develop and implement strategies designed to enable the people of the Cayman Islands to have access to and utilise new technologies to improve their lives through increased economic activity while ensuring that traditional utility services continue to be delivered efficiently and at least economic cost.

Strategic goals and objectives
The key strategic goals and objectives for *the Utility Regulation and Competition Office* for the 2022 and 2023 financial years are as follows:

- Create and introduce energy rating system administered to assess the efficiency of onsite wastewater treatment systems by 2022.
- Advise on policy and establish a comprehensive regulatory framework for wastewater, the beneficial reuse of wastewater treatment products (effluent and bio solids) as a source of irrigation water, soil amendment and biogas generation by 2022.
- Develop Monitoring Framework for the fuels market to gauge the efficiency and effectiveness of regulatory interventions by 2022.
- Modernise the licensing and regulatory policy framework to facilitate investment in innovation and development in the ICT sector to provide certainty to the market and protection to the consumers by 2022.
- Establish a mechanism and framework for the protection of Critical National Infrastructure (CNI) by 2022 to improve system resiliency and relaibility.
- Implement strategies and policies to facilitate efficient use of the Islands communications infrastructure to enhance security, reliability, resiliency and connectivity by 2023.
- Promote and facilitate rollout of next-generation networks ('NGN') and testbeds in the Cayman Islands to improve efficiency and delivery of ICT services to consumers by 2023.
- Develop comprehensive regulatory framework to facilitate the introduction of LNG, CNG and commercial scale biodiesel by 2023.
- Implement regulatory frameworks to support and give effect to the National Energy Policy (NEP) objectives and targets for the electricity sector.

- Undertake activities to ensure efficient use of infrastructure to promote and facilitate the ubiquitous rollout and innovative use of fibre networks to support and delivery of high-speed broadband service by 2023.
- Establish Framework for implementation of new technologies in renewable and alternative energy by 2023 to ensure a systematic and structured approach for evaluating and implementing innovative technologies.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Utility Regulation and Competition Office for the 2022 and 2023 financial years are as follows:

	2022 1 Jan to 31 Dec 2022 $000's	**2023 1 Jan to 31 Dec 2023 $000's**	**2021 12-Month Forecast $000's**
REVENUE FROM CABINET	1,758	1,758	1,683
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	580	580	30
REVENUE FROM OTHERS	4,600	5,003	4,062
OPERATING EXPENSES	6,740	7,198	4,928
OPERATING SURPLUS/DEFICIT	**198**	**143**	**847**
NET WORTH	**3,817**	**3,960**	**3,619**
CASH FLOWS FROM OPERATING ACTIVITIES	(138)	274	(939)
CASH FLOWS FROM INVESTING ACTIVITIES	(613)	(17)	(1,639)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-
CHANGE IN CASH BALANCES	(751)	257	(2,578)

FINANCIAL PERFORMANCE RATIO	**2022 1 Jan to 31 Dec 2022**	**2023 1 Jan to 31 Dec 2023**	**2021 12-Month Forecast**
CURRENT ASSETS : CURRENT LIABILITIES	15.49:1	13.99:1	11.51:1
TOTAL ASSETS : TOTAL LIABILITIES	2.91:1	2.92:1	2.69:1

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	35	35	25
STAFF TURNOVER (%)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	6.05	7.05	5.55
PROFESSIONAL AND TECHNICAL STAFF	4.84	5.84	7.18
CLERICAL AND LABOURER STAFF	14.13	15.13	13.13
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	NONE	NONE	YES

PHYSICAL CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	5,819	6,024	5,760
ASSET REPLACEMENTS : TOTAL ASSETS	0.02:1	0.003:1	0.0052:1
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	0.57:1	0.45:1	0.61:1
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	0.53:1	12.24:1	0.10:1
CHANGES TO ASSET MANAGEMENT POLICIES	NONE	NONE	NONE

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
LEASEHOLD IMPROVEMENTS (RELOCATION OF THE OFFICE)	200,000	-	200,000
MULTI SPECTRUM ANALYSER & MOBILE LAB	-	-	150,000
EXPANSION OF LOCAL LABORATORY CAPACITY	120,000	-	
TOTAL	**320,000**	**-**	**350,000**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Inability to collect regulatory fees for a period of time due to unforeseen circumstances (ie. natural disaster)	Risk Unchanged	Establishment of a general reserve fund	>$1m
Inability to stay current with industry standards and developments	Risk Unchanged	Investment in staff professional development Augmenting the Office's organizational structure to enable a greater focus on identifying, analysing and addressing developments	Cannot be estimated
Loss of key personnel	Risk Unchanged	Cross training, succession planning and performance assessments and recognition Creation of incentives to retain employees	Cannot be estimated
Limited resources resulting in inadequate regulatory framework and compliance processes	New	Implement technological systems to increase efficiencies Augment the Office's organizational structure Enhance image in order to attract talented and experienced personnel	Cannot be estimated
Contingent liabilities - Threat of litigation	Risk Unchanged	Effective regulatory procedures and adequate insurance coverage.	Cannot be estimated
Risk of financial fraud	Risk Unchanged	Ensure adequate internal controls are in place with proper payment authorizations. Checks are secured, and minimum cash is on hand	Cannot be estimated

RISK MANAGEMENT (CONTINUED)

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
IT Security Risk – the risk of an information security incident	New	Implementation of IT Security Risk policy Upgrade of firewall and connected systems to provide enhanced security against information security breaches	Cannot be estimated
Reputational Risk	New	Implementation of an effective communications plan Emphasis placed on ensuring positive interactions with stakeholders	Cannot be estimated
Force Majeure	New	Establishment of a general reserve fund Establishment of business continuity/disaster recovery plan	Cannot be estimated

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Utility Regulation and Completion Office is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE	6,938	7,341	5,775
OPERATING EXPENSES	6,740	7,198	4,928
NET SURPLUS/(DEFICIT)	198	143	847

BALANCE SHEET	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
ASSETS	5,819	6,024	5,760
LIABILITIES	2,003	2,064	2,141
NET WORTH	3,816	3,960	3,619

STATEMENT OF CASH FLOW	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	(138)	274	(939)
CASH FLOWS FROM INVESTING ACTIVITIES	(613)	(17)	(1,639)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's
EQUITY INVESTMENTS INTO UTILITY REGULATION AND COMPETITION OFFICE	-	-
CAPITAL WITHDRAWALS FROM UTILITY REGULATION AND COMPETITION OFFICE	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY UTILITY REGULATION AND COMPETITION OFFICE	-	-
GOVERNMENT LOANS TO BE MADE TO UTILITY REGULATION AND COMPETITION OFFICE	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO UTILITY REGULATION AND COMPETITION OFFICE	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[37]	-	-
REMUNERATION[38] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	198,400	198,400
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	1,276,914	1,335,897

DESCRIPTION	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	6	6
NUMBER OF KEY SENIOR MANAGEMENT (MD)	9	9

[37] Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Board Member and Senior Management Team

[38] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the Utility Regulation and Competition Office undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will the sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Utility Regulation and Competition Office will seek to achieve for the 2022 and 2023 financial years and that the Cabinet will monitor performance against.

Honourable Chris Saunders

Minister for Border Control and Labour
On behalf of Cabinet

Chairman of the Board

Utility Regulation and Competition Office

31 December 2021

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS
GOVERNMENT

UTILITY REGULATION AND COMPETITION OFFICE
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2022 and 31 December 2023 and performance for the Utility Regulation and Competition Office for the financial years ending 31 December 2022 and 31 December 2023; and
c. Comply with generally accepted accounting practice.

Chairman of the Board

Utility Regulation and Competition Office

31 December 2021

THE UTILITY REGULATION AND COMPETITION OFFICE

STATEMENT OF ACCOUNTING POLICIES
FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

These financial statements have been prepared in accordance with International Public Sector Accounting Standards ("IPSAS") issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board ("IPSASB"). The significant accounting policies adopted by the Utility Regulation and Competition Office in these financial statements are as follows:

(a) Basis of preparation

The financial statements of the Utility Regulation and Competition Office are presented in Cayman Island dollars and are prepared on the accruals basis under the historical cost convention.

(b) Use of estimates

The preparation of financial statements in accordance with International Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of income and expenses during the year. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period and in any future periods that are affected by those revisions.

(c) Foreign currency translation

Assets and liabilities denominated in currencies other than Cayman Islands dollars are translated at exchange rates in effect at the financial statements date. Revenue and expense transactions denominated in currencies other than Cayman Islands dollars are translated at exchange rates at the date of those transactions. Gains and losses arising on translation are included in the statement of comprehensive income.

(d) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents are considered as cash held on demand and fixed deposits with an original maturity of three months or less.

(e) Short Term Investments

Short-term Investments represent term deposits with banks or other financial institutions with original maturities of greater than three months but less than twelve months.

(f) Accounts receivable

Accounts receivable are recognized initially at fair value and are subsequently reviewed for impairment. Where there is objective evidence that a debt will not be collectible by the Authority according to the agreed terms a provision for bad debt is established.

(g) Property, plant and equipment/depreciation and amortization

Property, Plant and Equipment are stated at cost less accumulated depreciation and amortization, and any impairment losses.

Depreciation is charged to the statement of financial performance on a straight-line basis over the estimated useful lives of the property, plant and equipment and leasehold improvements are amortized over the life of the lease.

The estimated useful lives of the other fixed assets are as follows:

Office equipment and furniture	3 – 5 Years
IT equipment	3 Years
Computer Software	3 - 5 Years
Motor Vehicles	7 Years
Other Equipment	3 – 10 Years
Leasehold Improvements	5 Years

Management reviews the depreciation and amortization method and useful life periodically to ensure that they are consistent with the expected economic benefits from property, plant and equipment.

(h) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The Office recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity, and when specific criteria have been met for each of the Office's activities described below.

Regulatory Fees - Regulatory Fees are the main source of revenue for the Office. Regulatory fees are collected from each sector, with revenue recognized from the administration of licensing arrangements with major licensees.

Services provided to the Government – The Office provides services to the Government which are established and defined through a Purchase Agreement. The purchase agreement details the outputs that the Government and the Office has agreed that the Office will deliver and the Cabinet will purchase in a particular fiscal year. Revenue is recognized when the performance obligations agreed in the purchase agreement are performed. Payments will be made on the basis of a quarterly invoice provided to the Government by the Office.

Licensing fees – The Office issues licences for specified services within the various sectors that it regulates. Revenue is recognized once the license has been issued or in some instances, revenue from application fees are recognized upon receipt of the application for the license.

Permit Fees – The Office processes applications for operating permits for premises and vehicles used to store or transport dangerous substances, under the Dangerous Substances Handling & Storage Law, 2017. The Office also processes applications for permits in relation to the importation of fuel and compressed gas and revenue is recognized once the permit has been issued.

KY Domain Fees – The Office has been delegated authority from the Government, in accordance with section 9(i) of the ICTA Law (2017) for the management and administration of the .ky internet domain. A domain name registration fee is charged upon initial registration of the domain and also at the time of renewal. Fees are charged to domain owners on an annual basis. Revenue is recognized once a domain name has been granted. The management of the .ky domain is contracted to a third party, who remits payment of the registration fees on a quarterly basis.

All application and licence fees are non-refundable.

(i) Operating lease

Lease payments are recognized as an expense on a straight-line basis over the lease term.

(j) Financial Instruments

(a) Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable or an equity instrument of another enterprise. Financial assets are comprised of cash and cash equivalents and prepayments.

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

(b) Recognition

The Office recognises financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in fair value of the assets or liabilities are recognised in the statement of comprehensive income.

(c) *Measurement*

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

(d) Derecognition

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

(k) Provisions and Contingencies

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

Contingent liabilities are not recognized but are disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized but are disclosed in the financial statements when an inflow of economic benefits is probable.

THE UTILITY REGULATION AND COMPETITION OFFICE

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL POSITION	Note	12-Month Budget 2022	12-Month Budget 2023
	Current Assets			
2,592,555	Cash and cash equivalents	1	1,841,683	2,098,779
1,200,000	Marketable securities and deposits		1,200,000	1,200,000
1,313,062	Trade receivables	2	1,706,613	1,839,179
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
103,737	Prepayments	5	150,000	150,000
-	Loans	6	-	-
5,209,354	**Total Current Assets**		**4,898,296**	**5,287,958**
	Non-Current Assets			
25,623	Trade receivables	2	3,473	3,719
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
524,884	Property, plant and equipment	7	874,464	705,978
-	Intangible Assets	8	43,000	26,000
550,507	**Total Non-Current Assets**		**920,937**	**735,697**
5,759,861	**Total Assets**		**5,819,233**	**6,023,655**
	Current Liabilities			
63,912	Trade payables	9	107,194	168,764
361,075	Other payables and accruals	9	179,349	179,348
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
-	Unearned revenue	10	-	-
30,000	Employee entitlements	11	30,000	30,000
-	Current Portion of Borrowings	12	-	-
454,987	**Total Current Liabilities**		**316,543**	**378,112**
	Non-Current Liabilities			
-	Trade payables	9	-	-
-	Other payables and accruals	9	-	-
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
422,000	Unfunded pension liability	13	422,000	422,000
1,264,000	Unfunded post retirement health care	14	1,264,000	1,264,000
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
1,686,000	**Total Non-Current Liabilities**		**1,686,000**	**1,686,000**
2,140,987	**Total Liabilities**		**2,002,543**	**2,064,112**
3,618,874	**Net Assets**		**3,816,690**	**3,959,543**
	NET WORTH			
2,420,891	Contributed capital		2,420,891	2,420,891
1,524,000	Other Reserves		1,524,000	1,524,000
-	Revaluation reserve		-	-
(326,018)	Accumulated surpluses/(deficits)		(128,203)	14,650
3,618,873	**Total Net Worth**		**3,816,688**	**3,959,541**

THE UTILITY REGULATION AND COMPETITION OFFICE

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL PERFORMANCE	Note	12-Month Budget 2022	12-Month Budget 2023
	Revenue			
5,774,684	Sale of goods and services	**15**	6,938,183	7,341,228
-	Investment revenue	**16**	-	-
-	Donations	**17**	-	-
-	Other revenue		-	-
5,774,684	**Total Revenue**		**6,938,183**	**7,341,228**
	Expenses			
3,639,748	Personnel costs	**18**	4,288,965	5,106,903
1,242,409	Supplies and consumables	**19**	2,230,983	1,889,486
46,250	Depreciation and Amortisation	**7**	220,420	201,986
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	**20**	-	-
-	Litigation costs	**21**	-	-
-	Other (Gains)/losses	**22**	-	-
-	Other Operating expenses		-	-
4,928,407	**Total Expenses**		**6,740,368**	**7,198,375**
846,277	**Surplus or (Deficit) for the period**		**197,815**	**142,853**

THE UTILITY REGULATION AND COMPETITION OFFICE

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	CASH FLOW STATEMENT	Note	12-Month Budget 2022	12-Month Budget 2023
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
1,669,388	Sale of goods and services to Cabinet		1,842,280	1,757,707
-	Sale of goods and services to Ministries/Portfolios		-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies		412,500	550,000
3,973,413	Sale of goods and services - third party		4,773,239	4,900,708
-	Interest received		-	-
-	Donations / Grants		-	-
-	Other receipts		-	-
	Payments			
(3,214,835)	Personnel costs		(4,288,965)	(5,106,904)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(3,367,428)	Supplies and consumables - third party		(2,876,926)	(1,827,916)
-	Interest paid		-	-
-	Other payments		-	-
(939,463)	**Net cash flows from operating activities**	**23**	**(137,872)**	**273,595**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(438,685)	Purchase of property, plant and equipment		(613,000)	(16,500)
-	Proceeds from sale of property, plant and equipment		-	-
(1,200,000)	Purchase of investments		-	-
-	Proceeds from sale of investments		-	-
(1,638,685)	**Net cash flows from investing activities**		**(613,000)**	**(16,500)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Equity Investment from Cabinet		-	-
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	Borrowings		-	-
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
-	**Net cash flows from financing activities**		**-**	**-**
(2,578,148)	**Net increase/(decrease) in cash and cash equivalents**		**(750,872)**	**257,095**
5,170,702	Cash and cash equivalents at beginning of period		2,592,555	1,841,683
2,592,555	**Cash and cash equivalents at end of period**		**1,841,683**	**2,098,778**

THE UTILITY REGULATION AND COMPETITION OFFICE

STATEMENT OF CHANGES IN NET WORTH

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2019 brought forward	2,393,677	1,524,000	(1,570,690)	2,346,987
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2019	2,393,677	1,524,000	(1,570,690)	2,346,987
Changes in net worth for 2020				
Gain/(loss) on property revaluation	27,214	-	-	27,214
Gain/(loss) on revaluation of investments	-	-	(274,000)	(274,000)
Exchange differences on translating foreign operations	-	-	-	-
Equity Investment from Cabinet	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	-	-	-
Net revenue / expenses recognised directly in net worth	27,214	-	(274,000)	(246,786)
Surplus/(deficit)for the period 2020			672,395	672,395
Total recognised revenues and expenses for the period	27,214	-	398,395	425,609
Balance at 31 December 2020	2,420,891	1,524,000	(1,172,295)	2,772,596
Balance at 31 December 2020 brought forward	2,420,891	1,524,000	(1,172,295)	2,772,596
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2020	2,420,891	1,524,000	(1,172,295)	2,772,596
Changes in net worth for 2021				
Gain/(loss) on property revaluation	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-
Equity Investment from Cabinet	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-
Surplus/(deficit)for the period 2021			846,277	846,277
Total recognised revenues and expenses for the period	-	-	846,277	846,277
Balance at 31 December 2021 carried forward	2,420,891	1,524,000	(326,018)	3,618,873

THE UTILITY REGULATION AND COMPETITION OFFICE

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	2,420,891	1,524,000	(326,018)	3,618,873
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2021	2,420,891	1,524,000	(326,018)	3,618,873
Changes in net worth for 2022				
Gain/(loss) on property revaluation	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-
Equity Investment from Cabinet	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-
Surplus/(deficit)for the period 2022			197,815	197,815
Total recognised revenues and expenses for the period	-	-	197,815	197,815
Balance at 31 December 2022 carried forward	2,420,891	1,524,000	(128,203)	3,816,688
Balance at 31 December 2022 brought forward	2,420,891	1,524,000	(128,203)	3,816,688
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2022	2,420,891	1,524,000	(128,203)	3,816,688
Changes in net worth for 2023				
Gain/(loss) on property revaluation	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-
Equity Investment from Cabinet	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-
Surplus/(deficit)for the period 2023			142,853	142,853
Total recognised revenues and expenses for the period	-	-	142,853	142,853
Balance at 31 December 2023	2,420,891	1,524,000	14,650	3,959,541

THE UTILITY REGULATION AND COMPETITION OFFICE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
500	Cash on hand	500	500
-	Cash in transit	-	-
2,152,687	CI$ Account	1,341,183	1,598,279
439,368	US$ Account	500,000	500,000
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
-	Short-Term Fixed Deposits	-	-
2,592,555	**TOTAL**	**1,841,683**	**2,098,779**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
400,000	Sale of goods and services to Cabinet	439,427	439,427
-	Sale of goods and services to Ministries/Portfolios	-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies	137,500	137,500
941,714	Sale of goods and services - third party	1,081,659	1,202,399
31,399	Other	57,500	70,000
(34,428)	**Less: provision for doubtful debts**	(6,000)	(6,428)
1,338,685	**Total trade receivables**	**1,710,086**	**1,842,898**

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
1,266,575	Past due 1-30 days	1,664,914	1,794,534
693	Past due 31-60 days	31,089	33,286
4,844	Past due 61-90 days	7,619	8,157
40,950	Past due 90 and above	2,991	3,202
	Non-Current		
25,623	Past due 1 year and above	3,473	3,719
1,338,685	**Total**	**1,710,086**	**1,842,898**

NOTE 2: TRADE AND OTHER RECEIVABLES (CONTINUED)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(34,428)	Balance at begining oF period	(34,428)	(6,000)
-	Additional provisions made during the year	-	-
-	Receivables written off during the period	28,428	-
(34,428)	**Balance at 31st December**	**(6,000)**	**(6,000)**

NOTE 5: PREPAYMENTS

12-Month Forecast 2021	Prepayments	12-Month Budget 2022	12-Month Budget 2023
	Current Prepayments		
103,737		150,000	150,000
103,737	**Prepayments - Current**	**150,000**	**150,000**
	Non-Current Prepayments		
103,737	**Total Prepayments**	**150,000**	**150,000**

THE UTILITY REGULATION AND COMPETITION OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2020	17,051	-	204,216	29,352	207,686	458,305
Additions	33,119		16,946	2,566		52,631
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2020	50,170	-	221,162	31,918	207,686	510,936

	Plant and equipment	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2021	50,170	-	221,162	31,918	207,686	510,936
Additions	195,890	200,000	42,300	495	-	438,685
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2021	246,060	200,000	263,462	32,413	207,686	949,621

	Plant and equipment	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	246,060	200,000	263,462	32,413	207,686	949,621
Additions	210,000	200,000	38,000	70,000	35,000	553,000
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2022	456,060	400,000	301,462	102,413	242,686	1,502,621

	Plant and equipment	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	456,060	400,000	301,462	102,413	242,686	1,502,621
Additions	-	-	16,500	-	-	16,500
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2023	456,060	400,000	317,962	102,413	242,686	1,519,121

THE UTILITY REGULATION AND COMPETITION OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Plant and equipment	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2020	8,334	-	166,127	25,476	126,215	326,152
Transfers	-	-	-	-	-	-
Impairment Reserve 2020 (closing balance)	-	-	-	-	-	-
Depreciation Expense 2020	5,222		25,646	3,640	17,827	52,335
Eliminate on Disposal or Derecognisation 2020	-	-	-	-	-	-
Balance as at 31 December 2020	13,556	-	191,773	29,116	144,042	378,487

	Plant and equipment	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2021	13,556	-	191,773	29,116	144,042	378,487
Transfers	-	-	-	-	-	-
Impairment Reserve 2021 (closing balance)	-	-	-	-	-	-
Depreciation Expense 2021	5,614		22,000	1,995	16,641	46,250
Eliminate on Disposal or Derecognisation 2021	-	-	-	-	-	-
Balance as at 31 December 2021	19,170	-	213,773	31,111	160,683	424,737

	Plant and equipment	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	19,170	-	213,773	31,111	160,683	424,737
Transfers	-	-	-	-	-	-
Impairment change 2022	-	-	-	-	-	-
Depreciation Expense 2022	62,822	80,000	43,444	7,225	9,929	203,420
Eliminate on Disposal or Derecognisation 2022	-	-	-	-	-	-
Balance as at 31 December 2022	81,992	80,000	257,217	38,336	170,612	628,157

	Plant and equipment	*Leasehold Improvements*	*Computer Hardware*	*Office Equipment*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	81,992	80,000	257,217	38,336	170,612	628,157
Transfers	-	-	-	-	-	-
Impairment change 2023	-	-	-	-	-	-
Depreciation Expense 2023	68,157	70,000	29,100	7,800	9,929	184,986
Eliminate on Disposal or Derecognisation 2023	-	-	-	-	-	-
Balance as at 31 December 2023	150,149	150,000	286,317	46,136	180,541	813,143
Net Book value 31 December 2020	36,614	-	29,389	2,802	63,644	132,449
Net Book value 31 December 2021	226,890	200,000	49,689	1,302	47,003	524,884
Net Book value 31 December 2022	374,068	320,000	44,245	64,077	72,074	874,464
Net Book value 31 December 2023	305,911	250,000	31,645	56,277	62,145	705,978

NOTE 8: INTANGIBLE ASSETS

COST OF INTANGIBLE ASSETS

	Computer Software	*Total*
Balance as at 1 January 2020	7,788	7,788
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2020	7,788	7,788

	Computer Software	*Total*
Balance as at 1 January 2021	7,788	7,788
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2021	7,788	7,788

	Computer Software	*Total*
Balance as at 1 January 2022	7,788	7,788
Additions	60,000	60,000
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2022	67,788	67,788

	Computer Software	*Total*
Balance as at 1 January 2023	67,788	67,788
Additions	-	-
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2023	67,788	67,788

NOTE 8: INTANGIBLE ASSETS

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Computer Software	*Total*
Balance as at 1 January 2020	7,672	7,672
Transfers	-	-
Impairment Reserve 2020 (closing balance)	-	-
Depreciation Expense 2020	116	116
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2020	7,788	7,788

	Computer Software	*Total*
Balance as at 1 January 2021	7,788	7,788
Transfers	-	-
Impairment Reserve 2021 (closing balance)	-	-
Depreciation Expense 2021	-	-
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2021	7,788	7,788

	Computer Software	*Total*
Balance as at 1 January 2022	7,788	7,788
Transfers	-	-
Impairment change 2022	-	-
Depreciation Expense 2022	17,000	17,000
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2022	24,788	24,788

	Computer Software	*Total*
Balance as at 1 January 2023	24,788	24,788
Transfers	-	-
Impairment change 2023	-	-
Depreciation Expense 2023	17,000	17,000
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2023	41,788	41,788

Net Book value 31 December 2020	-	-
Net Book value 31 December 2021	-	-
Net Book value 31 December 2022	43,000	43,000
Net Book value 31 December 2023	26,000	26,000

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Trade payables other payables and accruals		
63,912	Creditors Third party	107,194	168,764
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
261,075	Accrued Expenses	179,349	179,348
100,000	Other payables	-	-
-	Dividends/Surplus Payable	-	-
424,987	**Trade payables other payables and accruals - Current**	**286,543**	**348,112**
424,987	**Total trade payables other payables and accruals**	**286,543**	**348,112**

NOTE 11: EMPLOYEE ENTITLEMENTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current employee entitlements		
30,000	Annual Leave/Comp-time	30,000	30,000
30,000	**Total current portion**	**30,000**	**30,000**
30,000	**Total employee entitlements**	**30,000**	**30,000**

NOTE 13: UNFUNDED PENSION LIABILITY

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
465,000	Value of pension fund allocated asstes	465,000	465,000
(887,000)	Past service liability	(887,000)	(887,000)
(422,000)	**Fund (deficiency)/Surplus**	**(422,000)**	**(422,000)**

NOTE 14: UNFUNDED POST-RETIREMENT HEALTH CARE

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(1,264,000)		(1,264,000)	(1,264,000)
(1,264,000)	**Total Unfunded Health Care Liability**	**(1,264,000)**	**(1,264,000)**

THE UTILITY REGULATION AND COMPETITION OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 15A: SALE AND GOODS OF SERVICES

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
3,969,377	Fees and Charges	5,062,377	5,082,377
-	General Sales	-	-
-	Rentals	-	-
122,185	Other Goods & Services Revenue	118,099	501,144
1,683,122	Sale of goods and services to Cabinet	1,757,707	1,757,707
-	Sale of goods and services to Other Ministries and Portfolios	-	-
5,774,684	**Total sales of goods and services**	**6,938,183**	**7,341,228**

12-Month Forecast 2021	Fees and Charges	12-Month Budget 2022	12-Month Budget 2023
3,264,307	Regulatory fees	4,115,000	4,115,000
491,413	Permit and Licensing Fees	717,377	717,377
213,657	ky domain fees	230,000	250,000
3,969,377	**Total Fees & Charges**	**5,062,377**	**5,082,377**

12-Month Forecast 2021	Other Goods & Services Revenue	12-Month Budget 2022	12-Month Budget 2023
122,185		118,099	501,144
122,185	**Total Other Goods & Services Revenue**	**118,099**	**501,144**
	Sales of Outputs to Cabinet		
1,683,122	Sales of Outputs to Cabinet	1,757,707	1,757,707
-	Other Outputs	-	-
1,683,122	**Total Sales of Outputs to Cabinet**	**1,757,707**	**1,757,707**
5,774,684	**Total Goods and Services**	**6,938,183**	**7,341,228**

THE UTILITY REGULATION AND COMPETITION OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
2,387,543	Salaries, wages and allowances	3,086,217	3,603,183
96,204	Health care CINICO	108,711	122,843
402,331	Health care other	544,653	740,630
298,757	Pension	388,659	459,422
30,000	Leave	30,000	30,000
424,913	Other personnel related costs	130,725	150,825
3,639,748	**Total Personnel Costs**	**4,288,965**	**5,106,903**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
8,232	Supplies and Materials	7,300	7,300
877,214	Purchase of services	1,580,319	1,203,401
144,824	Lease of Property and Equipment	229,089	240,310
64,767	Utilities	86,325	87,825
16,787	General Insurance	74,500	78,225
60,000	Interdepartmental expenses	60,000	60,000
5,998	Travel and Subsistence	62,000	70,000
64,587	Recruitment and Training	131,450	142,425
-	Other	-	-
1,242,409	**Total Supplies & consumables**	**2,230,983**	**1,889,486**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
846,277	**Surplus/(deficit) from ordinary activities**	197,815	142,853
	Non-cash movements		
46,250	Depreciation & Amortisation	220,420	201,986
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
326,000	Other Non-cash movement	**-**	-
	Changes in current assets and liabilities:		
(50,055)	(Increase)/decrease in other current assets - Cabinet	(39,427)	-
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
184,041	(Increase)/decrease in other current assets - Other	(378,243)	(132,806)
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
(2,291,976)	(Increase/(decrease) in current liabilities - Other	(138,437)	61,563
(1,265,463)	**Net cash flows from operating activities**	**(137,872)**	**273,596**

NOTE 25: COMMITMENTS

Type	One year or less	One to five Years	12-Month Budget 2022
Capital Commitments			
Property, plant and equipment	-	-	-
Other fixed assets	-	-	-
Other commitments (list separately if material)	235,635	774,230	1,009,865
Total Capital Commitments	235,635	774,230	1,009,865
Operating Commitments			
Non-cancellable accommodation leases	-	-	-
Other non-cancellable leases	-	-	-
Non-cancellable contracts for the supply of goods and services	-	-	-
Other operating commitments	-	-	-
Total Operating Commitments	-	-	-
Total Commitments	235,635	774,230	1,009,865

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OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

PORT AUTHORITY OF THE CAYMAN ISLANDS

FOR THE 2022 FINANCIAL YEAR ENDING 31 DECEMBER 2022
AND THE 2023 FINANCIAL YEAR ENDING 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT (2020 REVISION)

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2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Port Authority of the Cayman Islands have agreed the Port Authority of the Cayman Islands will seek to achieve during the 2022 and 2023 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Port Authority of the Cayman Islands is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Port Authority of the Cayman Islands activities involve the management of the maritime affairs of the Cayman Islands.

SCOPE OF ACTIVITIES

The scope of the Port Authority of the Cayman Islands activities is as follows:

- Providing and maintaining facilities for the offloading of cargo imports into all three Islands.
- To contribute to the growth of cruise tourism (and thereby the economy), by providing and maintaining facilities to accommodate the cruise ship passengers.
- Providing and maintaining navigational markers in Cayman Islands waters.
- Providing a patrolling presence, using two fully equipped motor vessels, in the immediate harbour area of the Cayman Islands during cruise ship visits.
- Providing a safe and enjoyable environment for the Port Authority's staff and customers.
- Carrying out the Port Authority Laws

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by the Port Authority of the Cayman Islands are provided only in the Cayman Islands.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Port Authority of the Cayman Islands for the 2022 and 2023 financial years are as follows:

- Improve the image of the Cayman Islands and the experience of the cruise tourist, by maintaining and upgrading the existing cruise ship arrival facilities in George Town and at Spotts.

- To fine tune the existing computer system, to meet management's need for more useful management reports and to serve the customer needs more efficiently.

- To improve operations through the continued upkeep to existing equipment as well as the purchase of new and more efficient equipment.

- Improve the efficiency of cargo operations by continuing the phased implementation of our master development plan which involves the modernization and expansion of the existing facilities.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Port Authority of the Cayman Islands for the 2022 and 2023 financial years are as follows:

	2022 1 Jan to 31 Dec 2022 $000's	**2023 1 Jan to 31 Dec 2023 $000's**	**2021 12-Month Forecast $000's**
REVENUE FROM CABINET	-	-	-
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	364	385	332
REVENUE FROM OTHERS	24,220	26,884	21,154
OPERATING EXPENSES	29,508	28,073	28,772
OPERATING SURPLUS/DEFICIT	**(4,925)**	**(805)**	**(7,287)**
NET WORTH	**17,890**	**17,483**	**22,445**
CASH FLOWS FROM OPERATING ACTIVITIES	3,719	5,057	2,257
CASH FLOWS FROM INVESTING ACTIVITIES	(500)	(500)	(3,015)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-
CHANGE IN CASH BALANCES	3219	4,557	(759)

FINANCIAL PERFORMANCE RATIO	**2022 1 Jan to 31 Dec 2022**	**2023 1 Jan to 31 Dec 2023**	**2021 12-Month Forecast**
CURRENT ASSETS : CURRENT LIABILITIES	5.1:1	5.2:1	4.8:1
TOTAL ASSETS : TOTAL LIABILITIES	1.2:1	1.2:1	1.4:1

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	178	178	170
STAFF TURNOVER (%)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	20	21	19
PROFESSIONAL AND TECHNICAL STAFF	11	12	10
CLERICAL AND LABOURER STAFF	17	18	16
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	HR PLUS PLATFORM	HR PLUS PLATFORM	NONE

PHYSICAL CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	82,638	82,923	82,987
ASSET REPLACEMENTS : TOTAL ASSETS	0.01	0.01	0.04
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	0.79	0.76	0.81
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	4.63	4.70	0.76
CHANGES TO ASSET MANAGEMENT POLICIES	NONE	NONE	NONE
MAJOR NEW CAPITAL EXPENDITURE PROJECTS	**2022 1 Jan to 31 Dec 2022 $000's**	**2023 1 Jan to 31 Dec 2023 $000's**	**2021 12-Month Forecast $000's**
REPLACEMENT OF CDC ROOF	-	-	240
DOCK ANNODES AND OTHER UPGRADES	-	-	200
CAYMAN BRAC DOCK REHABILITATION	-	-	300
IT EQUIPMENT REPLACEMENT	-	-	580
FLEET REPLACEMENT	-	-	235
ASSET REPLACEMENT	250	250	-
FLEET REPLACEMENT	250	250	-
TOTAL	**500**	**500**	**1,555**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Fuel Prices	Risk profile increased due to volatility in fuel prices	Given difficulty in hedging this is managed primarily through price negotiating and operations.	+/- CI$750,000
Capital Structure	Improvement over prior year	Better cash management and improved financial performance targeted.	None
Hurricanes and Storms	None	Hurricane Plan practised continually.	CI$2 Million
Personal Injury or fatality during operations	None	Employee safety procedures.	Unknown

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Port Authority of the Cayman Islands is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE	24,583	27,268	21,485
OPERATING EXPENSES	29,508	28,074	28,772
NET SURPLUS/(DEFICIT)	(4,924)	(805)	(7,287)

BALANCE SHEET	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
ASSETS	84,120	87,173	82,987
LIABILITIES	66,229	69,690	60,541
NET WORTH	17,890	17,483	22,446

STATEMENT OF CASH FLOW	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	3,719	5,057	2,257
CASH FLOWS FROM INVESTING ACTIVITIES	(500)	(500)	(3,015)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's
EQUITY INVESTMENTS INTO PORT AUTHORITY OF THE CAYMAN ISLANDS	-	-
CAPITAL WITHDRAWALS FROM PORT AUTHORITY OF THE CAYMAN ISLANDS	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY PORT AUTHORITY OF THE CAYMAN ISLANDS	-	-
GOVERNMENT LOANS TO BE MADE TO PORT AUTHORITY OF THE CAYMAN ISLANDS	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO PORT AUTHORITY OF THE CAYMAN ISLANDS	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[39]	-	-
REMUNERATION[40] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	623	623
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	977	977

DESCRIPTION	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	5	5
NUMBER OF KEY SENIOR MANAGEMENT (MD)	9	9

[39] Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

[40] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the Port Authority of the Cayman Islands undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will the sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Port Authority of the Cayman Islands will seek to achieve for the 2022 and 2023 financial years and that the Cabinet will monitor performance against.

Honourable Kenneth Bryan
Minister for Tourism and Transport
On behalf of Cabinet

Chairman of the Board
Port Authority of the Cayman Islands

31 December 2021

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS
GOVERNMENT

PORT AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2022 and 31 December 2023 and performance for the Port Authority of the Cayman Islands for the financial years ending 31 December 2022 and 31 December 2023; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
Port Authority of the Cayman Islands

31 December 2021

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PORT AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

1. Background information

The Port Authority of the Cayman Islands ("the Port Authority") is a statutory body established on September 15, 1976 under the Port Authority Law.

The Port Authority is principally engaged in the management of the maritime affairs of the Cayman Islands.

2. Significant accounting policies

These financial statements are prepared in accordance with International Public Sector Accounting Standards (IPSAS). The principal accounting policies adopted by the Port Authority are as follows:

(a) Basis of accounting

The financial statements of the Port Authority are prepared on an accruals basis under the historical cost. Property, Plant and Equipment as well as Investment Property and other financial assets are reported on the basis of "fair value".

(b) Use of estimates

The preparation of the financial statements in accordance with International Public Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the period. Actual results could differ from these estimates.

(c) Financial instruments

(i) Classification

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favourable or an equity instrument of another enterprise. Financial assets comprise unrestricted and restricted bank balances and accounts receivable.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities comprise long term and short-term debt.

(ii) Recognition

The Port Authority recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in fair value of the assets or liabilities are recognised in the statements of income.

(iii) Measurement

Financial instruments are measured initially at cost which is the fair value of the consideration given or received. Subsequent to initial recognition all financial assets are measured at their estimated fair market value.

Financial liabilities are subsequently measured at amortised cost, being the amount at which the liability was initially recognised less any principal repayments plus any amortisation (accrued interest) of the difference between that initial amount and the maturity amount.

(iv) Specific instruments

Cash and cash equivalents

For the purposes of the statements of cash flows, cash and cash equivalents includes current and money market accounts and term deposits with an original maturity of three months or less, and include unrestricted and restricted bank balances.

Interest income and expense

Interest income and expense are recognised in the statements of income on an accruals basis. Interest income represents the interest earned on term deposits. Interest expense includes interest paid on long term debt.

(v) Derecognition

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

(d) Depreciation

Depreciation is charged to the statements of income on a straight-line basis at the following rates estimated to write off the cost of the assets over their expected useful lives:

Land	Nil
Buildings	4% per annum
Marine Dock	2% per annum
Other fixed assets	4% - 20% per annum

(e) Foreign currency translation

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheets dates are translated to Cayman Islands dollars at the foreign exchange rate ruling at those dates. Foreign exchange differences arising on translation are recognised in the statements of income. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the reporting currency at the foreign exchange rates ruling at the dates that the values were determined.

(f) Allowance for bad debts

The allowance for bad debts is established through a provision for bad debts charged to expenses. Accounts receivable are written off against the allowance when management believes that the collectability of the account is unlikely. The allowance is an amount that management believes will be adequate to cover any bad debts, based on an evaluation of collectability and prior bad debts experience.

(g) Inventory

Inventory is valued at the lower of net realisable value or cost, on a first in, first out basis.

(h) Revenue recognition

Fee income on services provided is recognised in the statements of income when the rendering of a service is completed or substantially completed, and the customer is invoiced.

(i) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

(j) Pensions and other post-retirement benefits

The Port Authority participates in the Silver Thatch Pension Plan, a defined contribution pension fund, in accordance with the Cayman Islands National Pension Law. The Port Authority makes monthly contributions at a rate of 10% of an employee's salary. Contributions are charged to expenses as they are incurred based on set contribution rates.

3. Restricted bank balances

Management has placed restrictions on the use of certain bank balances in order to fund the future expenditures for Defined Benefit Health Care. An actuarial valuation is done annually to determine the movement of the liability and annual expense in order to properly reflect same in the financial records. Given the extent of the liability, the Board directed that funds be set aside on a monthly basis to meet the obligation over time.

The Board of Directors approved the establishment of a depreciation fund to be used for the replacement of assets. This involves the setting aside of 50% of the monthly depreciation in short term deposits. This will gradually increase to 100% of the depreciation as funds become available.

4. Related party transactions

The Port Authority also engages the services of other departments of the Cayman Islands Government. Such services are provided on an arm's length basis.

PORT AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL POSITION	Note	12-Month Budget 2022	12-Month Budget 2023
	Current Assets			
8,573,788	Cash and cash equivalents	1	11,792,696	16,349,729
-	Marketable securities and deposits		-	-
1,303,443	Trade receivables	2	1,303,444	1,303,443
120,000	Other receivables	2	120,000	120,000
1,263,262	Inventories	3	1,000,000	1,000,000
-	Investments	4	-	-
150,000	Prepayments	5	150,000	150,000
-	Loans	6	-	-
11,410,493	**Total Current Assets**		**14,366,140**	**18,923,172**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
71,576,072	Property, plant and equipment	7	69,754,033	68,249,939
-	Intangible Assets	8	-	-
71,576,072	**Total Non-Current Assets**		**69,754,033**	**68,249,939**
82,986,565	**Total Assets**		**84,120,172**	**87,173,111**
	Current Liabilities			
1,172,010	Trade payables	9	1,231,981	1,397,670
100,498	Other payables and accruals	9	105,247	118,365
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
97,227	Unearned revenue	10	97,227	97,227
1,028,723	Employee entitlements	11	1,077,330	1,211,622
-	Current Portion of Borrowings	12	-	-
2,398,458	**Total Current Liabilities**		**2,511,785**	**2,824,884**
	Non-Current Liabilities			
-	Trade payables	9	-	-
205,000	Other payables and accruals	9	200,000	195,000
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Unfunded pension liability	13	-	-
57,938,000	Unfunded post retirement health care	14	63,518,000	66,670,000
	Currency Issued			
-	Long Term portion of Borrowings	12	-	-
58,143,000	**Total Non-Current Liabilities**		**63,718,000**	**66,865,000**
60,541,458	**Total Liabilities**		**66,229,785**	**69,689,884**
22,445,107	**Net Assets**		**17,890,387**	**17,483,227**
	NET WORTH			
-	Contributed capital		-	-
-	Other Reserves		-	-
23,642,132	Revaluation reserve		23,642,132	23,992,132
(1,197,025)	Accumulated surpluses/(deficits)		(5,751,745)	(6,508,905)
22,445,107	**Total Net Worth**		**17,890,387**	**17,483,227**

PORT AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL PERFORMANCE	Note	12-Month Budget 2022	12-Month Budget 2023
	Revenue			
21,475,187	Sale of goods and services	15	24,575,072	27,260,136
9,815	Investment revenue	16	8,500	8,500
-	Donations	17	-	-
-	Other revenue		-	-
21,485,002	**Total Revenue**		**24,583,572**	**27,268,636**
	Expenses			
13,755,682	Personnel costs	18	15,330,954	16,174,379
5,272,741	Supplies and consumables	19	5,911,578	6,350,323
2,282,427	Depreciation and Amortisation	7	2,315,760	2,349,094
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	20	-	-
-	Litigation costs	21	-	-
1,500,000	Other (Gains)/losses	22	-	(350,000)
5,961,000	Other Operating expenses		5,950,000	3,550,000
28,771,850	**Total Expenses**		**29,508,292**	**28,073,796**
(7,286,848)	**Surplus or (Deficit) for the period**		**(4,924,721)**	**(805,159)**

PORT AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	CASH FLOW STATEMENT	Note	12-Month Budget 2022	12-Month Budget 2023
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
-	Sale of goods and services to Cabinet		-	-
272,215	Sale of goods and services to Ministries/Portfolios		364,000	385,000
59,548	Sale of goods and services to Statutory Agencies and Government Conpanies		124,662	179,826
20,993,862	Sale of goods and services - third party		24,405,501	26,958,409
9,815	Interest received		8,500	8,500
-	Donations / Grants		-	-
-	Other receipts		-	-
	Payments			
(13,755,682)	Personnel costs		(15,330,954)	(16,174,379)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(5,322,890)	Supplies and consumables - third party		(5,852,801)	(6,300,323)
-	Interest paid		-	-
-	Other payments		-	-
2,256,868	**Net cash flows from operating activities**	23	**3,718,908**	**5,057,033**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(3,015,431)	Purchase of property, plant and equipment		(500,000)	(500,000)
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
-	Proceeds from sale of investments		-	-
(3,015,431)	**Net cash flows from investing activities**		**(500,000)**	**(500,000)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Equity Investment from Cabinet		-	-
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	Borrowings		-	-
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
-	**Net cash flows from financing activities**		**-**	**-**
(758,563)	**Net increase/(decrease) in cash and cash equivalents**		**3,218,908**	**4,557,033**
9,332,351	Cash and cash equivalents at beginning of period		8,573,788	11,792,696
8,573,788	**Cash and cash equivalents at end of period**		**11,792,696**	**16,349,729**

PORT AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2019 brought forward	-	-	25,142,132	16,014,759	41,156,891
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2019	-	-	25,142,132	16,014,759	41,156,891
Changes in net worth for 2020					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	188,000	188,000
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	188,000	188,000
Surplus/(deficit)for the period 2020				(11,962,936)	(11,962,936)
Total recognised revenues and expenses for the period	-	-	-	(11,774,936)	(11,774,936)
Balance at 31 December 2020	-	-	25,142,132	4,239,823	29,381,955
Balance at 31 December 2020 brought forward	-	-	25,142,132	4,239,823	29,381,955
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2020	-	-	25,142,132	4,239,823	29,381,955
Changes in net worth for 2021					
Gain/(loss) on property revaluation	-	-	(1,850,000)	1,850,000	-
Gain/(loss) on revaluation of investments	-	-	350,000	-	350,000
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	(1,500,000)	1,850,000	350,000
Surplus/(deficit)for the period 2021				(7,286,848)	(7,286,848)
Total recognised revenues and expenses for the period	-	-	(1,500,000)	(5,436,848)	(6,936,848)
Balance at 31 December 2021 carried forward	-	-	23,642,132	(1,197,025)	22,445,107

PORT AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	-	-	23,642,132	(1,197,025)	22,445,107
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	-	-	23,642,132	(1,197,025)	22,445,107
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	370,000	370,000
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	370,000	370,000
Surplus/(deficit)for the period 2022				(4,924,721)	(4,924,721)
Total recognised revenues and expenses for the period	-	-	-	(4,554,721)	(4,554,721)
Balance at 31 December 2022 carried forward	-	-	23,642,132	(5,751,745)	17,890,387
Balance at 31 December 2022 brought forward	-	-	23,642,132	(5,751,745)	17,890,387
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	-	-	23,642,132	(5,751,745)	17,890,387
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	350,000	(350,000)	-
Gain/(loss) on revaluation of investments	-	-	-	398,000	398,000
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	350,000	48,000	398,000
Surplus/(deficit)for the period 2023				(805,159)	(805,159)
Total recognised revenues and expenses for the period	-	-	350,000	(757,159)	(407,159)
Balance at 31 December 2023	-	-	23,992,132	(6,508,905)	17,483,227

PORT AUTHORITY OF THE CAYMAN ISLANDS

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
2,051	Cash on hand	2,467	2,895
-	Cash in transit	-	-
3,308,336	CI$ Account	3,846,809	5,562,264
1,128,587	US$ Account	2,780,106	4,592,756
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
4,134,814	Short-Term Fixed Deposits	5,163,314	6,191,814
8,573,788	**TOTAL**	**11,792,696**	**16,349,729**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
-	Sale of goods and services to Cabinet	-	-
28,031	Sale of goods and services to Ministries/Portfolios	28,031	28,031
3,997	Sale of goods and services to Statutory Agencies and Government Conpanies	3,997	3,997
1,321,453	Sale of goods and services - third party	1,321,454	1,321,453
-	Other	-	-
(50,038)	**Less: provision for doubtful debts**	(50,038)	(50,038)
1,303,443	**Total trade receivables**	**1,303,444**	**1,303,443**

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
847,238	Past due 1-30 days	847,239	847,238
247,654	Past due 31-60 days	247,654	247,654
65,172	Past due 61-90 days	65,172	65,172
143,379	Past due 90 and above	143,379	143,379
	Non-Current		
-	Past due 1 year and above	-	-
1,303,443	**Total**	**1,303,444**	**1,303,443**

NOTE 2: TRADE AND OTHER RECEIVABLES (CONTINUED)

12-Month Forecast 2021	Other Receivables	12-Month Budget 2022	12-Month Budget 2023
-	Advances (salary, official travel, etc)	-	-
-	Dishonoured cheques	-	-
-	Interest receivable	-	-
120,000	Other	120,000	120,000
-	**Less: provision for doubtful debts**	-	-
120,000	**Total other receivables**	**120,000**	**120,000**

12-Month Forecast 2021	Other Receivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
120,000	Past due 1-30 days	120,000	120,000
-	Past due 31-60 days	-	-
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
120,000	**Total**	**120,000**	**120,000**

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(50,038)	Balance at begining of period	(50,038)	(50,038)
-	Additional provisions made during the year	-	-
-	Receivables written off during the period	-	-
(50,038)	**Balance at 31st December**	**(50,038)**	**(50,038)**

NOTE 3: INVENTORIES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Inventories		
1,263,262	Inventory held for use in the provision of goods and services	1,000,000	1,000,000
-	Inventory held for sale	-	-
-	Inventory Other	-	-
-	Impairment of Inventory	-	-
1,263,262	**INVENTORIES - Current**	**1,000,000**	**1,000,000**
	Non-Current Inventories		
-	Inventory held for use in the provision of goods and services	-	-
-	Inventory held for sale	-	-
-	Inventory Other	-	-
-	Impairment of Inventory	-	-
-	**INVENTORIES - Non-Current**	**-**	**-**
1,263,262	**TOTAL INVENTORIES**	**1,000,000**	**1,000,000**

NOTE 5: PREPAYMENTS

12-Month Forecast 2021	Prepayments	12-Month Budget 2022	12-Month Budget 2023
	Current Prepayments		
150,000		150,000	150,000
150,000	**Prepayments - Current**	**150,000**	**150,000**
	Non-Current Prepayments		
150,000	**Total Prepayments**	**150,000**	**150,000**

PORT AUTHORITY OF THE CAYMAN ISLANDS

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Infrastructure*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2020	29,827,001	12,898,044	25,510,744	1,422,235	2,098,432	9,150,000	817,231	80,580	81,804,267
Additions	-	421,030	160,858	177,437	103,285		44,404	5,530,671	6,437,685
Disposals and Derecognisation	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	(1,850,000)	-	-	(1,850,000)
Transfers	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2020	29,827,001	13,319,074	25,671,602	1,599,672	2,201,717	7,300,000	861,635	5,611,251	86,391,952

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Infrastructure*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2021	29,827,001	13,319,074	25,671,602	1,599,672	2,201,717	7,300,000	861,635	5,611,251	86,391,952
Additions	-	390,000	1,802,932	250,000	579,756	(1,500,000)	-	-	1,522,688
Disposals and Derecognisation	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Transfers	-	-	5,611,251	-	-	-		(5,611,251)	-
Balance as at 31 December 2021	29,827,001	13,709,074	33,085,785	1,849,672	2,781,473	5,800,000	861,635	-	87,914,640

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Infrastructure*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	29,827,001	13,709,074	33,085,785	1,849,672	2,781,473	5,800,000	861,635	-	87,914,640
Additions	-	250,000	-	250,000	-	-	-	-	500,000
Disposals and Derecognisation	-	-	(6,279)	-	-	-	-	-	(6,279)
Revaluation	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	29,827,001	13,959,074	33,079,506	2,099,672	2,781,473	5,800,000	861,635	-	88,408,361

	Land	*Plant and equipment*	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Infrastructure*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	29,827,001	13,959,074	33,079,506	2,099,672	2,781,473	5,800,000	861,635	-	88,408,361
Additions	-	250,000	-	250,000	-	-	-	-	500,000
Disposals and Derecognisation	-	-	(5,000)	-	-	-	-	-	(5,000)
Revaluation	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	350,000	-	-	350,000
Balance as at 31 December 2023	29,827,001	14,209,074	33,074,506	2,349,672	2,781,473	6,150,000	861,635	-	89,253,361

PORT AUTHORITY OF THE CAYMAN ISLANDS

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Plant and equipment	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Other assets*	*Total*
Balance as at 1 January 2020	5,661,939	3,297,054	1,029,215	1,289,932	786,636	12,064,776
Transfers	-	-	-	-	-	-
Impairment Reserve 2020 (closing balance)	-	-	-	-	-	-
Depreciation Expense 2020	426,280	1,108,309	168,588	269,955	18,233	1,991,365
Eliminate on Disposal or Derecognisation 2020	-	-	-	-	-	-
Balance as at 31 December 2020	6,088,219	4,405,363	1,197,803	1,559,887	804,869	14,056,141

	Plant and equipment	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Other assets*	*Total*
Balance as at 1 January 2021	6,088,219	4,405,363	1,197,803	1,559,887	804,869	14,056,141
Transfers	-	-	-	-	-	-
Impairment Reserve 2021 (closing balance)	-	-	-	-	-	-
Depreciation Expense 2021	452,280	1,318,054	185,255	308,605	18,233	2,282,427
Eliminate on Disposal or Derecognisation 2021	-	-	-	-	-	-
Balance as at 31 December 2021	6,540,499	5,723,417	1,383,058	1,868,492	823,102	16,338,568

	Plant and equipment	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Other assets*	*Total*
Balance as at 1 January 2022	6,540,499	5,723,417	1,383,058	1,868,492	823,102	16,338,568
Transfers	-	-	-	-	-	-
Impairment change 2022	-	-	-	-	-	-
Depreciation Expense 2022	468,947	1,318,054	201,921	308,605	18,233	2,315,760
Eliminate on Disposal or Derecognisation 2022	-	-	-	-	-	-
Balance as at 31 December 2022	7,009,446	7,041,471	1,584,979	2,177,098	841,335	18,654,328

	Plant and equipment	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Other assets*	*Total*
Balance as at 1 January 2023	7,009,446	7,041,471	1,584,979	2,177,098	841,335	18,654,328
Transfers	-	-	-	-	-	-
Impairment change 2023	-	-	-	-	-	-
Depreciation Expense 2023	485,613	1,318,054	218,588	308,605	18,233	2,349,094
Eliminate on Disposal or Derecognisation 2023	-	-	-	-	-	-
Balance as at 31 December 2023	7,495,059	8,359,525	1,803,567	2,485,703	859,568	21,003,422

Net Book value 31 December 2020	29,827,001	7,230,855	21,266,239	401,869	641,830	7,300,000	56,766	5,611,251	72,335,811
Net Book value 31 December 2021	29,827,001	7,168,575	27,362,368	466,614	912,981	5,800,000	38,533	-	71,576,072
Net Book value 31 December 2022	29,827,001	6,949,628	26,038,035	514,693	604,375	5,800,000	20,300	-	69,754,033
Net Book value 31 December 2023	29,827,001	6,714,015	24,714,981	546,105	295,770	6,150,000	2,067	-	68,249,939

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Trade payables other payables and accruals		
1,172,010	Creditors Third party	1,231,981	1,397,670
100,498	Accrued Expenses	105,247	118,365
1,272,508	**Trade payables, other payables and accruals - Current**	**1,337,228**	**1,516,035**
205,000	Operating Lease	200,000	195,000
205,000	**Trade payables, other payables and accruals - Non-Current**	**200,000**	**195,000**
1,477,508	**Total trade payables, other payables and accruals**	**1,537,228**	**1,711,035**

NOTE 10: UNEARNED REVENUE

12-Month Forecast 2021	Details	12-Month Budget 2022	12-Month Budget 2023
	Current Unearned Revenue		
97,227		97,227	97,227
97,227	**Total current portion**	**97,227**	**97,227**
	Non-Current Unearned Revenue		
-	**Total non-current portion**	-	-
97,227	**Total Unearned Revenue**	**97,227**	**97,227**

NOTE 11: EMPLOYEE ENTITLEMENTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current employee entitlements		
1,028,723	Accrued salaries	1,077,330	1,211,622
1,028,723	**Total current portion**	**1,077,330**	**1,211,622**
1,028,723	**Total employee entitlements**	**1,077,330**	**1,211,622**

NOTE 14: UNFUNDED POST RETIREMENT HEALTH CARE

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(57,938,000)		(63,518,000)	(66,670,000)
(57,938,000)	**Total Unfunded Health Care Liability**	**(63,518,000)**	**(66,670,000)**

NOTE 15A: SALE OF GOODS AND SERVICES

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
-	Fees and Charges	-	-
20,708,154	General Sales	23,183,171	25,579,628
205,290	Rentals	795,860	1,061,147
229,743	Other Goods & Services Revenue	232,041	234,362
-	Sale of goods and services to Cabinet	-	-
332,000	Sale of goods and services to Other Ministries and Portfolios	364,000	385,000
21,475,187	**Total sales of goods and services**	**24,575,072**	**27,260,136**

12-Month Forecast 2021	General Sales	12-Month Budget 2022	12-Month Budget 2023
19,491,990	Cargo Handling	19,856,470	20,846,494
-	Cruise Ship passenger Fees	1,801,714	3,153,001
1,022,967	Maritime services	1,329,857	1,383,051
193,197	Diesel sales	195,130	197,082
20,708,154	**Total General Sales**	**23,183,171**	**25,579,628**

12-Month Forecast 2021	Rentals	12-Month Budget 2022	12-Month Budget 2023
205,290	Rental Income	795,860	1,061,147
205,290	**Total Rentals**	**795,860**	**1,061,147**

NOTE 15A: SALE OF GOODS AND SERVICES (CONTINUED)

12-Month Forecast 2021	Other Goods and Services Revenue	12-Month Budget 2022	12-Month Budget 2023
229,743	Other Income	232,041	234,362
229,743	**Total Other Goods and Services Revenue**	**232,041**	**234,362**
-	**Total Sales of Outputs to Cabinet**	**-**	**-**
	Other Interdepartmental Revenue		
175,000	Revenue from Ministries/Portfolios	160,000	175,000
157,000	Revenue from Statutory Authorities and Government Companies	204,000	210,000
332,000	**Total Other Interdepartmental Revenue**	**364,000**	**385,000**
21,475,187	**Total Goods and Services**	**24,575,072**	**27,260,136**

NOTE 16: INVESTMENT REVENUE

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
9,815	Interest on deposits	8,500	8,500
-	Interest on cash balances	-	-
-	Royalties	-	-
-	Other	-	-
-	Other	-	-
9,815	**Total Investment revenue**	**8,500**	**8,500**

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
11,368,707	Salaries, wages and allowances	11,902,304	12,551,895
-	Health care CINICO	-	-
1,079,520	Health care other	1,849,470	1,941,943
1,136,871	Pension	1,328,596	1,404,957
-	Leave	-	-
170,584	Other personnel related costs	250,584	275,584
13,755,682	**Total Personnel Costs**	**15,330,954**	**16,174,379**

PORT AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
11,368,707	Salaries, wages and allowances	11,902,304	12,551,895
-	Health care CINICO	-	-
1,079,520	Health care other	1,849,470	1,941,943
1,136,871	Pension	1,328,596	1,404,957
-	Leave	-	-
170,584	Other personnel related costs	250,584	275,584
13,755,682	**Total Personnel Costs**	**15,330,954**	**16,174,379**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
2,319,299	Supplies and Materials	2,464,440	2,621,803
1,531,338	Purchase of services	1,863,823	2,062,826
-	Lease of Property and Equipment	21,362	21,362
617,785	Utilities	639,407	661,787
591,224	General Insurance	650,000	700,000
-	Interdepartmental expenses	-	-
30,000	Travel and Subsistence	85,000	95,000
-	Recruitment and Training	-	-
183,095	Other	187,546	187,545
5,272,741	**Total Supplies & consumables**	**5,911,578**	**6,350,323**

NOTE 22: OTHER GAINS/(LOSSES)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
-	Net (gain) / loss on disposal of property, plant and equipment	-	-
1,500,000	Net (gain) / loss on derecognition and revaluation of assets	-	(350,000)
-	Net (gain) / loss on foreign exchange Transactions	-	-
1,500,000	**Total gains/ (losses)**	-	**(350,000)**

PORT AUTHORITY OF THE CAYMAN ISLANDS

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(7,286,848)	**Surplus/(deficit) from ordinary activities**	(4,924,721)	(805,159)
	Non-cash movements		
2,282,427	Depreciation & Amortisation	2,315,760	2,349,094
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
1,500,000	(Gain) / loss on derecognition and revaluation of assets	-	(350,000)
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:		
313,472	(Increase)/decrease in other current assets - Other	269,540	5,000
5,447,817	(Increase/(decrease) in current liabilities - Other	6,058,328	3,858,099
2,256,868	**Net cash flows from operating activities**	**3,718,908**	**5,057,033**

NOTE 25: COMMITMENTS

Type	One year or less	One to five Years	Over five Years	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
Capital Commitments					
Property, plant and equipment	-	-	-	-	-
Other fixed assets	-	-	-	-	-
Other commitments (list separately if material)	-	-	-	-	-
Total Capital Commitments	-	-	-	-	-
Operating Commitments					
Non-cancellable accommodation leases	-	-	-	-	-
Other non-cancellable leases	99,716	498,580		598,296	598,296
Non-cancellable contracts for the supply of goods and services	-	-	-	-	-
Other operating commitments	-	-	-	-	-
Total Operating Commitments	99,716	498,580	-	598,296	598,296
Total Commitments	99,716	498,580	-	598,296	598,296

NOTE 26: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
622,946	Salaries & other short-term employee benefits	622,946	622,946
-	Past employee benefits	-	-
-	Other long-term benefits	-	-
-	Termination benefits	-	-
-	Loans	-	-
622,946	**Total**	**622,946**	**622,946**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

PUBLIC SERVICE PENSIONS BOARD

FOR THE 2022 FINANCIAL YEAR ENDING 31 DECEMBER 2022
AND THE 2023 FINANCIAL YEAR ENDING 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT (2020 REVISION)

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2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Public Service Pensions Board have agreed the Public Service Pensions Board will seek to achieve during the 2022 and 2023 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Public Service Pensions Board is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Public Service Pensions Board's activities involve pension administration and fund investment management services.

SCOPE OF ACTIVITIES

The scope of Public Service Pensions Board activities is as follows:

a) Administration of the:
   - Public Service Pensions Plan
   - Parliamentary Pensions Plan
   - Judicial Pension Plan
   - Ex-Gratia Pensions Scheme including engagement with Government on funding

b) Management of the Public Service Pensions Fund investments
c) Policy advice on pension requirements for public service pension plans, pension reform and directing the drafting of related legislation.

CUSTOMERS AND LOCATION OF ACTIVITIES

The Public Service Pensions Board provides pension administration and fund investments management services to its membership comprised of:

- eligible employees of the;
  - Cayman Islands Government;
  - Participating statutory authorities (Cayman Islands Development Board, Cayman Islands Monetary Authority, Water Authority, Cayman Turtle Centre, National Roads Authority, Civil Aviation Authority, Airports Authority, Maritime Authority of the Cayman Islands, Health Service Authority, CAYS Foundation, Utility Regulation and Competition Office (OfReg), Tourism Attraction Board CINICO, Cayman Stock Exchange and Public Service Pensions Board);
  - The Speaker and elected members of the Parliament; and
  - Judges of the Grand Court
- Deferred Vested plan members; and
- Pensioners.

Industry advisory services are provided to the Cayman Islands Government and non-core services provided to other stakeholders.

The Public Service Pensions Board services are provided locally.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the Public Service Pensions Board for the 2022 and 2023 financial years are as follows:

STRATEGIC GOALS

PSPB 2022 Strategy: Driving Plan Sustainability

1. Aligns with our "Member Services" focus;
2. Sets the operational direction for the next 5 years; and
3. Sets out a stakeholder driven 5-year roadmap to advance The Authority toward its vision to provide best in class investment programme and excellence in Member Services whilst maintaining Plan sustainability.

The Strategy is focused on the following strategic goals:

1. Improve the long-term sustainability of the Plan;
2. Cultivate at all levels a high-performing, risk-intelligent and innovative organization focusing on Excellence in Member Services; and
3. Engage in Government policy development to enhance the long-term sustainability and effectiveness of our pension schemes.

STRATEGIC OBJECTIVES and ACTIVITIES

The fundamental mission of the Public Service Pensions Board is to administer the Plans, manage the Fund, and provide quality and timely service to its members and other stakeholders. Its strategic objective and activities are membership focused, aligns with the strategic goals of the organisation, and sets the operational direction for the period, as we build toward achieving the PSPB 2022 Strategy.

These objectives and activities are detailed in the Public Service Pensions Board's Annual Business Plan document.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Public Service Pensions Board for the 2022 and 2023 financial years are as follows:

	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE FROM CABINET	-	-	-
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	6,581,882	6,866,194	8,152,240
OPERATING EXPENSES	6,581,882	6,866,194	8,152,240
OPERATING SURPLUS/DEFICIT	**-**	**-**	**-**
NET WORTH	**-**	**-**	**-**
CASH FLOWS FROM OPERATING ACTIVITIES	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-
CHANGE IN CASH BALANCES	-	-	-

FINANCIAL PERFORMANCE RATIO	2022 1 Jan to 31 Dec 2022 %	2023 1 Jan to 31 Dec 2023 %	2021 12-Month Forecast %
CURRENT ASSETS : CURRENT LIABILITIES	-	-	-
TOTAL ASSETS : TOTAL LIABILITIES	-	-	-

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	30	30	30
STAFF TURNOVER (%)			
MANAGERS	-	-	17%
PROFESSIONAL AND TECHNICAL STAFF	-	-	10%
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	15.4	14.4	13.4
PROFESSIONAL AND TECHNICAL STAFF	10.0	9.0	8.0
CLERICAL AND LABOURER STAFF	12.0	11.0	10.0
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	-	-	-

PHYSICAL CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	-	-	-
ASSET REPLACEMENTS : TOTAL ASSETS	-	-	-
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	-	-	-
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	-	-	-
CHANGES TO ASSET MANAGEMENT POLICIES	-	-	-

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
PENSION ADMINISTRATION SYSTEM	-	-	3,059,788
TOTAL	**-**	**-**	**3,059,788**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Hurricane	Risk Unchanged	Hurricane Preparedness Plan in place.	Unquantifiable
Public Liability	Risk Unchanged	Seeking public liability coverage (tendered process).	Unquantifiable
Loss of key personnel	Risk Unchanged	Training and development in place as retention incentive.	Unquantifiable
Cyber Security	Risk Unchanged	Cyber security insurance, third party and penetration cloud-based testing.	Unquantifiable

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Public Service Pensions Board is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE	6,581	6,866	8,152
OPERATING EXPENSES	6,581	6,866	8,152
NET SURPLUS/(DEFICIT)	-	-	1

BALANCE SHEET	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
ASSETS	-	-	-
LIABILITIES	-	-	-
NET WORTH	-	-	-

STATEMENT OF CASH FLOW	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's
EQUITY INVESTMENTS INTO PUBLIC SERVICE PENSIONS BOARD	-	-
CAPITAL WITHDRAWALS FROM PUBLIC SERVICE PENSIONS BOARD	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY PUBLIC SERVICE PENSIONS BOARD	-	-
GOVERNMENT LOANS TO BE MADE TO PUBLIC SERVICE PENSIONS BOARD	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO PUBLIC SERVICE PENSIONS BOARD	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[41]	-	-
REMUNERATION[42] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	1,307,000	1,307,000
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	1,139,000	1,139,000

DESCRIPTION	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	13	13
NUMBER OF KEY SENIOR MANAGEMENT (MD)	6	6

[41] Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

[42] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the Public Service Pensions Board undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will the sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Public Service Pensions Board will seek to achieve for the 2022 and 2023 financial years and that the Cabinet will monitor performance against.

Honourable Franz Manderson, MBE, Cert Hon
Deputy Governor
On behalf of Cabinet

Chairman of the Board
Public Service Pensions Board

31 December 2021

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS
GOVERNMENT

PUBLIC SERVICE PENSIONS BOARD
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2022 and 31 December 2023 and performance for the Public Service Pensions Board for the financial years ending 31 December 2022 and 31 December 2023; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
Public Service Pensions Board

31 December 2021

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PUBLIC SERVICE PENSIONS BOARD

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

Basis of preparation

PSPB's financial statements are prepared on a going concern basis under the historical cost convention and in accordance with International Financial Reporting Standards and present the aggregate financial position of the Fund as a separate financial reporting entity independent of the plan sponsors and plan participants.

They are prepared to assist participants and others in reviewing the activities of the Fund for the fiscal period, but they do not portray the funding requirements of the Plan or the benefits security of individual plan participants.

The following are a summary of the **significant** accounting policies used:

Reporting and functional currency

The financial statements are presented in Cayman Islands dollars, rounded to the nearest thousand.

Changes in accounting policies

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

Judgments and estimates

The preparation of financial statements in conformity with International Financial Reporting Standards requires judgments, estimates and assumptions affecting the application of policies and reported amounts of assets and liabilities, revenue and expenses. Estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Contributions

Contributions are accounted for on the accrual basis and are reflective of the latest gazetted contribution rates

Investments

Investments are stated at their fair market value at the date of the Statements of Net Assets Available for Benefits. Realized and unrealized gains and losses are recognized in the Statements of Changes in Net Assets Available for Benefits.

Investment income

Investment income is accounted for on the accrual basis.

PUBLIC SERVICE PENSIONS BOARD

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

Fixed assets

Fixed assets are initially recorded at cost. Subsequently, depreciation is charged to operations per annum on a straight-line basis as follows:

Furniture and fixtures	10%
Computer equipment and software	20%
Office equipment	20%
Vehicle	20%

Intangibles

Intangible asset is comprised of externally acquired software for internal use. It is measured at cost and amortized on a straight-line basis over its useful life over a period not exceeding 5 years.

Disposals

Gains and losses on disposals of fixed assets are determined by comparing the sale proceeds with the carrying amount of the asset. Gains and losses on disposals during the year are included in the Statement of Changes in Net Assets Available for Benefits.

Foreign currency transactions

Transactions in foreign currencies, other than in US Dollars, are translated at the rate of exchange prevailing at the date of the transaction. Transactions in US dollars are translated at the rate of US$1.20 = CI$1.00.

Changes in International Financial Reporting Standards

Leases

Leases are accounted for under the guidance provided by IFRS 16.

PUBLIC SERVICE PENSIONS BOARD

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL PERFORMANCE	Note	12-Month Budget 2022	12-Month Budget 2023
	Revenue			
-	Sale of goods and services	**15**	-	-
-	Investment revenue	**16**	-	-
-	Donations	**17**	-	-
8,152,240	Other revenue		6,581,882	6,866,195
8,152,240	**Total Revenue**		**6,581,882**	**6,866,195**
	Expenses			
3,734,371	Personnel costs	**18**	3,914,370	4,216,488
250,838	Supplies and consumables	**19**	263,381	276,549
-	Depreciation and Amortisation	**7**	-	-
-	Impairment of Inventory,property, plant and equipment		-	-
1,000	Finance costs & overdraft interest	**20**	1,050	1,103
-	Litigation costs	**21**	-	-
-	Other (Gains)/losses	**22**	-	-
4,166,031	Other Operating expenses		2,403,081	2,372,054
8,152,240	**Total Expenses**		**6,581,882**	**6,866,194**
-	**Surplus or (Deficit) for the period**		**-**	**1**

PUBLIC SERVICE PENSIONS BOARD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
2,859,305	Salaries, wages and allowances	3,002,270	3,152,385
465,728	Health care CINICO	489,014	513,465
	Health care other		
328,348	Pension	344,765	362,004
	Leave		
80,990	Other personnel related costs	78,321	188,634
3,734,371	**Total Personnel Costs**	**3,914,370**	**4,216,488**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
17,945	Supplies and Materials	18,843	19,784
-	Purchase of services	-	-
-	Lease of Property and Equipment	-	-
3,180	Utilities	3,339	3,506
52,663	General Insurance	55,296	58,061
-	Interdepartmental expenses	-	-
98,050	Travel and Subsistence	102,953	108,100
79,000	Recruitment and Training	82,950	87,098
-	Other	-	-
250,838	**Total Supplies & consumables**	**263,381**	**276,549**

NOTE 20: FINANCE COSTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
1,000	Interest on overdraft	1,050	1,103
1,000	**Total Finance cost**	**1,050**	**1,103**

OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION

FOR THE 2022 FINANCIAL YEAR ENDING 31 DECEMBER 2022
AND THE 2023 FINANCIAL YEAR ENDING 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT (2020 REVISION)

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CONTENTS

1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Sister Islands Affordable Housing Corporation have agreed the Sister Islands Affordable Housing Corporation will seek to achieve during the 2022 and 2023 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the *Sister Islands Affordable Housing Corporation* is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The *Sister Islands Affordable Housing Development Corporation* activities involve being an important factor in the economic development of the Cayman Islands by providing affordable homes to Caymanians in the Sister Islands.

SCOPE OF ACTIVITIES

The scope of the Sister Islands Affordable Housing Development Corporation activities is as follows:

- Construction of affordable homes to be sold to the Caymanian public in the Sister Islands at an affordable price.
- Assisting with financing Caymanian households in the Sister Islands that qualify under criteria set by the Corporation for the purchase of an affordable home that have been constructed under the supervision of the Corporation.

CUSTOMERS AND LOCATION OF ACTIVITIES

The services provided by the Sister Islands Affordable Housing Development Corporation are provided only within the Sister Islands.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the *Sister Islands Affordable Housing Corporation* for the 2022 and 2023 financial years are as follows:

STRATEGIC GOALS

- To become a well-structured, efficiently managed organization that is fair and prudent in its processing and selection of eligible applicants for the affordable homes offered by the Corporation.

- To identify the housing needs of Caymanians in the Sister Islands and to continue developing affordable homes to meet these needs and which will contribute to the economic development of the Sister Islands.

OBJECTIVES

- Where necessary, to seek out additional funding for future development of affordable housing that have been identified as an imperative need in the economic development of the Sister Islands.

- To continue a close working relationship with the local construction industry in the Sister Islands

- To develop new homes for the households in the Sister Islands community.

- To ensure that the Sister Islands Affordable Housing Development Corporation is managed in an efficient and prudent manner.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Sister Islands Affordable Housing Corporation for the 2022 and 2023 financial years are as follows:

	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE FROM CABINET	75	75	92
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	421	421	17
OPERATING EXPENSES	(576)	(576)	(48)
OPERATING SURPLUS/DEFICIT	**(80)**	**(80)**	**44**
NET WORTH	**1,223**	**1,144**	**1,303**
CASH FLOWS FROM OPERATING ACTIVITIES	(19)	(19)	1
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-
CHANGE IN CASH BALANCES	(19)	(19)	1

FINANCIAL PERFORMANCE RATIO	2022 1 Jan to 31 Dec 2022 %	2023 1 Jan to 31 Dec 2023 %	2021 12-Month Forecast %
CURRENT ASSETS : CURRENT LIABILITIES	36.74:1	35.91:1	38.42:1
TOTAL ASSETS : TOTAL LIABILITIES	52.65:1	49.28:1	56.02:1

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	-	-	-
STAFF TURNOVER (%)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	-	-	-
PROFESSIONAL AND TECHNICAL STAFF	-	-	-
CLERICAL AND LABOURER STAFF	-	-	-
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	-	-	-

PHYSICAL CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	1,248	1,168	1,328
ASSET REPLACEMENTS : TOTAL ASSETS	1:1	1:1	1:1
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	1:1	1:1	1:1
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	-	-	-
CHANGES TO ASSET MANAGEMENT POLICIES	-	-	-

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CONSTRUCTION OF 3 HOUSES FOR SALE	421	421	-
TOTAL	**421**	**421**	**-**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Destruction, damage or loss of assets	Ongoing	Safeguard assets Contracts All Risk Insurance	Undetermined
Dwindling number of eligible applicants due to small community in Sister Islands	Ongoing	Closely monitor the need for this service Begin construction on a house only if a pre-qualifying applicant is available	Going concern of the Corporation
Applicants not qualifying for bank loans or opting out after the house has been completed	Ongoing	Board of Directors perform financial due diligence on clients prior to breaking ground	Not being able to sell a house for a long period of time therefore incurring maintenance costs
Potential budget reductions from Government to cover administrative costs of the Corporation	Ongoing	Two Ministry representatives attend all board meetings to keep abreast of the operations of the Corporation	Going concern of the Corporation

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Sister Islands Affordable Housing Corporation is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE	496	496	92
OPERATING EXPENSES	576	576	48
NET SURPLUS/(DEFICIT)	(80)	(80)	44

BALANCE SHEET	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
ASSETS	1,248	1,168	1,328
LIABILITIES	24	24	24
NET WORTH	1,224	1,144	1,304

STATEMENT OF CASH FLOW	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	(20)	(20)	2
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's
EQUITY INVESTMENTS INTO SISTER ISLANDS AFFORDABLE HOUSING CORPORATION	-	-
CAPITAL WITHDRAWALS FROM SISTER ISLANDS AFFORDABLE HOUSING CORPORATION	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY SISTER ISLANDS AFFORDABLE HOUSING CORPORATION	-	-
GOVERNMENT LOANS TO BE MADE TO SISTER ISLANDS AFFORDABLE HOUSING CORPORATION	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO SISTER ISLANDS AFFORDABLE HOUSING CORPORATION	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[43]	-	-
REMUNERATION[44] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	-	-
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	-	-

DESCRIPTION	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	NONE	NONE
NUMBER OF KEY SENIOR MANAGEMENT (MD)	NONE	NONE

[43] Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

[44] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the Sister Islands Affordable Housing Corporation undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will the sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Sister Islands Affordable Housing Corporation will seek to achieve for the 2022 and 2023 financial years and that the Cabinet will monitor performance against.

Honourable Juliana O'Connor-Connolly, JP
Minister for District Administration and Lands
On behalf of Cabinet

Chairman of the Board
Sister Islands Affordable Housing Development Corporation

31 December 2021

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS
GOVERNMENT

SISTER ISLANDS AFFORDABLE HOUSING CORPORATION
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2022 and 31 December 2023 and performance for the Sister Islands Affordable Housing Corporation for the financial years ending 31 December 2022 and 31 December 2023; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
Sister Islands Affordable Housing Development Corporation

31 December 2021

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SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

1. Establishment and principal activities

The Sister Islands Affordable Housing Development Corporation (SIAHDC) was incorporated as a non-profit company on 1 June 2006 and is a wholly-owned Government entity.

The main purpose of the Organization is to promote affordable home ownership on Cayman Brac and Little Cayman. Two properties are currently owned on Cayman Brac: Watering Place and West End with spaces for 15 homes and 20-30 homes respectively.

The Sister Islands Affordable Housing Development Corporation aims to provide quality concrete construction freehold homes which are owned outright by the successful applicants. The Organization works closely with the Public Works Department and the Ministry of District Administration, Tourism & Transport.

The main office is located at the Avistar Building III, Unit# 48, West End, Cayman Brac and correspondences may be sent to P.O. Box 141, Cayman Brac KY2-2101.

2. Significant accounting policies

These Forecast Financial Statements have been prepared in accordance with the provisions of the Public Management and Finance Law (2020 Revision). The significant accounting policies adopted by the SIAHDC in these financial statements are as follows:

(a) Basis of preparation

The Forecast Financial Statements have been prepared in accordance with the provisions of the Public Management and Finance Law (2020 Revision). The measurement base applied is historical cost adjusted for revaluations of assets.

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

(b) Use of estimates

The preparation Forecast Financial Statements have been prepared in accordance with the provisions of the Public Management and Finance Law (2020 Revision) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the forecast financial statements as well as the reported amounts of income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the reporting period and in any future periods that are affected by those revisions.

(c) Changes in Accounting Policies

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

(d) Reporting Period

The reporting period is the year ended 31 December 2021.

(e) Foreign currency translation

Assets and liabilities denominated in currencies other than Cayman Islands dollars are translated at exchange rates in effect at the financial statement date. Revenue and expense transactions denominated in currencies other than Cayman Islands dollars are translated at exchange rates at the date of those transactions. Gains and losses arising on translation are included in the statement of Financial Performance.

(f) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents are considered as cash held on demand and fixed deposits with an original maturity of three months or less.

(g) Accounts receivable

Accounts receivable are recognized initially at fair value and are subsequently reviewed for impairment. Where there is objective evidence that a debt will not be collected by the SIAHDC according to the agreed terms, a provision for bad debt is established.

(h) Property, plant and equipment/depreciation

In keeping the accounting policies of the Government of the Cayman Islands, who is the sole shareholder, all fixed asset purchases under CI$1,000 are immediately expensed. Property, Plant and Equipment are stated at cost less accumulated depreciation and amortization and any impairment losses.

Depreciation is charged to the statement of Financial Performance on a straight-line basis based on the estimated useful life of the Asset.

(i) Revenue recognition

Revenue is recognized at the point the Organization meets the obligations to the purchaser. Revenue from housing sales is recognized at the point of sale.

(j) Expense

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

(k) Operating lease

Lease payments are recognized as an expense on a straight-line basis over the lease term.

(l) Land

Land was acquired from the Government at no cost and is recorded at fair market value at the date of acquisition.

(m) Employee Benefits

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

Pension contributions for employees of SIAHDC are paid to the Silver Thatch Pension Fund and administered by the Silver Thatch Pension Board.

Silver Thatch Pensions is governed by a board of trustees who appoint agents to handle administration. Saxon Pensions are the Client Services Agent and Coutts Cayman are the Investment Managers.

(n) Financial Instruments

i. Classification

A financial asset is classified as any asset that is cash, a contractual right to receive cash or another financial asset, exchange financial instruments under conditions that are potentially favorable or an equity instrument of another enterprise. Financial assets are comprised of cash and cash equivalents and prepayments.

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

ii. Recognition

The Sister Islands Affordable Housing Development Corporation recognizes financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. From this date, any gains

and losses arising from changes in fair value of the assets or liabilities are recognized in the statement of Financial Performance.

iii. Measurement

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

iv. De-recognition

A financial asset is derecognized when the Sister Islands Affordable Housing Development Corporation realizes the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognized when it is extinguished, that is when the obligation is discharged, cancelled or expired.

(o) Provisions and Contingencies

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

Contingent liabilities are disclosed when there is a possible obligation or present obligation that may, but probably will not, require an outflow of resources. Contingent assets are not recognized but are disclosed in the financial statements when an inflow of economic benefits is probable.

(p) Subsequent Events

Post year-end events that provide additional information about the Sister Islands Affordable Housing Development Corporation's position at the balance sheet date (adjusting event) are reflected in the financial statements. Post year-end events that are not adjusting events, if any, are disclosed in the notes to the financial statements when material.

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL POSITION	Note	12-Month Budget 2022	12-Month Budget 2023
	Current Assets			
889,623	Cash and cash equivalents	1	869,773	849,923
-	Marketable securities and deposits		-	-
-	Trade receivables	2	-	-
1,039	Other receivables	2	1,039	1,039
-	Inventories	3	-	-
-	Investments	4	-	-
100	Prepayments	5	100	100
-	Loans	6	-	-
890,762	**Total Current Assets**		**870,912**	**851,062**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
436,750	Property, plant and equipment	7	376,750	316,750
-	Intangible Assets	8	-	-
436,750	**Total Non-Current Assets**		**376,750**	**316,750**
1,327,512	**Total Assets**		**1,247,662**	**1,167,812**
	Current Liabilities			
23,699	Trade payables	9	23,699	23,699
-	Other payables and accruals	9	-	-
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Current Portion of Borrowings	12	-	-
23,699	**Total Current Liabilities**		**23,699**	**23,699**
	Non-Current Liabilities			
-	Trade payables	9	-	-
-	Other payables and accruals	9	-	-
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Unfunded pension liability	13	-	-
-	Unfunded post retirement health care	14	-	-
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
-	**Total Non-Current Liabilities**		-	-
23,699	**Total Liabilities**		**23,699**	**23,699**
1,303,813	**Net Assets**		**1,223,963**	**1,144,113**
	NET WORTH			
2,252,850	Contributed capital		2,252,850	2,252,850
-	Other Reserves		-	-
-	Revaluation reserve		-	-
(949,037)	Accumulated surpluses/(deficits)		(1,028,887)	(1,108,737)
1,303,813	**Total Net Worth**		**1,223,963**	**1,144,113**
				-

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL PERFORMANCE	Note	12-Month Budget 2022	12-Month Budget 2023
	Revenue			
92,130	Sale of goods and services	**15**	496,000	496,000
150	Investment revenue	**16**	150	150
-	Donations	**17**	-	-
-	Other revenue		-	-
92,280	**Total Revenue**		**496,150**	**496,150**
	Expenses			
-	Personnel costs	**18**	-	-
48,190	Supplies and consumables	**19**	576,000	576,000
-	Depreciation and Amortisation	**7**	-	-
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	**20**	-	-
-	Litigation costs	**21**	-	-
-	Other (Gains)/losses	**22**	-	-
-	Other Operating expenses		-	-
48,190	**Total Expenses**		**576,000**	**576,000**
44,090	**Surplus or (Deficit) for the period**		**(79,850)**	**(79,850)**

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	CASH FLOW STATEMENT	Note	12-Month Budget 2022	12-Month Budget 2023
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
75,000	Sale of goods and services to Cabinet		75,000	75,000
-	Sale of goods and services to Ministries/Portfolios		-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
-	Sale of goods and services - third party		421,000	421,000
150	Interest received		150	150
-	Donations / Grants		-	-
-	Other receipts		-	-
	Payments			
-	Personnel costs		-	-
-	Supplies and consumables - Ministries/Portfolios		-	-
(56,000)	Supplies and consumables - Statutory Agencies and Government Conpanies		(31,000)	(31,000)
(17,190)	Supplies and consumables - third party		(485,000)	(485,000)
-	Interest paid		-	-
-	Other payments		-	-
1,960	**Net cash flows from operating activities**	**23**	**(19,850)**	**(19,850)**
	CASH FLOWS FROM INVESTING ACTIVITIES			
-	Purchase of property, plant and equipment		-	-
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
-	Proceeds from sale of investments		-	-
-	**Net cash flows from investing activities**		**-**	**-**
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Equity Investment from Cabinet		-	-
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	Borrowings		-	-
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
-	**Net cash flows from financing activities**		**-**	**-**
1,960	**Net increase/(decrease) in cash and cash equivalents**		**(19,850)**	**(19,850)**
887,663	Cash and cash equivalents at beginning of period		889,623	869,773
889,623	**Cash and cash equivalents at end of period**		**869,773**	**849,923**

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2019 brought forward	2,252,850	-	-	(993,127)	1,259,723
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2019	2,252,850	-	-	(993,127)	1,259,723
Changes in net worth for 2020					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2020				-	-
Total recognised revenues and expenses for the period	-	-	-	-	-
Balance at 31 December 2020	2,252,850	-	-	(993,127)	1,259,723
Balance at 31 December 2020 brought forward	2,252,850	-	-	(993,127)	1,259,723
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2020	2,252,850	-	-	(993,127)	1,259,723
Changes in net worth for 2021					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2021				44,090	44,090
Total recognised revenues and expenses for the period	-	-	-	44,090	44,090
Balance at 31 December 2021 carried forward	2,252,850	-	-	(949,037)	1,303,813

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	2,252,850	-	-	(949,037)	1,303,813
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	2,252,850	-	-	(949,037)	1,303,813
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2022				(79,850)	(79,850)
Total recognised revenues and expenses for the period	-	-	-	(79,850)	(79,850)
Balance at 31 December 2022 carried forward	2,252,850	-	-	(1,028,887)	1,223,963
Balance at 31 December 2022 brought forward	2,252,850	-	-	(1,028,887)	1,223,963
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	2,252,850	-	-	(1,028,887)	1,223,963
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-	-
Surplus/(deficit)for the period 2023				(79,850)	(79,850)
Total recognised revenues and expenses for the period	-	-	-	(79,850)	(79,850)
Balance at 31 December 2023	2,252,850	-	-	(1,108,737)	1,144,113

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2021	Description change as applicable	12-Month Budget 2022	12-Month Budget 2023
-	Cash on hand	-	-
-	Cash in transit	-	-
173,159	CI$ Account	153,159	133,159
-	US$ Account	-	-
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
716,464	Short-Term Fixed Deposits	716,614	716,764
889,623	**TOTAL**	**869,773**	**849,923**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2021	Other Receivables	12-Month Budget 2022	12-Month Budget 2023
-	Advances (salary, Official Travel, etc)	-	-
-	Dishonoured cheques	-	-
39	Interest receivable	39	39
1,000	Other	1,000	1,000
-	**Less: provision for doubtful debts**	-	-
1,039	**Total other receivables**	**1,039**	**1,039**

12-Month Forecast 2021	Other Receivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
1,039	Past due 1-30 days	1,039	1,039
-	Past due 31-60 days	-	-
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
1,039	**Total**	**1,039**	**1,039**

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 5: PREPAYMENTS

12-Month Forecast 2021	Prepayments	12-Month Budget 2022	12-Month Budget 2023
	Current Prepayments		
100		100	100
100	**Prepayments - Current**	**100**	**100**
	Non-Current Prepayments		
-	**Prepayments -Non-Current**	-	-
100	**Total Prepayments**	**100**	**100**

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Land	*Furniture and Fittings*	*Total*
Balance as at 1 January 2020	436,750	2,459	439,209
Additions	-	-	-
Disposals and Derecognisation	-	-	-
Revaluation	-	-	-
Transfers	-	-	-
Balance as at 31 December 2020	436,750	2,459	439,209

	Land	*Furniture and Fittings*	*Total*
Balance as at 1 January 2021	436,750	2,459	439,209
Additions	-	-	-
Disposals and Derecognisation	-	-	-
Revaluation	-	-	-
Transfers	-	-	-
Balance as at 31 December 2021	436,750	2,459	439,209

	Land	*Furniture and Fittings*	*Total*
Balance as at 1 January 2022	436,750	2,459	439,209
Additions	-	-	-
Disposals and Derecognisation	(60,000)	-	(60,000)
Revaluation	-	-	-
Transfers	-	-	-
Balance as at 31 December 2022	376,750	2,459	379,209

	Land	*Furniture and Fittings*	*Total*
Balance as at 1 January 2023	376,750	2,459	379,209
Additions	-	-	-
Disposals and Derecognisation	(60,000)	-	(60,000)
Revaluation	-	-	-
Transfers	-	-	-
Balance as at 31 December 2023	316,750	2,459	319,209

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Land	*Furniture and Fittings*	*Total*
Balance as at 1 January 2020	-	1,639	1,639
Transfers	-	-	-
Impairment Reserve 2020 (closing balance)	-	-	-
Depreciation Expense 2020	-	820	820
Eliminate on Disposal or Derecognisation 2020	-	-	-
Balance as at 31 December 2020	-	2,459	2,459

	Land	*Furniture and Fittings*	*Total*
Balance as at 1 January 2021	-	-	-
Transfers	-	2,459	2,459
Impairment Reserve 2021 (closing balance)	-	-	-
Depreciation Expense 2021	-	-	-
Eliminate on Disposal or Derecognisation 2021	-	-	-
Balance as at 31 December 2021	-	2,459	2,459

	Land	*Furniture and Fittings*	*Total*
Balance as at 1 January 2022	-	2,459	2,459
Transfers	-	-	-
Impairment change 2022	-	-	-
Depreciation Expense 2022	-	-	-
Eliminate on Disposal or Derecognisation 2022	-	-	-
Balance as at 31 December 2022	-	2,459	2,459

	Land	*Furniture and Fittings*	*Total*
Balance as at 1 January 2023	-	2,459	2,459
Transfers	-	-	-
Impairment change 2023	-	-	-
Depreciation Expense 2023	-	-	-
Eliminate on Disposal or Derecognisation 2023	-	-	-
Balance as at 31 December 2023	-	2,459	2,459

Net Book value 31 December 2020	436,750	-	436,750
Net Book value 31 December 2021	436,750	-	436,750
Net Book value 31 December 2022	376,750	-	376,750
Net Book value 31 December 2023	316,750	-	316,750

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Trade payables other payables and accruals		
974	Creditors Third party	974	974
-	Creditors Ministries/Portfolios	-	-
22,725	Creditors other Statutory Agencies and Government Conpanies	22,725	22,725
-	Payroll Deductions	-	-
-	Operating Lease	-	-
-	Accrued Expenses	-	-
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
23,699	**Trade payables other payables and accruals - Current**	**23,699**	**23,699**
	Non-Current Trade payables other payables and accruals		
-	**Trade payables other payables and accruals - Non-Current**	**-**	**-**
23,699	**Total trade payables other payables and accruals**	**23,699**	**23,699**

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 15: SALES OF GOODS AND SERVICES

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
-	Fees and Charges	-	-
-	General Sales	421,000	421,000
-	Rentals	-	-
-	Other Goods & Services Revenue	-	-
92,130	Sale of goods and services to Cabinet	75,000	75,000
-	Sale of goods and services to Other Ministries and Portfolios	-	-
92,130	**Total sales of goods and services**	**496,000**	**496,000**

12-Month Forecast 2021	General Sales	12-Month Budget 2022	12-Month Budget 2023
-	Sales of Housing	421,000	421,000
-	**Total General Sales**	**421,000**	**421,000**

12-Month Forecast 2021	Other Goods & Services Revenue	12-Month Budget 2022	12-Month Budget 2023
	Sales of Outputs to Cabinet		
92,130	Sales of Outputs to Cabinet	75,000	75,000
	Other Outputs		
92,130	**Total Sales of Outputs to Cabinet**	**75,000**	**75,000**
	Other Interdepartmental Revenue		
-	Revenue from Ministries/Portfolios	-	-
-	Revenue from Statutory Authorities and Government Companies	-	-
-	**Total Other Interdepartmental Revenue**	**-**	**-**
92,130	**Total Goods and Services**	**496,000**	**496,000**

SISTER ISLANDS AFFORDABLE HOUSING DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 16: INVESTMENT REVENUE

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
150	Interest on deposits	150	150
-	Interest on cash balances	-	-
-	Royalties	-	-
-	Other	-	-
-	Other	-	-
150	**Total Investment revenue**	**150**	**150**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
37	Supplies and Materials	528,000	528,000
38,557	Purchase of services	40,600	40,600
6,000	Lease of Property and Equipment	6,000	6,000
3,596	Utilities	1,400	1,400
-	General Insurance	-	-
-	Interdepartmental expenses	-	-
-	Travel and Subsistence	-	-
-	Recruitment and Training	-	-
-	Other	-	-
48,190	**Total Supplies & consumables**	**576,000**	**576,000**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
44,090	**Surplus/(deficit) from ordinary activities**	(79,850)	(79,850)
	Non-cash movements		
-	Depreciation & Amortisation	-	-
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement	-	-
	Changes in current assets and liabilities:		
-	(Increase)/decrease in other current assets - Cabinet	-	-
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
(42,129)	(Increase)/decrease in other current assets - Other	60,000	60,000
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
-	(Increase/(decrease) in current liabilities - Other	-	-
1,961	**Net cash flows from operating activities**	**(19,850)**	**(19,850)**

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OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

TOURISM ATTRACTION BOARD

FOR THE 2022 FINANCIAL YEAR ENDING 31 DECEMBER 2022
AND THE 2023 FINANCIAL YEAR ENDING 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT (2020 REVISION)

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CONTENTS

1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Tourism Attraction Board have agreed the Tourism Attraction Board will seek to achieve during the 2022 and 2023 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the **Tourism Attraction Board** is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The activities of the Tourism Attraction Board involve the oversight management and maintenance of tourist attractions which fall under its control. The Tourism Attraction Board discharges its statutory obligations through its administrative office, which oversees the implementation of policies, and provides management assistance, including strategic marketing guidance and accounting expertise, to the staff of the attractions.

SCOPE OF ACTIVITIES

The scope of the Tourism Attraction Board activities is as follows:

ADMINISTRATIVE OFFICE – Development and implementation of marketing strategies, personnel management, general accounting & insurance management; preparation of budgets and financial statements; and the provision of secretarial services for the Board.

QUEEN ELIZABETH II BOTANIC PARK – Operational management for the display and maintenance of the Floral Colour Garden, Heritage Garden, Orchid Garden, Xerophytic Garden, and Palm Walk; maintenance of nature trail; plant sales and maintenance; educational seminars; operation of a gift shop; and the promotion and rental of the site for special events.

PEDRO SAINT JAMES – Operational management and custody of a historic site; operation of a gift shop and the theatre audio-visual show; bar operation; promote rental of the site for special events; generate revenue from onsite activities.

CAYMAN CRAFT MARKET – Organize and manage the activities of artists and vendors; maintenance of building and site; promotion of Caymanian arts and craft.

HELL, GEOLOGICAL SITE – Preservation of natural resources; maintenance of buildings and site; collection of monthly rental fees.

CUSTOMERS AND LOCATION OF ACTIVITIES

The customers come from three markets – residents, stay-over tourists, and cruise ship passengers.

The services provided by the Tourism Attraction Board are supplied through its attractions located at Pedro St. James, Savannah; the Queen Elizabeth II Botanic Park, Frank Sound Rd, North Side; the Cayman Craft Market, George Town, and the Hell Geological Site in West Bay. The Tourism Attraction Board Administrative Office is located at the Pedro St. James site in Savannah.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the **Tourism Attraction Board** for the 2022 and 2023 financial years are as follows:

- To increase attendance to the attractions by redeveloping and maintaining a compelling offer for all visitors.
- To ensure the sustainability of the attractions as essential tourism products in the Cayman Islands.
- To preserve and further enhance the physical environment of the attractions.
- To enrich the visitor experience through education, improved signage, accessibility, and technological enhancements.
- To maintain existing partnerships, aimed at cross-promotion of government owned tourist attractions, and develop new partnerships with private and public-sector tourist attractions.
- To enhance the brand and visual presence of the attractions.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Tourism Attraction Board for the 2022 and 2023 financial years are as follows:

FINANCIAL PERFORMANCE MEASURE	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE FROM CABINET	1,980	1,980	2,200
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	395	470	250
OPERATING EXPENSES	2,475	2,550	2,450
OTHER EXPENSES	-	-	-
NET SURPLUS/DEFICIT	(100)	(100)	-
TOTAL ASSETS	7,060	7,078	6,912
TOTAL LIABILITIES	(301)	(198)	(272)
NET WORTH	6,760	6,880	6,640
CASH FLOWS FROM OPERATING ACTIVITIES	72	(75)	96
CASH FLOWS FROM INVESTING ACTIVITIES	(220)	(220)	(150)
CASH FLOWS FROM FINANCING ACTIVITIES	220	220	-
CHANGE IN CASH BALANCES	72	(75)	(54)

FINANCIAL PERFORMANCE RATIO	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
CURRENT ASSETS : CURRENT LIABILITIES	6:1	9:1	6:1
TOTAL ASSETS : TOTAL LIABILITIES	23:1	35:1	25:1

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	34	33	31
STAFF TURNOVER (%)	-	-	-
MANAGERS	-	-	11
PROFESSIONAL AND TECHNICAL STAFF	-	-	11
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	8	8	7
PROFESSIONAL AND TECHNICAL STAFF	8	8	7
CLERICAL AND LABOURER STAFF	18	18	17
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	-	-	-

PHYSICAL CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	7,060	7,078	6,912
ASSET REPLACEMENTS : TOTAL ASSETS	-	-	-
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	80%	80%	77%
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	50%	50%	50%
CHANGES TO ASSET MANAGEMENT POLICIES	NONE PLANNED	NONE PLANED	NONE PLANNED

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
N/A	-	-	-
TOTAL	NIL	NIL	NIL

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Queen Elizabeth II Botanic Park: Public Liability Natural Disasters	 None None	Insurance Take necessary precautions on-site to minimize damage in the event of a hurricane or other forecasted natural disaster and review insurance policy to ensure adequate coverage is in place.	Unknown Cost of debris removal plus insurance deductible.
Pedro St. James Castle: Property Loss Due to Hurricanes or other Natural Disasters	None	Take necessary precautions on-site to minimize damage in the event of a hurricane or other forecasted natural disaster and review insurance policy to ensure adequate coverage is in place.	Cost of debris removal plus insurance deductible.
Craft Market: Public Liability Natural Disasters	 None None	Insurance Take necessary precautions on-site to minimize damage in the event of a hurricane or other forecasted natural disaster and review insurance policy to ensure adequate coverage is in place.	Unknown Cost of debris removal plus insurance deductible
Tourism Attraction Board: Property Loss Due to Hurricanes or other Natural Disasters	None	Take necessary precautions on-site to minimize damage in the event of a hurricane or other forecasted natural disaster and review insurance policy to ensure adequate coverage is in place	Cost of debris removal plus insurance deductible

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Tourism Attraction Board is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE	2,375	2,450	2,450
OPERATING EXPENSES	(2,475)	(2,550)	(2,450)
NET SURPLUS/(DEFICIT)	(100)	(100)	-

BALANCE SHEET	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
ASSETS	7,061	7,078	6,912
LIABILITIES	(301)	(198)	(272)
NET WORTH	6,760	6,880	6,640

STATEMENT OF CASH FLOW	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	72	(75)	96
CASH FLOWS FROM INVESTING ACTIVITIES	(220)	(220)	(150)
CASH FLOWS FROM FINANCING ACTIVITIES	220	220	-

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's
EQUITY INVESTMENTS INTO TOURISM ATTRACTION BOARD	220	220
CAPITAL WITHDRAWALS FROM TOURISM ATTRACTION BOARD	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY TOURISM ATTRACTION BOARD	-	-
GOVERNMENT LOANS TO BE MADE TO TOURISM ATTRACTION BOARD	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO TOURISM ATTRACTION BOARD	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[45]	-	-
REMUNERATION[46] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	-	-
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	489	489

DESCRIPTION	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	7	7
NUMBER OF KEY SENIOR MANAGEMENT (MD)	1	1

[45] Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Board Member and Senior Management Team

[46] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the Tourism Attraction Board undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will the sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Tourism Attraction Board will seek to achieve for the 2022 and 2023 financial years and that the Cabinet will monitor performance against.

Honourable Kenneth Bryan
Minister for Tourism
On behalf of Cabinet

Chairman of the Board
Tourism Attraction Board

31 December 2021

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS
GOVERNMENT

TOURISM ATTRACTION BOARD
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2022 and 31 December 2023 and performance for the Tourism Attraction Board for the financial years ending 31 December 2022 and 31 December 2023; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
Tourism Attraction Board

31 December 2021

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TOURISM ATTRACTION BOARD

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

The forecast financial statements of the Tourism Attraction Board are stated in Cayman Islands Dollars. These financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS). A summary of the significant accounting and reporting policies used in preparing these statements are as follows:

(a) Basis of Preparation

In compliance with the Public Management and Finance Act (2020 Revision) these financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS), on an accrual basis. The continued existence of the Tourism Attraction Board is contingent on the ongoing support from the Government. As management consider that this support will be ongoing and there are no indications that suggest otherwise, management consider the preparation of the financial statements under the going concern assumption to be appropriate.

The measurement base applied to these financial statements is the historical cost basis, adjusted for revaluations of certain assets. No account is taken of the effects of inflation.

(b) Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during year. Actual results could differ from these estimates, the impact of which would be recorded in future periods.

(c) New and revised standards and interpretations that are not yet effective:

Certain new, revised and amended standards and interpretations came into effect during the current financial year. There was no material impact on the financial statements as a result of those amendments.

(d) Property, Plant & Equipment

Property, plant and equipment are stated at revalued cost less accumulated depreciation and impairment losses, with the exception of Heritage Assets. Items of property, plant and equipment are initially recorded at cost. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of financial performance. Property, plant and equipment are depreciated using the straight-line method. The following rates estimated to write off the cost of the assets over their expected useful lives are shown below: -

Buildings & External Works	1.25 - 2.0%
Multimedia, Furniture and Fixtures	12.5%
Motor Vehicles	20.0%
Start-up Costs and Computer Equipment	33.3%

The capital costs of the Great House, Period Furnishings and the Botanical Gardens are not included and therefore have not been depreciated since these will be maintained in perpetuity. These assets are considered heritage assets. All future expenditures on these assets will be expensed in the year that these costs are incurred.

(e) Foreign Currency Translation

Assets and liabilities denominated in currencies other than the Cayman Islands Dollar are translated at exchange rates in effect at the date of the Statement of Financial Position. Revenue and expense transactions denominated in currencies other than Cayman Islands Dollar are translated at exchange rates at the time of those transactions. Gains and losses on exchange are taken to the Statement of Financial Performance.

(f) Inventory

Inventory is valued at the lower of cost and net realisable value on a first-in, first-out method. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(g) Pensions and Other Post-Retirement Benefits

In accordance with the Cayman Islands National Pensions Law, the Tourism Attraction Board joined a defined contribution pension plan. The employer and employees began monthly contributions at a rate of 6%. The employer's contributions are recognized as employee benefit expenses when they are due. Prepaid contributions are recognized as an asset to the extent that the cash refund or a reduction in the future payments is available.

A defined contribution plan is a pension plan under which the Tourism Attraction Board pays fixed contribution into a separate entity. The Tourism Attraction Board has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Defined pension scheme contributions are charged to the Statement of Financial Performance based on a set contribution rate.

(h) Borrowing Cost

Borrowing costs are capitalised against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalisation ceases when construction of the asset is complete. Further borrowing costs are charged to the Statement of Financial Performance.

(i) Revenue Recognition

Revenue comprises the fair value of the consideration, received or receivable for the sale of goods or services in the ordinary course of the Tourism Attraction Board's activities. Revenue is shown net of returns and discounts. Income is recognised upon delivery of goods and customer acceptance, or on the performance of services

(j) Government Grants

Grants that compensate the Tourism Attraction Board for expenses incurred are recognised as revenue in the Statement of Financial Performance on a systematic basis in the same period in which the expenses are incurred.

(k) Expenses

Expenses are recognised in the accounting period in which they are incurred

(l) Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as an expense on a straight-line basis over the lease term, where this is representative of the pattern of benefits to be derived from the leased property. Where incentives are received under an operating lease, the expenses are recognised on a straight-line basis over the lease term. Lease incentives received are recognised evenly over the term of the lease as a reduction in rental expense.

(m) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at cost less provisions for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Tourism Attraction Board will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquencies in payments (more than 180 days overdue) are considered indicators that the trade receivable is impaired.

(n) Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents includes cash in hand and cash deposits with original maturities of three months or less. All cash and cash equivalents are held at commercial banks in the Cayman Islands.

(o) Financial assets and liabilities

Classification

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset, or to exchange financial instruments with another enterprise under conditions that are potentially favourable or an equity instrument of another enterprise. A financial liability is any liability that is a contractual obligation to

deliver cash or another financial asset or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

Recognition

The Tourism Attraction Board recognises financial assets and liabilities on the date it becomes a party to the contractual provisions of the instrument. From this date, any gains and losses arising from changes in financial liabilities measured at amortised cost are recognised in the statement of financial performance.

Financial assets comprise cash and cash equivalents, accounts receivable and deposits. Financial liabilities comprise accounts payable and accrued liabilities. Management determines the classification of its financial assets and liabilities at initial recognition.

Measurement

Financial instruments are measured initially at cost, including transaction costs. For financial assets acquired, cost is the fair value of the consideration given, while for financial liabilities cost is the fair value of consideration received.

Offsetting

Financial assets and liabilities are offset, and the net amount is reported in the statement of financial position when the Tourism Attraction Board has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis.

Impairment

A financial asset is impaired if there is objective evidence indicating that one or more events have had a negative effect on the estimated future cash flows of that asset. The amount of the impairment loss for assets carried at amortised cost is calculated as the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the financial instrument's original effective interest rate. All impairment losses are recognised in the statement of financial performance.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Tourism Attraction Board has transferred all the risks and rewards of ownership. A financial liability is derecognised when it is discharged, cancelled, or expires.

Fair value

The fair value of financial instruments approximates their carrying value principally due to the short-term nature of such instruments.

(p) Budget amounts

The budget amounts for each financial year are presented in the Ownership Agreement and approved by the Minister of Tourism &Transport.

TOURISM ATTRACTION BOARD

FORECAST STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast Ending Dec-21	STATEMENT OF FINANCIAL POSITION	Notes	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
	Current Assets			
1,599,409	Cash and cash equivalents	1	1,671,482	1,596,273
-	Marketable securities and deposits		-	-
27,367	Trade receivables	2	34,713	52,703
-	Other receivables	2	-	-
70,000	Inventories	3	75,000	80,000
-	Investments	4	-	-
15,000	Prepayments	5	15,000	20,000
-	Loans	6	-	-
1,711,776	**Total Current Assets**		**1,796,195**	**1,748,976**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
5,199,685	Property, plant and equipment	7	5,264,685	5,329,236
-	Intangible Assets	8	-	-
5,199,685	**Total Non-Current Assets**		**5,264,685**	**5,329,236**
6,911,461	**Total Assets**		**7,060,880**	**7,078,212**
	Current Liabilities			
-	Trade payables	9	-	-
271,806	Other payables and accruals	9	301,225	198,556
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Current Portion of Borrowings	12	-	-
271,806	**Total Current Liabilities**		**301,225**	**198,556**
	Non-Current Liabilities			
-	Trade payables	9	-	-
-	Other payables and accruals	9	-	-
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Unfunded pension liability	13	-	-
-	Unfunded post retirement health care	14	-	-
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
-	**Total Non-Current Liabilities**		**-**	**-**
271,806	**Total Liabilities**		**301,225**	**198,556**
6,639,655	**Net Assets**		**6,759,655**	**6,879,656**
	NET WORTH			
11,737,590	Contributed capital		11,957,590	12,177,590
-	Other Reserves		-	-
320,784	Revaluation reserve		320,784	320,784
(5,418,719)	Accumulated surpluses/(deficits)		(5,518,719)	(5,618,718)
6,639,655	**Total Net Worth**		**6,759,655**	**6,879,656**

TOURISM ATTRACTION BOARD

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast Ending Dec-21	STATEMENT OF FINANCIAL PERFORMANCE	Notes	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
	Revenue			
2,450,000	Sale of goods and services	15	2,305,000	2,380,000
-	Investment revenue	16	-	-
-	Donations	17	70,000	70,000
-	Other revenue		-	-
2,450,000	**Total Revenue**		**2,375,000**	**2,450,000**
	Expenses			
1,518,843	Personnel costs	18	1,579,000	1,644,500
777,455	Supplies and consumables	19	741,000	750,050
153,702	Depreciation and Amortisation	7	155,000	155,450
-	Impairment of Inventory,property, plant and equipment		-	-
-	Finance costs & overdraft interest	20	-	-
-	Litigation costs	21	-	-
-	Other (Gains)/losses	22	-	-
-	Other Operating expenses		-	-
2,450,000	**Total Expenses**		**2,475,000**	**2,550,000**
-	**Surplus or (Deficit) for the period**		**(100,000)**	**(100,000)**

TOURISM ATTRACTION BOARD
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast Ending Dec-21	CASH FLOW STATEMENT	Note	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
2,200,000	Sale of goods and services to Cabinet		1,980,000	1,980,000
-	Sale of goods and services to Ministries/Portfolios		-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
300,255	Sale of goods and services - third party		405,221	418,333
-	Interest received		-	-
-	Donations / Grants		70,000	70,000
-	Other receipts		-	-
	Payments			
(1,518,843)	Personnel costs		(1,579,000)	(1,644,500)
(186,225)	Supplies and consumables - Ministries/Portfolios		(141,529)	(148,050)
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(699,620)	Supplies and consumables - third party		(662,619)	(750,992)
-	Interest paid		-	-
-	Other payments		-	-
95,567	**Net cash flows from operating activities**	23	**72,073**	**(75,209)**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(150,000)	Purchase of property, plant and equipment		(220,000)	(220,000)
-	Proceeds from sale of property, plant and equipment			
-	Purchase of investments			
-	Proceeds from sale of investments			
(150,000)	**Net cash flows from investing activities**		**(220,000)**	**(220,000)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Equity Investment from Cabinet		220,000	220,000
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	Borrowings		-	-
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
-	**Net cash flows from financing activities**		**220,000**	**220,000**
(54,433)	**Net increase/(decrease) in cash and cash equivalents**		**72,073**	**(75,209)**
1,653,842	Cash and cash equivalents at beginning of period		1,599,409	1,671,482
1,599,409	**Cash and cash equivalents at end of period**		**1,671,482**	**1,596,273**

TOURISM ATTRACTION BOARD

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2019 brought forward	11,737,590	320,784	(5,297,854)	6,760,520
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors			21,274	21,274
Restated balance 31 December 2019	11,737,590	320,784	(5,276,580)	6,781,794
Changes in net worth for 2020				
Gain/(loss) on property revaluation	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-
Equity Investment from Cabinet	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-
Surplus/(deficit)for the period 2020			(142,139)	(142,139)
Total recognised revenues and expenses for the period	-	-	(142,139)	(142,139)
Balance at 31 December 2020	11,737,590	320,784	(5,418,719)	6,639,655
Balance at 31 December 2020 brought forward	11,737,590	320,784	(5,418,719)	6,639,655
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2020	11,737,590	320,784	(5,418,719)	6,639,655
Changes in net worth for 2021				
Gain/(loss) on property revaluation	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-
Equity Investment from Cabinet	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	-	-	-
Net revenue / expenses recognised directly in net worth	-	-	-	-
Surplus/(deficit)for the period 2021			-	-
Total recognised revenues and expenses for the period	-	-	-	-
Balance at 31 December 2021 carried forward	11,737,590	320,784	(5,418,719)	6,639,655

TOURISM ATTRACTION BOARD

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	11,737,590	320,784	(5,418,719)	6,639,655
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2021	11,737,590	320,784	(5,418,719)	6,639,655
Changes in net worth for 2022				
Gain/(loss) on property revaluation	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-
Equity Investment from Cabinet	220,000			220,000
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	-	-	-
Net revenue / expenses recognised directly in net worth	220,000	-	-	220,000
Surplus/(deficit)for the period 2022			(100,000)	(100,000)
Total recognised revenues and expenses for the period	220,000	-	(100,000)	120,000
Balance at 31 December 2022 carried forward	11,957,590	320,784	(5,518,719)	6,759,655
Balance at 31 December 2022 brought forward	11,957,590	320,784	(5,518,719)	6,759,655
Prior Year Adjustments				
Changes in accounting policy	-	-	-	-
Accounting Errors	-	-	-	-
Restated balance 31 December 2022	11,957,590	320,784	(5,518,719)	6,759,655
Changes in net worth for 2023				
Gain/(loss) on property revaluation	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-
Equity Investment from Cabinet	220,000			220,000
Capital withdrawals by Cabinet	-	-	-	-
Dividends payable to Cabinet	-	-	-	-
Net revenue / expenses recognised directly in net worth	220,000	-	-	220,000
Surplus/(deficit)for the period 2023			(100,000)	(100,000)
Total recognised revenues and expenses for the period	220,000	-	(100,000)	120,000
Balance at 31 December 2023	12,177,590	320,784	(5,618,718)	6,879,656

TOURISM ATTRACTION BOARD

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2021	Description change as applicable	12-Month Budget 2022	12-Month Budget 2023
5,000	Cash on hand	5,000	5,000
-	Cash in transit	-	-
163,522	CI$ Account	143,665	159,086
592,667	US$ Account	683,597	591,967
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
838,220	Short-Term Fixed Deposits	839,220	840,220
1,599,409	**TOTAL**	**1,671,482**	**1,596,273**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
38,622	Sale of goods and services - third party	45,256	65,334
-	Other	-	-
(11,255)	**Less: provision for doubtful debts**	(10,543)	(12,631)
27,367	**Total trade receivables**	**34,713**	**52,703**

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
27,367	Past due 1-30 days	34,713	52,703
27,367	**Total**	**34,713**	**52,703**

TOURISM ATTRACTION BOARD

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(11,255)	Balance at begining of period	(11,255)	(10,543)
-	Additional provisions made during the year	-	(2,088)
-	Receivables written off during the period	712	-
(11,255)	**Balance at 31st December**	**(10,543)**	**(12,631)**

NOTE 3: INVENTORIES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Inventories		
70,000	Inventory held for sale	75,000	80,000
70,000	**INVENTORIES - Current**	**75,000**	**80,000**
70,000	**TOTAL INVENTORIES**	**75,000**	**80,000**

NOTE 5: PREPAYMENTS

12-Month Forecast 2021	Prepayments	12-Month Budget 2022	12-Month Budget 2023
	Current Prepayments		
15,000		15,000	20,000
15,000	**Prepayments - Current**	**15,000**	**20,000**
15,000	**Total Prepayments**	**15,000**	**20,000**

TOURISM ATTRACTION BOARD

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2020	1,691,878	3,635,285	635,574	103,094	160,072	6,440,742
Additions	270,133	7,040	17,657	2,005		296,835
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2020	1,962,012	3,642,325	653,231	105,099	160,072	6,737,577

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2021	1,962,012	3,642,325	653,231	105,099	160,072	6,737,577
Additions		150,000				150,000
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2021	1,962,012	3,792,325	653,231	105,099	160,072	6,887,577

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	1,962,012	3,792,325	653,231	105,099	160,072	6,887,577
Additions		220,000				220,000
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2022	1,962,012	4,012,325	653,231	105,099	160,072	7,107,577

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	1,962,012	4,012,325	653,231	105,099	160,072	7,107,577
Additions		220,000				220,000
Disposals and Derecognisation	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Balance as at 31 December 2023	1,962,012	4,232,325	653,231	105,099	160,072	7,327,577

TOURISM ATTRACTION BOARD

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2020		385,533	588,051	98,743	98,482	1,385,647
Transfers	-	-	-	-	-	-
Impairment Reserve 2020 (closing balance)	-	-	-	-	-	-
Depreciation Expense 2020		112,013	12,844	3,310	20,377	148,543
Eliminate on Disposal or Derecognisation 2020	-	-	-	-	-	-
Balance as at 31 December 2020	-	497,546	600,895	102,053	118,858	1,534,190

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2021		497,546	600,895	102,053	118,858	1,534,190
Transfers	-	-	-	-	-	-
Impairment Reserve 2021 (closing balance)	-	-	-	-	-	-
Depreciation Expense 2021		119,045	12,682	3,310	18,665	153,702
Eliminate on Disposal or Derecognisation 2021	-	-	-	-	-	-
Balance as at 31 December 2021	-	616,591	613,577	105,363	137,523	1,687,892

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2022	-	616,591	613,577	105,363	137,523	1,687,892
Transfers	-	-	-	-	-	-
Impairment change 2022	-	-	-	-	-	-
Depreciation Expense 2022		120,343	12,682	3,310	18,665	155,000
Eliminate on Disposal or Derecognisation 2022	-	-	-	-	-	-
Balance as at 31 December 2022	-	736,934	626,259	108,672	156,188	1,842,891

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Total*
Balance as at 1 January 2023	-	736,934	626,259	108,672	156,188	1,842,891
Transfers	-	-	-	-	-	-
Impairment change 2023	-	-	-	-	-	-
Depreciation Expense 2023		120,793	12,682	3,310	18,665	155,450
Eliminate on Disposal or Derecognisation 2023	-	-	-	-	-	-
Balance as at 31 December 2023	-	857,727	638,941	111,982	174,853	1,998,341
Net Book value 31 December 2020	1,962,012	3,144,779	52,335	3,046	41,214	5,203,387
Net Book value 31 December 2021	1,962,012	3,175,734	39,653	(264)	22,549	5,199,685
Net Book value 31 December 2022	1,962,012	3,275,391	26,971	(3,573)	3,884	5,264,685
Net Book value 31 December 2023	1,962,012	3,374,598	14,289	(6,883)	(14,781)	5,329,236

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
271,806	Accrued Expenses	301,225	198,556
-	Other payables	-	-
-	Dividends/Surplus Payable	-	-
271,806	**Trade payables other payables and accruals - Current**	**301,225**	**198,556**
	Non-Current Trade payables other payables and accruals		
-	**Trade payables other payables and accruals - Non-Current**	**-**	**-**
271,806	**Total trade payables other payables and accruals**	**301,225**	**198,556**

NOTE 15A: SALES OF GOODS AND SERVICES

12-Month Forecast Ending Dec-21	Revenue type	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
-	Fees and Charges	-	-
250,000	General Sales	325,000	400,000
-	Rentals	-	-
-	Other Goods & Services Revenue	-	-
2,200,000	Sale of goods and services to Cabinet	1,980,000	1,980,000
-	Sale of goods and services to Other Ministries and Portfolios	-	-
2,450,000	**Total sales of goods and services**	**2,305,000**	**2,380,000**

12-Month Forecast 2021	General Sales	12-Month Budget 2022	12-Month Budget 2023
200,000	Events, Gift Shops and Other	250,000	275,000
50,000	Admission Fees	75,000	125,000
250,000	**Total General Sales**	**325,000**	**400,000**

TOURISM ATTRACTION BOARD

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 15A: SALES OF GOODS AND SERVICES (CONTINUED)

12-Month Forecast Ending Dec-21	Other Goods & Services Revenue	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
	Sales of Outputs to Cabinet		
2,200,000	Sales of Outputs to Cabinet	1,980,000	1,980,000
-	Other Outputs		
2,200,000	**Total Sales of Outputs to Cabinet**	**1,980,000**	**1,980,000**
-	**Total Other Interdepartmental Revenue**	**-**	**-**
2,450,000	**Total Goods and Services**	**2,305,000**	**2,380,000**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
1,358,233	Salaries, wages and allowances	1,400,000	1,450,000
-	Health care CINICO	-	-
66,908	Health care other	80,000	90,000
81,493	Pension	84,000	87,000
-	Leave	-	-
12,209	Other personnel related costs	15,000	17,500
1,518,843	**Total Personnel Costs**	**1,579,000**	**1,644,500**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast Ending Dec-21	Description	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
169,111	Supplies and Materials	152,566	157,113
354,744	Purchase of services	325,258	325,047
158,235	Utilities	161,970	163,291
95,365	General Insurance	101,206	104,600
777,455	**Total Supplies & consumables**	**741,000**	**750,050**

TOURISM ATTRACTION BOARD

NOTES TO THE FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Forecast Ending Dec-21	Description	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
-	**Surplus/(deficit) from ordinary activities**	(100,000)	(100,000)
	Non-cash movements		
153,702	Depreciation & Amortisation	155,000	155,450
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
	Other Non-cash movement		
	Changes in current assets and liabilities:		
(4,636)	(Increase)/decrease in other current assets - Cabinet	(4,929)	(6,354)
	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies		
	(Increase)/decrease in other current assets - Ministries Portfolios		
32,500	(Increase)/decrease in other current assets - Other	64,665	(21,661)
	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies		
	(Increase/(decrease) in current liabilities - Ministries Portfolios		
(85,999)	(Increase/(decrease) in current liabilities - Other	(42,663)	(102,644)
95,567	**Net cash flows from operating activities**	**72,073**	**(75,209)**

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OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS

FOR THE 2022 FINANCIAL YEAR ENDING 31 DECEMBER 2022
AND THE 2023 FINANCIAL YEAR ENDING 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT (2020 REVISION)

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CONTENTS

1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the University College of the Cayman Islands have agreed the University College of the Cayman Islands will seek to achieve during the 2022 and 2023 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the University College of the Cayman Islands is to operate during the 2022 and 2023 financial years.

GENERAL NATURE OF ACTIVITIES

The University College of the Cayman Islands operates under the University College Act(2012 revision) of which its principal activities involve developing and teaching Tertiary Level Educational Programmes and Continuing Education courses and complimentary Educational services. The University College of the Cayman Islands' mission is to provide higher learning that contributes to the Cayman Islands and global societies by advancing knowledge and developing innovative graduates through its educational, cultural and social activities.

SCOPE OF ACTIVITIES

The University College of the Cayman Islands functions in accordance with the University College Act (2012 Revision), including Section (4) Functions of the College and Section (13) Powers of the Board.

Student-centered education

A UCCI education builds social and cultural capital, advances subject matter expertise and cognitive development, and nurtures agency and civic responsibility providing school leavers and adults with a lifetime of personal and professional successes.

- World-class teaching and assessment of student learning outcomes
- Curated curricular and co-curricular experiences that fortify holistic student development
- Differentiated education to maximize accessibility and relevance for diverse learners
- Clear pathways to employment within the full spectrum of Cayman's core workforce sectors
- Workforce-ready graduates actively recruited by employers who have been active partners in shaping education that includes mentorships, work-based cooperative learning (internships), and integrative career support
- Alumni as lifelong learners who acquire further education and training ensuring their relevance in a rapidly changing workforce

Suitably resourced

Through the strategic engagement of the UCCI campus community with external stakeholders, the institution has secured the resources and relationships needed to fulfill its mission and purpose.

- Diverse and expanded revenue streams including tuition, bursaries, scholarships, philanthropy, and in-kind donations

- Strategic partnerships with employers, government, tertiary and secondary institutions, faith and nonprofit organizations, and professional associations
- Infrastructure (facilities, information systems and technologies) fortifies campus-based learning and facilitates remote access to ubiquitous learning opportunities
- Engaged and philanthropic alumni network
- Generous donors who publicly express affiliation with and support for UCCI
- University culture that expects and rewards continuous learning, innovation and entrepreneurship
- and fosters experimentation and active learning
- Education policy and financial support that prioritize fulfillment of the vision for tertiary education as
- a top cabinet priority.
- Transformative support from the Ministries and other governmental bodies

Engine for economic development, innovation and social change

UCCI's teaching and scholarly activities regularly adapt to address the educational, research and innovation needs of Cayman's main economic sectors providing essential knowledge and support to the economy while undertaking activities aimed at solving societal challenges.

- At UCCI, acquisition, discovery, and application of knowledge supports new and emerging national economic and social priorities.
- Increasingly, UCCI is the primary educational partner in private public partnership agreements in various manners, such as joint projects, collaborative research, and workforce development and training.
- UCCI strategically co-locates with core industries to enhance collaboration and shared learning leading to the creation of new enterprises (incubation), retention of existing businesses (business development), evolution of economic clusters (knowledge transfer), job creation, and attraction and retention of high caliber human talent and investments.
- UCCI undertakes activities aimed at solving societal challenges with varied external stakeholders through active political, civic and community engagements.

CUSTOMERS AND LOCATION OF ACTIVITIES

The customers of the University College of the Cayman Islands are primarily residents and entities of the Cayman Islands and the services provided, are provided in the Cayman Islands and through online services.

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives for the University College of the Cayman Islands for the 2022 and 2023 financial years are as follows:

- UCCI will develop and sustain an innovative and engaging programme of education characterized by high quality teaching and learning, building on the strengths of the institution and meeting the needs of the society and relevant stakeholders. In doing so, emphasis will be placed on the encouragement of diversity, staff development and quality assurance.

- UCCI will become a government-funded, student and employer needs-driven education organization, accredited by regional and international accrediting bodies and collaborating with reputable strategic partners to become an engine for capacity building and economic growth.

- UCCI will become a student-focused centre of excellence that through a holistic approach, will enrich and contribute to nation building by developing productive, socially conscious critical thinkers.

- UCCI will strengthen support and development of all staff; enhancing their effectiveness and contribution to the University goals; in addition to becoming more self-sufficient pursuing alternative revenue streams, allowing increased efficiency and a strong equity base, thus ensuring long-term financial stability and independence.

- UCCI will continue to improve its physical and intellectual facilities and use our existing resources to meet the current needs of our stakeholders while simultaneously embarking on a capital development programme to design, fund and build new resources that will be financially and environmentally sustainable; be physically and intellectually acceptable; meet the needs of growth and development in the community; and contribute to an inspiring learning environment.

- UCCI will be governed by a Board of Governors and an Administrative and Academic Committee (the Academic Senate), a shared self-governance model comprising key stakeholders that will operate with increasing autonomy, good governance, accountability and compliance with all relevant acts, ethics, policies, and the guiding mission of the University College.

- UCCI will collaborate with key stakeholders to provide courses and programmes integrating on-the-job training, motivation, and continuing education to foster socially conscious individuals that possess creativity, productivity, cultural identity and competencies, cohesion and self-esteem, as central aspects of nation building.

- UCCI will develop a multi-faceted communication strategy that clearly defines the University College as an institution that meets the needs of its internal and external clients and stakeholders. This strategy will create a lasting and positive image that will assist UCCI in increasing its student population and financial resources to sustain and grow them over time.

UCCI will engage in scholarly activities for discovery, to integrate and apply knowledge to society's needs, and to promote learning, development and economic growth.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision) for the University College of the Cayman Islands for the 2020 and 2021 financial years are as follows:

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the University College of the Cayman Islands for the 2022 and 2023 financial years are as follows:

	2022 1 Jan to 31 Dec 2022 $000's	**2023 1 Jan to 31 Dec 2023 $000's**	**2021 12-Month Forecast $000's**
REVENUE FROM CABINET	6,678	6,678	6,678
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	629	629	629
REVENUE FROM OTHERS	3,643	3,825	3,470
OPERATING EXPENSES	10,950	11,132	10,777
OPERATING SURPLUS/DEFICIT	-	-	-
NET WORTH	-	-	-
CASH FLOWS FROM OPERATING ACTIVITIES	844	1,019	1,727
CASH FLOWS FROM INVESTING ACTIVITIES	(4,482)	(4,358)	(596)
CASH FLOWS FROM FINANCING ACTIVITIES	3,282	3,158	596
CHANGE IN CASH BALANCES	(356)	(181)	1,727

FINANCIAL PERFORMANCE RATIO	**2022 1 Jan to 31 Dec 2022 %**	**2023 1 Jan to 31 Dec 2023 %**	**2021 12-Month Forecast %**
CURRENT ASSETS : CURRENT LIABILITIES	3.97	3.81	4.29
TOTAL ASSETS : TOTAL LIABILITIES	5.60	6.47	4.62

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	92	92	89
STAFF TURNOVER (%)			
MANAGERS	8.3%	8.3%	0%
PROFESSIONAL AND TECHNICAL STAFF	9.1%	9.1%	15.2%
CLERICAL AND LABOURER STAFF	-	-	-
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	6.3 YEARS	6.3 YEARS	6.3 YEARS
PROFESSIONAL AND TECHNICAL STAFF	7.1 YEARS	7.1 YEARS	7.1 YEARS
CLERICAL AND LABOURER STAFF	17 YEARS	18 YEARS	16.7 YEARS
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	-	-	-

PHYSICAL CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	12,097	15,539	8,356
ASSET REPLACEMENTS : TOTAL ASSETS	37.1%	28.0%	7.1%
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	66.2%	68.7%	60.6%
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	21.0%	16.5%	104.7%
CHANGES TO ASSET MANAGEMENT POLICIES	NONE PLANNED	NONE PLANNED	NONE PLANNED

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CAPITAL FUNDING	3,282	3,158	575
TOTAL	**3,282**	**3,158**	**575**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Past Service Pensions Liabilities	N/A	Will seek future equity injection from Cabinet to fully fund pension obligations	$1,633,000 as at December 31, 2020 actuarial report.
UCCI government funding levels grew in 2020/2021 to support the new vision. UCCI budget will need to continue to increase to provide the requisite quality of education keyed to international accreditation norms.	The Board has approved seeking U.S. regional institutional accreditation. UCCI has been successfully growing student enrolments since 2019.	UCCI will continue to seek future funding to support the infrastructure, faculty and staff needed to earn and maintain high quality international institutional accreditation through a U.S. regional accrediting body and to maintain both programmatic accreditation standards.	High
UCCI continues to have CapEx needs as a result of many years of delayed maintenance and repairs and end of life IT systems.	The additional $10.2 million of government funding to be received for CapEx 2022-2024 will provide much needed funding to address enhancements to facilities and teaching and learning including expansion of TVET programmes.	UCCI will continue to request future funding for high priority projects and preventative maintenance, and much needed IT and software needs for operations and accreditation. Funding for replacement information systems and STEM and Business building are critical funding needs.	High
Approximately 30% of student's access scholarships at UCCI and the remaining students struggle to find other financial resources to fund their education.	More students are pursuing payment plans than in the past and we do not have dedicated resources for collecting unpaid tuition.	UCCI continues to seek private funding for work-based learning programmes that provide on-campus paid employment for some Caymanian students with need.	High

5. SUMMARISES FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the University College of the Cayman Islands is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE	10,950	11,132	10,777
OPERATING EXPENSES	10,950	11,132	10,777
NET SURPLUS/(DEFICIT)	-	-	-

BALANCE SHEET	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
ASSETS	16,611	19,872	13,226
LIABILITIES	2,966	3,073	2,863
NET WORTH	13,645	16,803	10,363

STATEMENT OF CASH FLOW	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	844	1,019	1,727
CASH FLOWS FROM INVESTING ACTIVITIES	(4,482)	(4,358)	(596)
CASH FLOWS FROM FINANCING ACTIVITIES	3,282	3,158	596

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's
EQUITY INVESTMENTS INTO UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS	3,282	3,158
CAPITAL WITHDRAWALS FROM UNIVERSITY OF THE CAYMAN ISLANDS	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS	-	-
GOVERNMENT LOANS TO BE MADE TO UNIVERSITY OF THE CAYMAN ISLANDS	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[47]	-	-
REMUNERATION[48] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	929	929
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	929	929

DESCRIPTION	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	11	11
NUMBER OF KEY SENIOR MANAGEMENT (MD)	8	8

[47] Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Member and Senior Management Team

[48] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

AGREEMENT

Scope of this Agreement

In signing this document, the University College of the Cayman Islands undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will the sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the University College of the Cayman Islands will seek to achieve for the 2022 and 2023 financial years and that the Cabinet will monitor performance against.

Honourable Juliana O'Connor-Connolly, JP

Minister for Education
On behalf of Cabinet

Chairman of the Board

The University College of the Cayman Islands

31 December 2021

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS
GOVERNMENT

UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2022 and 31 December 2023 and performance for the University College of the Cayman Islands for the financial years ending 31 December 2022 and 31 December 2023; and
c. Comply with generally accepted accounting practice.

Chairman of the Board

The University College of the Cayman Islands

31 December 2021

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THE UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

General Accounting Policies

Reporting entity
These forecast financial statements are for the University College of the Cayman Islands

Basis of preparation
Except as noted below under Expenses – Salary increases, the forecast financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSASs) using the accrual basis of accounting. Where there is currently no IPSAS, other authoritative pronouncements such as International Accounting Standards and United Kingdom reporting standards applicable to the public sector have been used. The measurement base applied is historical cost adjusted for revaluations of certain assets.

The forecast financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently.

Reporting Period
The reporting period is the periods ending 31 December.

Specific Accounting Policies

Revenue
Output revenue
Output revenue, including revenue resulting from user charges or fees, is recognised when it is earned.

Interest revenue
Interest revenue is recognised in the period in which it is earned.

Expenses
General
Expenses are recognised when incurred.

Depreciation
Depreciation of non-financial physical assets is generally provided on a straight-line basis at rates based on the expected useful lives of those assets.

Assets
Cash and cash equivalents
Cash and cash equivalents include cash held in the University's bank accounts and on hand.

Receivables and advances
Receivables and advances are recorded at the amounts expected to be ultimately collected in cash.

Inventory
Inventories are recorded at the lower of cost and net current value. Where inventories are valued at cost, specific identification or the FIFO method has been used. Appropriate allowance has been made for obsolescence.

Property, Plant and Equipment (including Infrastructure Assets)
Buildings are recorded at historical cost (or fair value as at time of first recognition) or valuation.

Other plant and equipment, which includes motor vehicles and office equipment, is recorded at cost (or fair value if acquired prior to 2010) less accumulated depreciation.

Computer Hardware and Software
Computer hardware and software are recorded at cost and depreciated in accordance with the policy on depreciation.

Liabilities
Accounts Payable
Accounts payable are recorded at the amount owing after allowing for credit notes and other adjustments.

Provisions
Provisions are recognised in accordance with IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets.

Employee entitlements
Amounts incurred but not paid at the end of the reporting period are accrued. Annual leave due, but not taken, is recognised as a liability.

Long service leave liabilities are measured as the present value of estimated leave service entitlements.

THE UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL POSITION	Note	12-Month Budget 2022	12-Month Budget 2023
	Current Assets			
2,812,498	Cash and cash equivalents	1	2,456,449	2,275,518
-	Marketable securities and deposits		-	-
1,640,798	Trade receivables	2	1,640,798	1,640,798
-	Other receivables	2	-	-
218,041	Inventories	3	218,041	218,041
-	Investments	4	-	-
162,974	Prepayments	5	162,974	162,974
-	Loans	6	-	-
4,834,311	**Total Current Assets**		**4,478,262**	**4,297,331**
	Non-Current Assets			
36,409	Trade receivables	2	36,409	36,409
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
8,304,746	Property, plant and equipment	7	12,011,508	15,419,152
50,959	Intangible Assets	8	85,246	119,533
8,392,114	**Total Non-Current Assets**		**12,133,163**	**15,575,094**
13,226,425	**Total Assets**		**16,611,425**	**19,872,425**
	Current Liabilities			
669,618	Trade payables	9	669,618	669,618
458,194	Other payables and accruals	9	458,194	458,194
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Current Portion of Borrowings	12	-	-
1,127,812	**Total Current Liabilities**		**1,127,812**	**1,127,812**
	Non-Current Liabilities			
-	Trade payables	9	-	-
-	Other payables and accruals	9	-	-
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
1,736,000	Unfunded pension liability	13	1,839,000	1,942,000
-	Unfunded post retirement health care	14	-	-
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
1,736,000	**Total Non-Current Liabilities**		**1,839,000**	**1,942,000**
2,863,812	**Total Liabilities**		**2,966,812**	**3,069,812**
10,362,613	**Net Assets**		**13,644,613**	**16,802,613**
	NET WORTH			
8,867,702	Contributed capital		12,149,702	15,307,702
303,827	Other Reserves		303,827	303,827
3,302,955	Revaluation reserve		3,302,955	3,302,955
(2,111,871)	Accumulated surpluses/(deficits)		(2,111,871)	(2,111,871)
10,362,613	**Total Net Worth**		**13,644,613**	**16,802,613**
				0

THE UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL PERFORMANCE	Note	12-Month Budget 2022	12-Month Budget 2023
	Revenue			
10,549,311	Sale of goods and services	**15**	10,711,390	10,881,574
-	Investment revenue	**16**	-	-
227,583	Donations	**17**	238,962	250,910
-	Other revenue		-	-
10,776,894	**Total Revenue**		**10,950,352**	**11,132,484**
	Expenses			
7,339,986	Personnel costs	**18**	7,340,801	7,340,801
2,783,315	Supplies and consumables	**19**	2,838,981	2,895,761
623,973	Depreciation and Amortisation	**7**	740,951	916,069
-	Impairment of Inventory,property, plant and equipment		-	-
35,037	Finance costs & overdraft interest	**20**	35,037	35,037
-	Litigation costs	**21**	-	-
(5,417)	Other (Gains)/losses	**22**	(5,417)	(5,417)
-	Other Operating expenses		-	(49,767)
10,776,894	**Total Expenses**		**10,950,353**	**11,132,484**
-	**Surplus or (Deficit) for the period**		**(0)**	**0**

THE UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	CASH FLOW STATEMENT	Note	12-Month Budget 2022	12-Month Budget 2023
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
7,678,322	Sale of goods and services to Cabinet		6,678,322	6,678,322
629,403	Sale of goods and services to Ministries/Portfolios		629,403	629,403
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
2,830,491	Sale of goods and services - third party		2,972,017	3,120,947
-	Interest received		-	-
227,583	Donations / Grants		238,647	250,579
411,095	Other receipts		431,964	453,233
	Payments			
(7,236,986)	Personnel costs		(7,237,801)	(7,237,801)
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
(2,783,315)	Supplies and consumables - third party		(2,838,981)	(2,895,761)
(35,037)	Interest paid		(35,037)	(35,037)
5,417	Other payments		5,417	55,184
1,726,973	**Net cash flows from operating activities**	**23**	**843,951**	**1,019,069**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(596,013)	Purchase of property, plant and equipment		(4,482,000)	(4,358,000)
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
-	Proceeds from sale of investments		-	-
(596,013)	**Net cash flows from investing activities**		**(4,482,000)**	**(4,358,000)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
596,013	Equity Investment from Cabinet		3,282,000	3,158,000
-	Repayment of Surplus/Dividends or Capital withdrawal		-	-
-	Borrowings		-	-
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
596,013	**Net cash flows from financing activities**		**3,282,000**	**3,158,000**
1,726,973	**Net increase/(decrease) in cash and cash equivalents**		**(356,049)**	**(180,931)**
1,085,525	Cash and cash equivalents at beginning of period		2,812,498	2,456,449
2,812,498	**Cash and cash equivalents at end of period**		**2,456,449**	**2,275,518**

THE UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS

STATEMENT OF CHANGES IN NET WORTH

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2019 brought forward	7,386,563	303,827	3,302,955	(2,342,609)	8,650,736
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2019	7,386,563	303,827	3,302,955	(2,342,609)	8,650,736
Changes in net worth for 2020					
Gain/(loss) on property revaluation	-	-	-	(100,000)	(100,000)
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	885,126	-	-	-	885,126
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	885,126	-	-	(100,000)	785,126
Surplus/(deficit)for the period 2020				330,738	330,738
Total recognised revenues and expenses for the period	885,126	-	-	230,738	1,115,864
Balance at 31 December 2020	8,271,689	303,827	3,302,955	(2,111,871)	9,766,600
Balance at 31 December 2020 brought forward	8,271,689	303,827	3,302,955	(2,111,871)	9,766,600
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2020	8,271,689	303,827	3,302,955	(2,111,871)	9,766,600
Changes in net worth for 2021					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	596,013	-	-	-	596,013
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	596,013	-	-	-	596,013
Surplus/(deficit)for the period 2021				-	-
Total recognised revenues and expenses for the period	596,013	-	-	-	596,013
Balance at 31 December 2021 carried forward	8,867,702	303,827	3,302,955	(2,111,871)	10,362,613

THE UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	8,867,702	303,827	3,302,955	(2,111,871)	10,362,613
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	8,867,702	303,827	3,302,955	(2,111,871)	10,362,613
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	3,282,000	-	-	-	3,282,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	3,282,000	-	-	-	3,282,000
Surplus/(deficit)for the period 2022				(0)	(0)
Total recognised revenues and expenses for the period	3,282,000	-	-	(0)	3,282,000
Balance at 31 December 2022 carried forward	12,149,702	303,827	3,302,955	(2,111,871)	13,644,613
Balance at 31 December 2022 brought forward	12,149,702	303,827	3,302,955	(2,111,871)	13,644,613
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	12,149,702	303,827	3,302,955	(2,111,871)	13,644,613
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	3,158,000	-	-	-	3,158,000
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	-	-	-	-	-
Net revenue / expenses recognised directly in net worth	3,158,000	-	-	-	3,158,000
Surplus/(deficit)for the period 2023				0	0
Total recognised revenues and expenses for the period	3,158,000	-	-	0	3,158,000
Balance at 31 December 2023	15,307,702	303,827	3,302,955	(2,111,871)	16,802,613
					-

THE UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
8,650	Cash on hand	8,650	8,650
-	Cash in transit	-	-
2,476,848	CI$ Account	2,120,499	1,939,268
23,000	US$ Account	23,000	23,000
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
304,000	Short-Term Fixed Deposits	304,300	304,600
2,812,498	**TOTAL**	**2,456,449**	**2,275,518**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
-	Sale of goods and services to Cabinet	-	-
1,263,496	Sale of goods and services to Ministries/Portfolios	1,263,496	1,263,496
755	Sale of goods and services to Statutory Agencies and Government Conpanies	755	755
576,929	Sale of goods and services - third party	576,929	576,929
10,390	Other	10,390	10,390
(174,363)	**Less: provision for doubtful debts**	(174,363)	(174,363)
1,677,207	**Total trade receivables**	**1,677,207**	**1,677,207**

12-Month Forecast 2021	Trade Receivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
1,311,206	Past due 1-30 days	1,311,206	1,311,206
118,461	Past due 31-60 days	118,461	118,461
103,345	Past due 61-90 days	103,345	103,345
107,786	Past due 90 and above	107,786	107,786
	Non-Current		
36,409	Past due 1 year and above	36,409	36,409
1,677,207	**Total**	**1,677,207**	**1,677,207**

NOTE 2: TRADE AND OTHER RECEIVABLES (CONTINUED)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(174,363)	Balance at begining oF period	(174,363)	(174,363)
(28,075)	Additional provisions made during the year	(28,075)	(28,075)
28,075	Receivables written off during the period	28,075	28,075
(174,363)	**Balance at 31 December**	**(174,363)**	**(174,363)**

NOTE 3: INVENTORIES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Inventories		
-	Inventory held for use in the provision of goods and services	-	-
218,041	Inventory held for sale	218,041	218,041
-	Inventory Other	-	-
-	Impairment of Inventory	-	-
218,041	**INVENTORIES - Current**	**218,041**	**218,041**
-	**INVENTORIES - Non-Current**	**-**	**-**
218,041	**TOTAL INVENTORIES**	**218,041**	**218,041**

NOTE 5: PREPAYMENTS

12-Month Forecast 2021	Prepayments	12-Month Budget 2022	12-Month Budget 2023
	Current Prepayments		
162,974	Subscriptions and fees	162,974	162,974
162,974	**Prepayments - Current**	**162,974**	**162,974**
162,974	**Total Prepayments**	**162,974**	**162,974**

THE UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2020	975,000	7,040,083	1,716,799	1,563,095	20,613	418,380	90,191	11,824,161
Additions	460,000	65,038	63,389	105,391			312,727	1,006,545
Disposals and Derecognisation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-		-
Transfers	-	383,605	-	-	-	-	(383,605)	-
Balance as at 31 December 2020	1,435,000	7,488,726	1,780,188	1,668,486	20,613	418,380	19,313	12,830,706

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2021	1,435,000	7,488,726	1,780,188	1,668,486	20,613	418,380	19,313	12,830,706
Additions	-	155,547	50,000	100,000	-	-	240,466	546,013
Disposals and Derecognisation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	1,435,000	7,644,273	1,830,188	1,768,486	20,613	418,380	259,779	13,376,719

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	1,435,000	7,644,273	1,830,188	1,768,486	20,613	418,380	259,779	13,376,719
Additions	-	4,282,000	50,000	100,000	-	-	-	4,432,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	1,435,000	11,926,273	1,880,188	1,868,486	20,613	418,380	259,779	17,808,719

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	1,435,000	11,926,273	1,880,188	1,868,486	20,613	418,380	259,779	17,808,719
Additions		4,158,000	50,000	100,000				4,308,000
Disposals and Derecognisation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	1,435,000	16,084,273	1,930,188	1,968,486	20,613	418,380	259,779	22,116,719

THE UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2020	-	379,492	1,557,672	1,376,110	18,846	416,795	-	3,748,915
Transfers	-	-	-	-	-	-	-	-
Impairment Reserve 2020 (closing balance)	-	-	-	-	-	-	-	-
Depreciation Expense 2020	-	518,499	52,732	141,483	1,767	317	-	714,798
Eliminate on Disposal or Derecognisation 2020	-	-	-	-	-	-	-	-
Balance as at 31 December 2020	-	897,991	1,610,404	1,517,593	20,613	417,112	-	4,463,713

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2021	-	897,991	1,610,404	1,517,593	20,613	417,112	-	4,463,713
Transfers	-	-	-	-	-	-	-	-
Impairment Reserve 2021 (closing balance)	-	-	-	-	-	-	-	-
Depreciation Expense 2021	-	413,728	52,732	141,483		317	-	608,260
Eliminate on Disposal or Derecognisation 2021	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	-	1,311,719	1,663,136	1,659,076	20,613	417,429	-	5,071,973

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	-	1,311,719	1,663,136	1,659,076	20,613	417,429	-	5,071,973
Transfers	-	-	-	-	-	-	-	-
Impairment change 2022	-	-	-	-	-	-	-	-
Depreciation Expense 2022	-	530,706	52,732	141,483		317	-	725,238
Eliminate on Disposal or Derecognisation 2022	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	-	1,842,425	1,715,868	1,800,559	20,613	417,746	-	5,797,211

	Land	*Buildings and Leasehold*	*Furniture and Fittings*	*Computer Hardware*	*Motor Vehicles*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	-	1,842,425	1,715,868	1,800,559	20,613	417,746	-	5,797,211
Transfers	-	-	-	-	-	-	-	-
Impairment change 2023	-	-	-	-	-	-	-	-
Depreciation Expense 2023	-	658,545	52,732	188,762		317	-	900,356
Eliminate on Disposal or Derecognisation 2023	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	-	2,500,970	1,768,600	1,989,321	20,613	418,063	-	6,697,567

Net Book value 31 December 2020	1,435,000	6,590,735	169,784	150,893	-	1,268	19,313	8,366,993

Net Book value 31 December 2021	1,435,000	6,332,554	167,052	109,410	-	951	259,779	8,304,746

Net Book value 31 December 2022	1,435,000	10,083,848	164,320	67,927	-	634	259,779	12,011,508

Net Book value 31 December 2023	1,435,000	13,583,303	161,588	(20,835)	-	317	259,779	15,419,152

NOTE 8: INTANGIBLE ASSETS

COST OF INTANGIBLE ASSETS

	Computer Software	*Total*
Balance as at 1 January 2020	347,015	347,015
Additions	20,300	20,300
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2020	367,315	367,315

	Computer Software	*Total*
Balance as at 1 January 2021	367,315	367,315
Additions	50,000	50,000
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2021	417,315	417,315

	Computer Software	*Total*
Balance as at 1 January 2022	417,315	417,315
Additions	50,000	50,000
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2022	467,315	467,315

	Computer Software	*Total*
Balance as at 1 January 2023	467,315	467,315
Additions	50,000	50,000
Disposals and Derecognisation	-	-
Revaluation	-	-
Transfers	-	-
Balance as at 31 December 2023	517,315	517,315

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Computer Software	*Total*
Balance as at 1 January 2020	336,697	336,697
Transfers	-	-
Impairment Reserve 2020 (closing balance)	-	-
Depreciation Expense 2020	13,946	13,946
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2020	350,643	350,643

	Computer Software	*Total*
Balance as at 1 January 2021	350,643	350,643
Transfers	-	-
Impairment Reserve 2021 (closing balance)	-	-
Depreciation Expense 2021	15,713	15,713
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2021	366,356	366,356

	Computer Software	*Total*
Balance as at 1 January 2022	366,356	366,356
Transfers	-	-
Impairment change 2022	-	-
Depreciation Expense 2022	15,713	15,713
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2022	382,069	382,069

	Computer Software	*Total*
Balance as at 1 January 2023	382,069	382,069
Transfers	-	-
Impairment change 2023	-	-
Depreciation Expense 2023	15,713	15,713
Eliminate on Disposal or Derecognisation	-	-
Balance as at 31 December 2023	397,782	397,782

Net Book value 31 December 2020	16,672	16,672
Net Book value 31 December 2021	50,959	50,959
Net Book value 31 December 2022	85,246	85,246
Net Book value 31 December 2023	119,533	119,533

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Trade payables other payables and accruals		
667,468	Creditors Third party	667,468	667,468
2,150	Creditors Ministries/Portfolios	2,150	2,150
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease		
327,137	Accrued Expenses	327,137	327,137
131,057	Other payables	131,057	131,057
-	Dividends/Surplus Payable	-	-
1,127,812	**Trade payables other payables and accruals - Current**	**1,127,812**	**1,127,812**
	Non-Current Trade payables other payables and accruals		
-	**Trade payables other payables and accruals - Non-Current**	-	-
1,127,812	**Total trade payables other payables and accruals**	**1,127,812**	**1,127,812**

NOTE 13: UNFUNDED PENSION LIABILTY

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(1,633,000)	Value of pension fund allocated asstes	(1,736,000)	(1,839,000)
(103,000)	Past service liability	(103,000)	(103,000)
(1,736,000)	**Fund (deficiency)/Surplus**	**(1,839,000)**	**(1,942,000)**

THE UNIVERSITY COLLEGE OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 15A: SALE OF GOODS AND SERVICES

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
2,382,211	Fees and Charges	2,501,322	2,626,388
448,280	General Sales	470,694	494,229
55,747	Rentals	58,534	61,461
355,348	Other Goods & Services Revenue	373,115	391,771
6,678,322	Sale of goods and services to Cabinet	6,678,322	6,678,322
629,403	Sale of goods and services to Other Ministries and Portfolios	629,403	629,403
10,549,311	**Total sale of goods and services**	**10,711,390**	**10,881,574**

12-Month Forecast 2021	Fees and Charges	12-Month Budget 2022	12-Month Budget 2023
2,382,211	Tuition Fees	2,501,322	2,626,388
2,382,211	**Total Fees & Charges**	**2,501,322**	**2,626,388**

12-Month Forecast 2021	General Sales	12-Month Budget 2022	12-Month Budget 2023
448,280	Book and Merchandise Sales	470,694	494,229
448,280	**Total General Sales**	**470,694**	**494,229**

12-Month Forecast 2021	Rentals	12-Month Budget 2022	12-Month Budget 2023
55,747		58,534	61,461
55,747	**Total Rentals**	**58,534**	**61,461**

NOTE 15A: SALE OF GOODS AND SERVICES (CONTINUED)

12-Month Forecast 2021	Other Goods & Services Revenue	12-Month Budget 2022	12-Month Budget 2023
355,348	Miscellaneous Receipts	373,115	391,771
355,348	**Total Other Goods & Services Revenue**	**373,115**	**391,771**
	Sales of Outputs to Cabinet		
6,678,322	Sales of Outputs to Cabinet	6,678,322	6,678,322
-	Other Outputs	-	-
6,678,322	**Total Sales of Outputs to Cabinet**	**6,678,322**	**6,678,322**
	Other Interdepartmental Revenue		
629,403	Revenue from Ministries/Portfolios	629,403	629,403
-	Revenue from Statutory Authorities and Government Companies	-	-
629,403	**Total Other Interdepartmental Revenue**	**629,403**	**629,403**
10,549,311	**Total Goods and Services**	**10,711,390**	**10,881,574**

NOTE 17: DONATIONS

12-Month Forecast 2021	Source	12-Month Budget 2022	12-Month Budget 2023
227,583	Philanthropy	238,962	250,910
227,583	**Total donations**	**238,962**	**250,910**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
6,731,754	Salaries, wages and allowances	6,715,606	6,715,606
-	Health care CINICO	-	-
206,662	Health care other	215,482	215,482
298,570	Pension	306,713	306,713
-	Leave	-	-
103,000	Other personnel related costs	103,000	103,000
7,339,986	**Total Personnel Costs**	**7,340,801**	**7,340,801**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
541,049	Supplies and Materials	551,870	562,907
1,620,023	Purchase of services	1,652,423	1,685,472
72,000	Lease of Property and Equipment	73,440	74,909
387,685	Utilities	395,439	403,347
128,669	General Insurance	131,242	133,867
-	Interdepartmental expenses	-	-
28,889	Travel and Subsistence	29,467	30,056
-	Recruitment and Training	-	-
5,000	Other	5,100	5,202
2,783,315	**Total Supplies & consumables**	**2,838,981**	**2,895,761**

NOTE 20: FINANCE COSTS

12-Month Forecast 2021	Descriptions	12-Month Budget 2022	12-Month Budget 2023
-	Interest on borrowings	-	-
35,037	Other borrowing costs	35,037	35,037
-	Interest on overdraft	-	-
35,037	**Total Finance cost**	**35,037**	**35,037**

NOTE 22: OTHER GAINS/(LOSSES)

12-Month Forecast 2021	Descriptions	12-Month Budget 2022	12-Month Budget 2023
-	Net (gain) / loss on disposal of property, plant and equipment	-	-
-	Net (gain) / loss on derecognition and revaluation of assets	-	-
(5,417)	Net (gain) / loss on foreign exchange Transactions	(5,417)	(5,417)
(5,417)	**Total gains/ (losses)**	**(5,417)**	**(5,417)**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
-	**Surplus/(deficit) from ordinary activities**	(0)	0
	Non-cash movements		
623,973	Depreciation & Amortisation	740,951	916,069
-	Impairment	-	-
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
-	Other Non-cash movement		
	Changes in current assets and liabilities:		-
-	(Increase)/decrease in other current assets - Cabinet	-	-
-	(Increase)/decrease in other current assets - Statutory Agencies and Government Companies	-	-
-	(Increase)/decrease in other current assets - Ministries Portfolios	-	-
-	(Increase)/decrease in other current assets - Other	-	-
-	(Increase/(decrease) in current liabilities - Statutory Agencies and Government Companies	-	-
-	(Increase/(decrease) in current liabilities - Ministries Portfolios	-	-
-	(Increase/(decrease) in current liabilities - Other	103,000	102,999
623,973	**Net cash flows from operating activities**	**843,951**	**1,019,069**

NOTE 24: CONTINGENT LIABILITIES AND ASSETS

	Beginning Balance	Additions	Disbursements	Adjustments	12-Month Budget 2022	12-Month Budget 2023
Other Contingent Liabilities						
Item 1 heading						
Public Authorities Act 47(1) Compliance Accrual	388,411	-	(195,756)	(192,655)	-	-
Item 2 heading						
Item 2 description	-	-	-	-	-	-
Total Other Contingent Liabilities	**388,411**	-	**(195,756)**	**(192,655)**	-	-
Total contingent liabilities	**388,411**	-	**(195,756)**	**(192,655)**	-	-
Contingent Assets						
Item 1 heading						
Item 1 description	-	-	-	-	-	-
Item 2 heading						
Item 2 description	-	-	-	-	-	-
Total Other Contingent Assets	-	-	-	-	-	-

NOTE 26: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
928,571	Salaries & other short-term employee benefits	928,571	928,571
-	Past employee benefits	-	-
-	Other long-term benefits	-	-
-	Termination benefits	-	-
-	Loans	-	-
928,571	**Total**	**928,571**	**928,571**

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OWNERSHIP AGREEMENT

BETWEEN THE

CAYMAN ISLANDS GOVERNMENT

AND

THE WATER AUTHORITY OF THE CAYMAN ISLANDS

FOR THE 2022 FINANCIAL YEAR ENDING 31 DECEMBER 2022
AND THE 2023 FINANCIAL YEAR ENDING 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH SECTION 50 OF THE PUBLIC MANAGEMENT AND FINANCE ACT (2020 REVISION)

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1. Purpose
2. Nature and Scope of Activities
3. Strategic Goals and Objectives
4. Ownership Performance Targets
5. Summarised Forecast Financial Statements
6. Other Financial Information

Agreement

APPENDIX: Forecast Financial Statements

1. PURPOSE

This Ownership Agreement documents the ownership performance the Cabinet and the Board of the Water Authority of the Cayman Islands have agreed the Water Authority of the Cayman Islands will seek to achieve during the 2022 and 2023 financial years.

The purpose of the document is to ensure the ownership performance expectations for the financial years are clearly specified and agreed by both parties.

2. NATURE AND SCOPE OF ACTIVITIES

This section outlines the nature and scope of activities within which the Water Authority of the Cayman Islands is to operate during the financial years.

GENERAL NATURE OF ACTIVITIES

The Water Authority – Cayman's activities are;

To ensure that the entire population of the Cayman Islands have access to a pure, wholesome and affordable supply of potable water.

To protect and develop groundwater resources for the benefit of present and future populations of these islands.

To provide for the collection, treatment and disposal of sewage within these islands in a manner that is safe, efficient and affordable.

To operate in such a manner as to be financially self-sufficient, while contributing to the economy of these islands and achieving a reasonable and acceptable return on capital investments.

SCOPE OF ACTIVITIES

Maintain Water Production Capacity, Distribution and Storage to ensure distribution reliability.

Maintain Adequate Infrastructure to Operate Efficiently.

Water Distribution Extension and Water Works Facility.

Improve Integrity of existing Collection System and Future Expansions.

CUSTOMERS AND LOCATION OF ACTIVITIES

Water Authority of the Cayman Islands provides sewer services on Grand Cayman and potable water to both Grand Cayman and Cayman Brac. The administrative offices are located at 13G Red Gate Road (949-2837) with a satellite office on the island of Cayman Brac (947-1403).

3. STRATEGIC OWNERSHIP GOALS

The key strategic goals and objectives (from an ownership perspective) for The Water Authority (WA) of the Cayman Islands for the 2022 and 2023 financial years have not been reviewed by the Board and hence are not considered final until the Board has approved this document. The 10-year Capital Development and Maintenance plan identifies and prioritises the capital assets and financial resources required over the next 10-years. For the purpose of this document the Authority highlights the main projects in 2022 and 2023:

1) GCM - Maintain Water Production Capacity, Distribution and Storage to ensure distribution reliability

- 2022 - Additional Reservoirs **–** Construction of two 3-million-gallon capacity Water Storage Tanks to accommodate expected growth within the distribution system and facilitate regular maintenance on existing tanks.
- 2022 – Booster and Pumping Station – Add booster station and an additional pump station for the water distribution system. Installation will improve operational flexibility.
- 2022 and 2023 – Additional RO Plants – To accommodate expected growth within the distribution system, improve operational reliability and flexibility of distribution system and maintain consistent pressure.
- 2022 and 2023 – New Locations, Site clearance – Add re-pumping facility to improve operational flexibility.

2) GCM – Maintain Adequate Infrastructure to Operate Efficiently

- Continuous **–** Upgrade and maintain existing water services, sample taps and miscellaneous pipeline extensions throughout the water supply system to ensure integrity of the system.
- 2022 and 2023 – Administration Office Extension, including Lab and Solar Power Canopy at parking lot **–** provide a purpose-built facility to accommodate a growing work force, a dedicated Laboratory area, a secure location for internal files storage, allowing accessibility and flexibility in retrieval, taking into consideration necessary precautions to protect contents from natural disasters and eliminate offsite storage fees. The project was delayed due to COVID restrictions in 2020 and 2021.
- Continuous – District Meter Areas (DMA's) **–** DMA's will increase the number of distinct zones within the water distribution system, and allow better identification of potential problem areas, which will assist in reducing the non-revenue water.
- Continuous – Advanced Metering Infrastructure (AMI) - Pilot study to ascertain the feasibility of installing an AMI in the Cayman Islands. These metering systems enable measurement of detailed time-based information and frequent collection of the data, distributed to various parties, allowing both the Customer and the WA to make strategic business decisions. Progress on this project Water Authority partially delayed due to COVID restrictions in 2020 and 2021.
- 2022 and 2023 – Vehicle Maintenance Building – A specially constructed building to efficiently service the Authority's growing vehicle and equipment fleet in a safe and efficient environment. The project was delayed due to COVID restrictions in 2020 and 2021.

3) CYB – Water Distribution Extension and Water Works Facility

- Continuous - Cayman Brac Extension Project – ***Phase III - Install 8-inch pipe along the north coast to Spot Bay.*** Extension of piped water in response to fulfilment of Water Authority's Mission and provide convenience of "city water" to residents living on Cayman Brac. Phase III will extend the existing

distribution system approximately 26,000 feet, providing piped water to nearly 200 developments (houses, apartment complexes, restaurants, businesses), or to more than 400 residents.

- 2022 and 2023 - Cayman Brac Water Infrastructure – Potable Water Storage Tank / Pumping Station and Post Treatment Building / Administration Building and Pipe Storage Rack and Stores at the Authority's Bluff Water Works (BWW). New infrastructure to accommodate the installation of two additional water storage tanks, construction of pumping station to treat and distribute water from the BWW, construct administrative headquarters for CYB, storage building to safely store spare pipes and materials. The project was delayed due to COVID restrictions in 2020 and 2021.

4) **Wastewater – Improve Integrity of existing Collection System and Future Expansions**

- 2023 and 2024 – Construction of WWTP – Phase II – to expand current treatment facility to accommodate the rapid growth within the catchment area and to be ready for any future collection system additions. The project was delayed due to COVID restrictions in 2020 and 2021.
- 2022 & beyond – Sewerage System Extensions - replace existing privately-owned sewerage systems and install new extensions to connect residents and businesses to the wastewater collection system to ensure proper treatment of wastewater.

4. OWNERSHIP PERFORMANCE TARGETS

The ownership performance targets (as specified in schedule 5 to the Public Management and Finance Act (2020 Revision), as amended for the Water Authority of the Cayman Islands for the 2022 and 2023 financial years are as follows:

	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE FROM CABINET	-	-	-
REVENUE FROM MINISTRIES, PORTFOLIOS, STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES	-	-	-
REVENUE FROM OTHERS	43,120	46,466	42,684
OPERATING EXPENSES	42,477	45,863	39,753
OPERATING SURPLUS/DEFICIT	**643**	**603**	**2,931**
NET WORTH	**-**	**-**	**-**
CASH FLOWS FROM OPERATING ACTIVITIES	11,461	13,301	13,506
CASH FLOWS FROM INVESTING ACTIVITIES	(26,170)	(18,932)	(3,853)
CASH FLOWS FROM FINANCING ACTIVITIES	(258)	(258)	(258)
CHANGE IN CASH BALANCES	(14,967)	(5,889)	9,395

FINANCIAL PERFORMANCE RATIO	2022 1 Jan to 31 Dec 2022 %	2023 1 Jan to 31 Dec 2023 %	2021 12-Month Forecast %
CURRENT ASSETS : CURRENT LIABILITIES	10.85	6.11	15.40
TOTAL ASSETS : TOTAL LIABILITIES	2.50	2.34	2.70

MAINTENANCE OF CAPABILITY

HUMAN CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023	2021 12-Month Forecast
TOTAL FULL TIME EQUIVALENT STAFF EMPLOYED	160	175	145
STAFF TURNOVER (%)			
MANAGERS	5.89	6.00	6.00
PROFESSIONAL AND TECHNICAL STAFF	5.89	6.00	6.00
CLERICAL AND LABOURER STAFF	5.89	6.00	6.00
AVERAGE LENGTH OF SERVICE (CURRENT POSITION)			
MANAGERS	19 Years	20 years	18 years
PROFESSIONAL AND TECHNICAL STAFF	13 Years	14 years	12 years
CLERICAL AND LABOURER STAFF	14 Years	15 years	13 years
CHANGES TO PERSONNEL MANAGEMENT SYSTEM	-	-	-

PHYSICAL CAPITAL MEASURES	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
VALUE OF TOTAL ASSETS	131,712	139,003	123,927
ASSET REPLACEMENTS : TOTAL ASSETS	30.9%	30.2%	6.5%
BOOK VALUE OF ASSETS : COST OF THOSE ASSETS	52.9%	57.7%	47.2%
DEPRECIATION : CASH FLOW ON ASSET PURCHASES	17.8%	19.4%	92.1%
CHANGES TO ASSET MANAGEMENT POLICIES	-	-	-

MAJOR NEW CAPITAL EXPENDITURE PROJECTS	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
2022 – ADDITIONAL RESERVOIRS	3,800	-	-
2022 – BOOSTER AND PUMPING STATIONS	250	-	-
2022 – ADDITIONAL RO PLANTS	6,000	6,000	-
GCM – CONTINUOUS	1,150	1,150	1,150
ADMINISTRATION OFFICE EXTENSION	3,000	2,500	-
GCM – CONTINUOUS – DMA / AMI	1,150	1,050	1,150
2022- VEHICLE MAINTENANCE BUILDING	2,500	-	-
CONTINUOUS – CYB – EXTENSION PROJECT	1,000	1,000	1,000
BWW- INFRASTRUCTURE POTABLE WATER STORAGE TANK PUMPING STATION AND POST TREATMENT ADMINISTRATION BUILDING	7,000	650	-
2023 AND 2024 – CONSTRUCTION OF WWTP – PHASE II	-	8,000	8,000
2023 ONGOING – SEWERAGE SYSTEM EXTENSIONS	-	1,000	1,000
TOTAL	**25,850**	**21,350**	**12,300**

RISK MANAGEMENT

KEY RISKS FACED BY MINISTRY/PORTFOLIO	CHANGE IN STATUS FROM 2021	ACTIONS TO MANAGE RISK	FINANCIAL VALUE OF RISK
Financial Restrictions due to moratorium on borrowing and the inability of the Authority to make necessary capital investments into water and wastewater infrastructure to meet the growing needs of the Islands.	Period of no borrowing request from CIG remains in place.	Work together with the Ministry and public officials to anticipate future demands.	The financial risk is the potential of lost revenue due to the inability of the WA to meet the water production demands of the public, value to be associated with the amount of water that could have been sold but was unavailable. Same with collection of wastewater revenue.
Employee / Public Liability / Motor Vehicle	No identified change in risk status	Adequate insurance maintained to mitigate the risk	Undeterminable
Indemnity Insurance	Pending		
COVID-19	In March 2020 the World Health Organization officially declared COVID-19 outbreak a pandemic.	As the Authority provides an essential service and the financial performance over 2020 and the first half of 2021 has remained consistent with prior years the Authority does not expect this matter to materially impact its operating results, however any long-term financial impact and duration cannot be reasonably estimated at this time	
Section 47 of the Public Authorities Act	Came into effect on 01 June 2019 requiring public authorities to use the same salary structure as determined by the Cayman Islands Cabinet office and requires the remuneration of employees of a public authority to be adjusted to reduce any differences between the public authorities and public service pay grades.	The Cayman Island Government Portfolio of the Civil Service together with the Water Authority need to assess the impact on the business of the Authority, the ability to attract and retain qualified personnel in a competitive job market.	Management of the Authority is unable to derive an accurate estimate of the potential impact of the evaluation on its financial statements until a complete evaluation is undertaken.

5. SUMMARISED FORECAST FINANCIAL STATEMENTS

A full set of forecast financial statements for the Water Authority of the Cayman Islands is provided in the Appendix to this Ownership Agreement.

OPERATING STATEMENT	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
REVENUE	43,120	46,466	42,684
OPERATING EXPENSES	42,477	45,863	39,753
NET SURPLUS/(DEFICIT)	643	603	2,931

BALANCE SHEET	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
ASSETS	131,693	138,287	124,828
LIABILITIES	52,769	59,010	46,297
NET WORTH	78,924	79,247	78,531

STATEMENT OF CASH FLOW	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's	2021 12-Month Forecast $000's
CASH FLOWS FROM OPERATING ACTIVITIES	11,461	13,301	13,506
CASH FLOWS FROM INVESTING ACTIVITIES	(26,170)	(18,932)	(3,853)
CASH FLOWS FROM FINANCING ACTIVITIES	(258)	(258)	(258)

6. OTHER FINANCIAL INFORMATION

Detailed below is information about specific financial transactions required to be included in the Ownership Agreement by the Public Management and Finance Act (2020 Revision).

TRANSACTION	2022 1 Jan to 31 Dec 2022 $000's	2023 1 Jan to 31 Dec 2023 $000's
EQUITY INVESTMENTS INTO WATER AUTHORITY OF THE CAYMAN ISLANDS	-	-
CAPITAL WITHDRAWALS FROM WATER AUTHORITY OF THE CAYMAN ISLANDS	-	-
DIVIDEND OR PROFIT DISTRIBUTIONS TO BE MADE BY WATER AUTHORITY OF THE CAYMAN ISLANDS	250,000	250,000
GOVERNMENT LOANS TO BE MADE TO WATER AUTHORITY OF THE CAYMAN ISLANDS	-	-
GOVERNMENT GUARANTEES TO BE ISSUED IN RELATION TO WATER AUTHORITY OF THE CAYMAN ISLANDS	-	-
RELATED PARTY PAYMENTS (NON-REMUNERATION) MADE TO KEY MANAGEMENT PERSONNEL[49]	-	-
REMUNERATION[50] PAYMENTS MADE TO KEY MANAGEMENT PERSONNEL	$200 / MONTH AND $25 FOR MEETING ATTENDED	$200 / MONTH AND $25 FOR MEETING ATTENDED
REMUNERATION PAYMENTS MADE TO SENIOR MANAGEMENT	1 MILLION	1 MILLION

DESCRIPTION	2022 1 Jan to 31 Dec 2022	2023 1 Jan to 31 Dec 2023
NUMBER OF KEY MANAGEMENT PERSONNEL (BOARD)	PENDING BOARD APPOINTMENTS	PENDING BOARD APPOINTMENTS
NUMBER OF KEY SENIOR MANAGEMENT (MD)	7	7

[49] Key Management Personnel as defined by International Public Accounting Standards No 20, e.g. Minister, Board Member and Senior Management Team

[50] Remuneration as defined by International Public Accounting Standards No 20 Par 34(a)

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AGREEMENT

Scope of this Agreement

In signing this document, the Water Authority of the Cayman Islands undertakes to seek to achieve the performance specified in sections 2 to 6 to the best of its ability; and

The Cabinet agrees to the performance specified in sections 2 to 5 and the financial transactions specified in section 6.

Procedures for Changing this Ownership Agreement

Changes to this Ownership Agreement may be made during the financial years only with the express and explicit agreement of both parties to the Agreement. Changes will be made in the following way:

- If either party wishes to change the specification of performance contained in this Ownership Agreement, they must notify the other in writing describing the changes that they wish to make.
- The other party will take no more than 15 working days to consider the proposed amendments, or such other time as the two parties may agree.
- The other party will respond to the other about the proposed amendments and negotiate appropriate changes that are agreeable to both parties.
- The parties will the sign the amended Ownership Agreement.
- The amended Ownership Agreement will be attached to and form part of this Agreement.

Agreement

We jointly agree this Ownership Agreement accurately documents the ownership performance the Water Authority of the Cayman Islands will seek to achieve for the 2022 and 2023 financial years and that the Cabinet will monitor performance against.

Honourable Juliana O'Connor-Connolly, JP
Minister for District Administration and Lands
On behalf of Cabinet

Chairman of the Board
Water Authority of the Cayman Islands

31 December 2021

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APPENDIX

FORECAST FINANCIAL STATEMENTS

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CAYMAN ISLANDS
GOVERNMENT

WATER AUTHORITY OF THE CAYMAN ISLANDS
STATEMENT OF RESPONSIBILITY FOR FORECAST FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

These forecast financial statements have been prepared in accordance with the provisions of the Public Management and Finance Act (2020 Revision).

The Board accepts responsibility for the accuracy and integrity of the financial information in these financial statements.

To the best of our knowledge the statements are:

a. Complete and reliable;
b. Fairly reflect the forecast financial position as at 31 December 2022 and 31 December 2023 and performance for the Water Authority of the Cayman Islands for the financial years ending 31 December 2022 and 31 December 2023; and
c. Comply with generally accepted accounting practice.

Chairman of the Board
Water Authority of the Cayman Islands

31 December 2021

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WATER AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF ACCOUNTING POLICIES
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

General Accounting Policies

Reporting entity

These forecast financial statements are for the Water Authority of the Cayman Islands.

Basis of preparation

The forecast financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSASs) using the accrual basis of accounting. Where there is currently no IPSAS, other authoritative pronouncements such as International Accounting Standards and United Kingdom reporting standards applicable to the public sector have been used. The measurement base applied is historical cost adjusted for revaluations of certain assets.

The forecast financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently.

Reporting Period

The reporting period is; the period ended 31 December 2021.

The Budget forecast is the accrual version of the original forecast for the financial year, as presented in the 2022 and 2023 Budget.

Specific Accounting Policies

Revenue
Output revenue
Output revenue, including revenue resulting from user charges or fees, is recognised when it is earned.

Interest revenue
Interest revenue is recognised in the period in which it is earned.

Expenses
General
Expenses are recognised when incurred.

Depreciation
Depreciation of non-financial physical assets is generally provided on a straight-line basis at rates based on the expected useful lives of those assets.

Assets

Cash and cash equivalents
Cash and cash equivalents include cash held in the Ministry or Portfolio's bank account and on deposit with the Portfolio of Finance and Economics (Treasury).
Receivables and advances

Receivables and advances are recorded at the amounts expected to be ultimately collected in cash.

Inventory
Inventories are recorded at the lower of cost and net current value. Where inventories are valued at cost, specific identification or the FIFO method has been used. Appropriate allowance has been made for obsolescence.

Property, Plant and Equipment (including Infrastructure Assets)
Buildings are recorded at historical cost, other plant and equipment, which includes motor vehicles and office equipment, is recorded at cost less accumulated depreciation.

Computer Hardware and Software
Computer hardware and software are recorded at cost, and depreciated in accordance with the policy on depreciation.

Liabilities

Accounts Payable
Accounts payable are recorded at the amount owing after allowing for credit notes and other adjustments.

Provisions
Provisions are recognised in accordance with IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets.

Employee entitlements

Amounts incurred but not paid at the end of the reporting financial years are accrued. Annual leave due, but not taken, is recognised as a liability.

Long service leave liabilities are measured as the present value of estimated leave service entitlements.

THE WATER AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL POSITION	Note	12-Month Budget 2022	12-Month Budget 2023
	Current Assets			
25,360,601	Cash and cash equivalents	1	10,393,711	4,504,063
30,060,481	Marketable securities and deposits		30,060,481	15,242,636
6,035,294	Trade receivables	2	6,225,294	6,302,294
-	Other receivables	2	-	-
306,652	Inventories	3	426,652	456,652
-	Investments	4	-	-
450	Prepayments	5	-	-
-	Loans	6	-	-
61,763,478	**Total Current Assets**		**47,106,138**	**26,505,645**
	Non-Current Assets			
-	Trade receivables	2	-	-
-	Other receivables	2	-	-
-	Inventories	3	-	-
-	Investments	4	-	-
-	Prepayments	5	-	-
-	Loans	6	-	-
-	Pension Plan Surplus	13	-	-
63,064,645	Property, plant and equipment	7	84,586,966	111,781,859
-	Intangible Assets	8	-	-
63,064,645	**Total Non-Current Assets**		**84,586,966**	**111,781,859**
124,828,123	**Total Assets**		**131,693,104**	**138,287,504**
	Current Liabilities			
2,299,050	Trade payables	9	2,519,876	2,519,876
1,712,004	Other payables and accruals	9	1,820,951	1,820,951
-	Dividends/Surplus Payable	9	-	-
-	Bank Overdraft	1	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
-	Current Portion of Borrowings	12	-	-
4,011,054	**Total Current Liabilities**		**4,340,827**	**4,340,827**
	Non-Current Liabilities			
-	Trade payables	9	-	-
80,535	Other payables and accruals	9	72,026	63,112
-	Dividends/Surplus Payable	9	-	-
-	Unearned revenue	10	-	-
-	Employee entitlements	11	-	-
3,389,000	Unfunded pension liability	13	3,639,000	3,889,000
38,817,000	Unfunded post retirement health care	14	44,717,000	50,717,000
-	Currency Issued		-	-
-	Long Term portion of Borrowings	12	-	-
42,286,535	**Total Non-Current Liabilities**		**48,428,026**	**54,669,112**
46,297,589	**Total Liabilities**		**52,768,853**	**59,009,939**
78,530,534	**Net Assets**		**78,924,251**	**79,277,565**
	NET WORTH			
74,370,278	Contributed capital		74,120,278	73,870,278
606,000	Other Reserves		606,000	606,000
-	Revaluation reserve		-	-
3,554,261	Accumulated surpluses/(deficits)		4,197,978	4,801,291
78,530,539	**Total Net Worth**		**78,924,256**	**79,277,569**

THE WATER AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	STATEMENT OF FINANCIAL PERFORMANCE	Note	12-Month Budget 2022	12-Month Budget 2023
	Revenue			
40,607,057	Sale of goods and services	**15**	41,022,895	44,346,599
2,077,117	Investment revenue	**16**	2,097,888	2,119,707
-	Donations	**17**	-	-
-	Other revenue		-	-
42,684,174	**Total Revenue**		**43,120,783**	**46,466,306**
	Expenses			
10,484,643	Personnel costs	**18**	12,993,156	14,579,899
21,956,817	Supplies and consumables	**19**	23,791,694	23,766,798
3,749,363	Depreciation and Amortisation	**7**	4,647,679	6,555,107
-	Impairment of Inventory,property, plant and equipment		100,000	100,000
4,211	Finance costs & overdraft interest	**20**	3,825	3,421
58,299	Litigation costs	**21**	114,129	145,085
-	Other (Gains)/losses	**22**	-	-
3,499,676	Other Operating expenses		826,583	712,683
39,753,009	**Total Expenses**		**42,477,066**	**45,862,993**
2,931,165	**Surplus or (Deficit) for the period**		**643,717**	**603,313**

THE WATER AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

12-Month Forecast 2021	CASH FLOW STATEMENT	Note	12-Month Budget 2022	12-Month Budget 2023
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
-	Sale of goods and services to Cabinet		-	-
-	Sale of goods and services to Ministries/Portfolios		-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies		-	-
-	Sale of goods and services - third party		-	-
-	Interest received		-	-
-	Donations / Grants		-	-
-	Other receipts		-	-
	Payments			
-	Personnel costs		-	-
-	Supplies and consumables - Ministries/Portfolios		-	-
-	Supplies and consumables - Statutory Agencies and Government Conpanies		-	-
-	Supplies and consumables - third party		-	-
-	Interest paid		-	-
13,506,652	Other payments		11,461,619	13,301,421
13,506,652	**Net cash flows from operating activities**	23	**11,461,619**	**13,301,421**
	CASH FLOWS FROM INVESTING ACTIVITIES			
(3,852,526)	Purchase of property, plant and equipment		(26,170,000)	(18,932,155)
-	Proceeds from sale of property, plant and equipment		-	-
-	Purchase of investments		-	-
-	Proceeds from sale of investments		-	-
(3,852,526)	**Net cash flows from investing activities**		**(26,170,000)**	**(18,932,155)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Equity Investment from Cabinet		-	-
(250,000)	Repayment of Surplus/Dividends or Capital withdrawal		(250,000)	(250,000)
(8,124)	Borrowings		(8,510)	(8,914)
-	Repayment of Borrowings		-	-
-	Currency Issues		-	-
(258,124)	**Net cash flows from financing activities**		**(258,510)**	**(258,914)**
9,396,002	**Net increase/(decrease) in cash and cash equivalents**		**(14,966,891)**	**(5,889,648)**
15,964,599	Cash and cash equivalents at beginning of period		25,360,601	10,393,710
25,360,601	**Cash and cash equivalents at end of period**		**10,393,710**	**4,504,062**

THE WATER AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF CHANGES IN NET WORTH
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2019 brought forward	74,870,278	236,000		-	75,106,278
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2019	74,870,278	236,000	-	-	75,106,278
Changes in net worth for 2020					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	(250,000)	-	-	-	(250,000)
Net revenue / expenses recognised directly in net worth	(250,000)	-	-	-	(250,000)
Surplus/(deficit)for the period 2020				623,096	623,096
Total recognised revenues and expenses for the period	(250,000)	-	-	623,096	373,096
Balance at 31 December 2020	74,620,278	236,000	-	623,096	75,479,374
Balance at 31 December 2020 brought forward	74,620,278	236,000	-	623,096	75,479,374
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2020	74,620,278	236,000	-	623,096	75,479,374
Changes in net worth for 2021					
Gain/(loss) on property revaluation	-	370,000	-	-	370,000
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	(250,000)	-	-	-	(250,000)
Net revenue / expenses recognised directly in net worth	(250,000)	370,000	-	-	120,000
Surplus/(deficit)for the period 2021				2,931,165	2,931,165
Total recognised revenues and expenses for the period	(250,000)	370,000	-	2,931,165	3,051,165
Balance at 31 December 2021 carried forward	74,370,278	606,000	-	3,554,261	78,530,539

THE WATER AUTHORITY OF THE CAYMAN ISLANDS

STATEMENT OF CHANGES IN NET WORTH (CONTINUED)

FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Contributed Capital	Other Reserves	Revaluation Reserve	Accumulated Surplus/ (deficits)	Total
Balance at 31 December 2021 brought forward	74,370,278	606,000	-	3,554,261	78,530,539
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2021	74,370,278	606,000	-	3,554,261	78,530,539
Changes in net worth for 2022					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	(250,000)	-	-	-	(250,000)
Net revenue / expenses recognised directly in net worth	(250,000)	-	-	-	(250,000)
Surplus/(deficit)for the period 2022				643,717	643,717
Total recognised revenues and expenses for the period	(250,000)	-	-	643,717	393,717
Balance at 31 December 2022 carried forward	74,120,278	606,000	-	4,197,978	78,924,256
Balance at 31 December 2022 brought forward	74,120,278	606,000	-	4,197,978	78,924,256
Prior Year Adjustments					
Changes in accounting policy	-	-	-	-	-
Accounting Errors	-	-	-	-	-
Restated balance 31 December 2022	74,120,278	606,000	-	4,197,978	78,924,256
Changes in net worth for 2023					
Gain/(loss) on property revaluation	-	-	-	-	-
Gain/(loss) on revaluation of investments	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	-
Equity Investment from Cabinet	-	-	-	-	-
Capital withdrawals by Cabinet	-	-	-	-	-
Dividends payable to Cabinet	(250,000)	-	-	-	(250,000)
Net revenue / expenses recognised directly in net worth	(250,000)	-	-	-	(250,000)
Surplus/(deficit)for the period 2023				603,313	603,313
Total recognised revenues and expenses for the period	(250,000)	-	-	603,313	353,313
Balance at 31 December 2023	73,870,278	606,000	-	4,801,291	79,277,569

THE WATER AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 1: CASH AND CASH EQUIVALENTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
-	Cash on hand	-	-
-	Cash in transit	-	-
25,360,601	CI$ Account	10,393,711	4,504,063
-	US$ Account	-	-
-	Bank Overdraft	-	-
-	Payroll Current Account	-	-
-	Bank Accounts held at other financial institutions	-	-
-	Short-Term Fixed Deposits	-	-
25,360,601	**TOTAL**	**10,393,711**	**4,504,063**

NOTE 2: TRADE AND OTHER RECEIVABLES

12-Month Forecast 2021	Trade Recivables	12-Month Budget 2022	12-Month Budget 2023
-	Sale of goods and services to Cabinet	-	-
-	Sale of goods and services to Ministries/Portfolios	-	-
-	Sale of goods and services to Statutory Agencies and Government Conpanies	-	-
5,178,315	Sale of goods and services - third party	5,368,315	5,445,315
1,398,729	Other	1,398,729	1,398,729
(541,750)	**Less: provision for doubtful debts**	(541,750)	(541,750)
6,035,294	**Total trade receivables**	**6,225,294**	**6,302,294**

12-Month Forecast 2021	Trade Recivables	12-Month Budget 2022	12-Month Budget 2023
	Current		
6,035,294	Past due 1-30 days	6,225,294	6,302,294
-	Past due 31-60 days	-	-
-	Past due 61-90 days	-	-
-	Past due 90 and above	-	-
	Non-Current		
-	Past due 1 year and above	-	-
6,035,294	**Total**	**6,225,294**	**6,302,294**

NOTE 2: TRADE AND OTHER RECEIVABLES (CONTINUED)

12-Month Forecast Ending Dec-21	Description	12-Month Budget Ending Dec-22	12-Month Budget Ending Dec-23
(541,750)	Balance at begining oF period	(541,750)	(541,750)
(541,750)	**Balance at 31st December**	**(541,750)**	**(541,750)**

NOTE 3: INVENTORIES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Inventories		
306,652	Inventory held for use in the provision of goods and services	426,652	456,652
-	Inventory held for sale	-	-
-	Inventory Other	-	-
-	Impairment of Inventory	-	-
306,652	**INVENTORIES - Current**	**426,652**	**456,652**
	Non-Current Inventories		
-	Inventory held for use in the provision of goods and services	-	-
-	Inventory held for sale	-	-
-	Inventory Other	-	-
-	Impairment of Inventory	-	-
-	**INVENTORIES - Non-Current**	**-**	**-**
306,652	**TOTAL INVENTORIES**	**426,652**	**456,652**

NOTE 5: PREPAYMENTS

12-Month Forecast 2021	Prepayments	12-Month Budget 2022	12-Month Budget 2023
	Current Prepayments		
450	Prepayments - Monthly Expenses	-	-
450	**Prepayments - Current**	**-**	**-**
	Non-Current Prepayments		
-	**Prepayments -Non-Current**	**-**	**-**
450	**Total Prepayments**	**-**	**-**

THE WATER AUTHORITY OF THE CAYMAN ISLANDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDING 31 DECEMBER 2022 AND 31 DECEMBER 2023

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

COST OF PROPERTY, PLANT AND EQUIPMENT

	Land	*Buildings and Leasehold*	*Water Retriculation*	*Infrastructure*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2020	3,555,599	5,650,711	76,014,867	30,471,456	10,753,945	1,766,727	128,213,305
Additions	-	-	-	-	1,381,979	1,311,348	2,693,327
Disposals and Derecognisation	-	-	(44,693)	-	(1,222,205)	(1,366,677)	(2,633,575)
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	1,337,991	28,686	-	-	1,366,677
Balance as at 31 December 2020	3,555,599	5,650,711	77,308,165	30,500,142	10,913,719	1,711,398	129,639,734

	Land	*Buildings and Leasehold*	*Water Retriculation*	*Infrastructure*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2021	3,555,599	5,650,711	77,308,165	30,500,142	10,913,719	1,711,398	129,639,734
Additions	370,000	200,000	4,153,951	809,946	249,999	(1,711,398)	4,072,498
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2021	3,925,599	5,850,711	81,462,116	31,310,088	11,163,718	-	133,712,232

	Land	*Buildings and Leasehold*	*Water Retriculation*	*Infrastructure*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	3,925,599	5,850,711	81,462,116	31,310,088	11,163,718	-	133,712,232
Additions	-	5,500,000	16,150,000	2,370,000	2,150,000	-	26,170,000
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2022	3,925,599	11,350,711	97,612,116	33,680,088	13,313,718	-	159,882,232

	Land	*Buildings and Leasehold*	*Water Retriculation*	*Infrastructure*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	3,925,599	11,350,711	97,612,116	33,680,088	13,313,718	-	159,882,232
Additions	-	4,000,000	18,950,000	9,800,000	1,000,000	-	33,750,000
Disposals and Derecognisation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Balance as at 31 December 2023	3,925,599	15,350,711	116,562,116	43,480,088	14,313,718	-	193,632,232

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Land	*Buildings and Leasehold*	*Water Retriculation*	*Infrastructure*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2020	-	1,717,142	36,818,355	17,152,688	7,448,947	-	63,137,132
Transfers	-	-	-	-	-	-	-
Impairment Reserve 2020 (closing balance)	-	-	-	-	-	-	-
Depreciation Expense 2020	-	113,014	2,593,907	589,435	490,656	-	3,787,012
Eliminate on Disposal or Derecognisation 2020	-	-	(25,920)	-	-	-	(25,920)
Balance as at 31 December 2020	-	1,830,156	39,386,342	17,742,123	7,939,603	-	66,898,224

	Land	*Buildings and Leasehold*	*Water Retriculation*	*Infrastructure*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2021	-	1,830,156	39,386,342	17,742,123	7,939,603	-	66,898,224
Transfers	-	-	-	-	-	-	-
Impairment Reserve 2021 (closing balance)	-	-	-	-	-	-	-
Depreciation Expense 2021	-	112,212	2,608,172	584,329	444,650		3,749,363
Eliminate on Disposal or Derecognisation 2021	-	-	-	-	-	-	-
Balance as at 31 December 2021	-	1,942,368	41,994,514	18,326,452	8,384,253	-	70,647,587

	Land	*Buildings and Leasehold*	*Water Retriculation*	*Infrastructure*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2022	-	1,942,368	41,994,514	18,326,452	8,384,253	-	70,647,587
Transfers	-	-	-	-	-	-	-
Impairment change 2022	-	-	-	-	-	-	-
Depreciation Expense 2022	-	126,181	2,909,180	949,343	662,975		4,647,679
Eliminate on Disposal or Derecognisation 2022	-	-	-	-	-	-	-
Balance as at 31 December 2022	-	2,068,549	44,903,694	19,275,795	9,047,228	-	75,295,266

	Land	*Buildings and Leasehold*	*Water Retriculation*	*Infrastructure*	*Other assets*	*Assets under construction or development*	*Total*
Balance as at 1 January 2023	-	2,068,549	44,903,694	19,275,795	9,047,228	-	75,295,266
Transfers	-	-	-	-	-	-	-
Impairment change 2023	-	-	-	-	-	-	-
Depreciation Expense 2023	-	307,014	3,980,277	1,179,873	1,087,943	-	6,555,107
Eliminate on Disposal or Derecognisation 2023	-	-	-	-	-	-	-
Balance as at 31 December 2023	-	2,375,563	48,883,971	20,455,668	10,135,171	-	81,850,373

Net Book value 31 December 2020	3,555,599	3,820,555	37,921,823	12,758,019	2,974,116	1,711,398	62,741,510
Net Book value 31 December 2021	3,925,599	3,908,343	39,467,602	12,983,636	2,779,465	-	63,064,645
Net Book value 31 December 2022	3,925,599	9,282,162	52,708,422	14,404,293	4,266,490	-	84,586,966
Net Book value 31 December 2023	3,925,599	12,975,148	67,678,145	23,024,420	4,178,547	-	111,781,859

NOTE 9: TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
	Current Trade payables other payables and accruals		
2,299,050	Creditors Third party	2,519,876	2,519,876
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
-	Accrued Expenses	-	-
1,712,004	Other payables	1,820,951	1,820,951
-	Dividends/Surplus Payable	-	-
4,011,054	**Trade payables other payables and accruals - Current**	**4,340,827**	**4,340,827**
	Non-Current Trade payables other payables and accruals		
-	Creditors Third party	-	-
-	Creditors Ministries/Portfolios	-	-
-	Creditors other Statutory Agencies and Government Conpanies	-	-
-	Payroll Deductions	-	-
-	Operating Lease	-	-
-	Accrued Expenses	-	-
80,535	Other payables	72,026	63,112
-	Dividends/Surplus Payable	-	-
80,535	**Trade payables other payables and accruals - Non-Current**	**72,026**	**63,112**
4,091,589	**Total trade payables other payables and accruals**	**4,412,853**	**4,403,939**

NOTE 13: UNFUNDED PENSION LIABILITY

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
-	Value of pension fund allocated asstes	-	-
(3,389,000)	Past service liability	(3,639,000)	(3,889,000)
(3,389,000)	**Fund (deficiency)/Surplus**	**(3,639,000)**	**(3,889,000)**

NOTE 14: UNFUNDED POST RETIREMENT HEALTH CARE PLAN

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
(8,452,000)	Pension Employee Healthcare Benefits, net	(9,352,000)	(10,352,000)
(30,365,000)	non-Pension Eamployee Healthcare Benefits, net	(35,365,000)	(40,365,000)
(38,817,000)	**Total Unfunded Health Care Liability**	**(44,717,000)**	**(50,717,000)**

NOTE 15A: SALE OF GOODS AND SERVICES

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
-	Fees and Charges	-	-
40,607,057	General Sales	41,022,895	44,346,599
-	Rentals	-	-
-	Other Goods & Services Revenue	-	-
-	Sale of goods and services to Cabinet	-	-
-	Sale of goods and services to Other Ministries and Portfolios	-	-
40,607,057	**Total sales of goods and services**	**41,022,895**	**44,346,599**

12-Month Forecast 2021	General Sales	12-Month Budget 2022	12-Month Budget 2023
35,409,093	Water Sales	35,409,093	38,395,969
4,938,947	Sewerage Fees	5,334,063	5,654,107
171,334	Septage Disposal	185,041	196,143
87,683	Misc	94,698	100,380
40,607,057	**Total General Sales**	**41,022,895**	**44,346,599**

12-Month Forecast 2021	Other Goods and Services Revenue	12-Month Budget 2022	12-Month Budget 2023
	Other Interdepartmental Revenue		
-	Revenue from Ministries/Portfolios	-	-
-	Revenue from Statutory Authorities and Government Companies	-	-
-	**Total Other Interdepartmental Revenue**	-	-
40,607,057	**Total Goods and Services**	**41,022,895**	**44,346,599**

NOTE 16: INVESTMENT REVENUE

12-Month Forecast 2021	Revenue type	12-Month Budget 2022	12-Month Budget 2023
156,000	Interest on deposits	157,560	159,199
-	Interest on cash balances	-	-
910,160	Royalties	919,262	928,822
867,589	Statutory Fees from WA Customers	876,265	885,379
143,368	Other	144,801	146,307
2,077,117	**Total Investment revenue**	**2,097,888**	**2,119,707**

NOTE 18: PERSONNEL COSTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
8,305,300	Salaries, wages and allowances	10,124,830	11,051,994
-	Health care CINICO	-	-
1,511,231	Health care other	1,813,477	2,357,520
447,124	Pension	505,212	555,733
-	Leave	-	-
220,988	Other personnel related costs	549,637	614,652
10,484,643	**Total Personnel Costs**	**12,993,156**	**14,579,899**

NOTE 19: SUPPLIES AND CONSUMABLES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
13,695,750	Supplies and Materials	14,863,454	14,138,496
6,296,285	Purchase of services	6,799,988	7,377,987
-	Lease of Property and Equipment	-	-
981,731	Utilities	1,045,543	1,113,504
856,941	General Insurance	942,636	989,767
-	Interdepartmental expenses	-	-
-	Travel and Subsistence	-	-
126,110	Recruitment and Training	140,073	147,044
-	Other	-	-
21,956,817	**Total Supplies & consumables**	**23,791,694**	**23,766,798**

NOTE 20: FINANCE COSTS

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
4,211	Interest on borrowings	3,825	3,421
4,211	**Total Finance cost**	**3,825**	**3,421**

NOTE 21: LITIGATION COST

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
58,299	Legal Fees	114,129	145,085
58,299	**Total Litigation cost**	**114,129**	**145,085**

NOTE 23: RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
2,931,165	**Surplus/(deficit) from ordinary activities**	643,717	603,313
	Non-cash movements		
3,749,363	Depreciation & Amortisation	4,647,679	6,555,107
-	Impairment	100,000	100,000
-	(Gain)/losses on sale of property plant and equipment	-	-
-	(Gain) / loss on derecognition and revaluation of assets	-	-
6,680,528	**Net cash flows from operating activities**	**11,461,619**	**13,301,421**

NOTE 26: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

12-Month Forecast 2021	Description	12-Month Budget 2022	12-Month Budget 2023
1,212,853	Salaries & other short-term employee benefits	1,334,139	1,400,846
-	Past employee benefits	-	-
-	Other long-term benefits	-	-
-	Termination benefits	-	-
-	Loans	-	-
1,212,853	**Total**	**1,334,139**	**1,400,846**

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CAYMAN ISLANDS GOVERNMENT

OWNERSHIP AGREEMENTS

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